



CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	Note	Group		Company	
		30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
ASSETS					
Cash and short-term funds	10	830,919	591,733	493,116	529,900
Deposits and placements with licensed banks and other financial institutions	11	353,365	164,450	339,595	157,920
Securities held-for-trading	12	220,053	259,065	220,053	259,065
Securities available-for-sale	13	3,913,201	3,548,516	1,655	1,655
Derivative assets	14	169	528	-	-
Loans, advances and financing	15	831,080	980,908	123,448	249,793
Other assets	16	242,607	129,447	10,803	19,198
Statutory deposits with Bank Negara Malaysia		112,351	114,645	-	-
Investment in associate		3,208	3,182	2,560	2,560
Investment in subsidiaries		-	-	600,757	600,954
Investment properties		2,827	2,894	-	-
Property, plant and equipment		8,358	3,864	6,426	2,236
Intangible assets		3,309	2,935	-	-
Deferred tax assets		13,187	19,038	4,278	4,259
Goodwill		86,713	86,713	-	-
TOTAL ASSETS		6,621,347	5,907,918	1,802,691	1,827,540
LIABILITIES					
Deposits from customers	17	2,221,171	1,987,757	-	-
Deposits and placements of banks and other financial institutions	18	1,941,967	1,521,857	-	-
Other liabilities		245,007	124,880	47,167	43,270
Borrowings	19	438,365	470,003	310,167	321,972
Provision for taxation and zakat		2,487	2,278	1,271	646
Employee benefits		11,888	11,403	7,862	8,299
TOTAL LIABILITIES		4,860,885	4,118,178	366,467	374,187
SHAREHOLDER'S EQUITY					
Capital and reserves attributable to shareholder of the Company					
Share capital		466,070	466,070	466,070	466,070
Reserves		1,294,181	1,323,460	970,154	987,283
		1,760,251	1,789,530	1,436,224	1,453,353
Non-controlling interests		211	210	-	-
TOTAL SHAREHOLDER'S EQUITY		1,760,462	1,789,740	1,436,224	1,453,353
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		6,621,347	5,907,918	1,802,691	1,827,540
COMMITMENTS AND CONTINGENCIES	27	477,112	503,187	18,484	13,951
NET ASSETS PER SHARE (RM)		3.78	3.84	3.08	3.12

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 30 SEPTEMBER 2017

Group	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
		30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Operating revenue		78,331	89,279	252,327	272,137
Interest income	20	31,832	38,018	106,896	129,561
Interest expense	21	(28,622)	(27,531)	(80,554)	(83,263)
Net interest income		3,210	10,487	26,342	46,298
Net income from Islamic banking operations	32 (b)	19,352	21,710	58,722	59,698
Non-interest income	22	18,020	21,294	59,074	59,135
		40,582	53,491	144,138	165,131
Operating expenses	23	(27,878)	(27,110)	(88,186)	(83,851)
Operating profit		12,704	26,381	55,952	81,280
Impairment losses written-back/(made) on loans, advances and financing	24	1,639	(22,761)	3,713	(17,123)
Impairment losses (made)/written back on securities	25	(2,397)	(863)	(5,701)	602
Impairment losses written back/(made) on other assets		-	196	(467)	82
Profit before share of results in associates		11,946	2,953	53,497	64,841
Share of results in associates		334	340	1,043	1,023
Profit before taxation and zakat		12,280	3,293	54,540	65,864
Taxation		(2,126)	(4,793)	(13,112)	(19,948)
Zakat		(289)	(312)	(911)	(940)
Profit for the financial period		9,865	(1,812)	40,517	44,976
Attributable to:					
Shareholder of the Company		9,867	(1,812)	40,516	44,976
Non-controlling interests		(2)	-	1	-
Profit for the financial period		9,865	(1,812)	40,517	44,976
Earnings per share (sen)					
- Basic and diluted		2.12	(0.39)	8.69	9.65

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 30 SEPTEMBER 2017

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Profit for the financial period	9,865	(1,812)	40,517	44,976
Other comprehensive income, net of tax:				
Items that may be reclassified subsequently to profit or loss:				
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	(1,206)	640	(4,898)	(1,802)
Fair value changes	1,778	9,098	25,118	22,490
Total other comprehensive gain/(loss) for the financial period, net of tax	<u>572</u>	<u>9,738</u>	<u>20,220</u>	<u>20,688</u>
Items that not to be reclassified subsequently to profit or loss:				
Re-measurement loss on defined benefit plans	-	-	(15)	-
Total comprehensive income for the financial period	<u>10,437</u>	<u>7,926</u>	<u>60,722</u>	<u>65,664</u>
Total comprehensive income for the financial period attributable to:				
Shareholder of the Company	10,437	7,926	60,722	65,664
Non-controlling interests	-	-	-	-
	<u>10,437</u>	<u>7,926</u>	<u>60,722</u>	<u>65,664</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 30 SEPTEMBER 2017

Company	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
		30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Operating revenue		23,539	23,559	122,692	74,045
Interest income	20	4,132	5,708	12,558	17,723
Interest expense	21	(1,063)	(1,157)	(3,214)	(3,508)
Net interest income		3,069	4,551	9,344	14,215
Net income from Islamic banking operations	33(b)	10,510	8,684	29,296	24,404
Non-interest income	22	10,321	10,855	85,406	37,697
		23,900	24,090	124,046	76,316
Operating expenses	23	(14,776)	(14,288)	(44,414)	(43,027)
Operating profit		9,124	9,802	79,632	33,289
Impairment losses written-back/(made) on loans, advances and financing	24	924	(384)	1,352	2,588
Impairment loss written-back/(made) on securities	25	9	-	(243)	23
Impairment loss made on other assets		(4)	-	(202)	-
Profit before taxation and zakat		10,053	9,418	80,539	35,900
Taxation		(2,354)	(2,649)	(7,273)	(8,729)
Zakat		(143)	(93)	(395)	(258)
Profit for the financial period		7,556	6,676	72,871	26,913

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 30 SEPTEMBER 2017

<u>Company</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Profit for the financial period	7,556	6,676	72,871	26,913
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	7,556	6,676	72,871	26,913

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.

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



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	Attributable to shareholder of the Company				Distributable	Non-controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Securities Available-For- Sale Reserve # RM'000	Regulatory Reserve ^ RM'000			
Group							
At 1 January 2017	466,070	363,861	(42,534)	3,932	131,324	866,877	1,789,530
Other comprehensive income for the period	-	-	20,220	-	-	(15)	20,205
Profit for the period	-	-	-	-	-	(12,981)	(12,981)
Total comprehensive income for the period	-	-	20,220	-	-	(12,996)	7,224
Transactions with owner	-	-	-	-	-	(90,000)	(90,000)
Dividends	-	-	-	-	-	132,284	-
Transfer to retained profits	-	-	-	(960)	(131,324)	-	-
At 30 September 2017	466,070	363,861	(22,314)	2,972	-	896,165	1,706,754
						211	1,706,965

* The statutory reserve was previously maintained in compliance with the provisions of the Financial Services Act, 2013 and is not distributable as cash dividends. Following Bank Negara Malaysia's recent policy document on Capital Funds issued on 3 May 2017 whereby the previous requirements to maintain a reserve fund is no longer required given the implementation of the Capital Conservation Buffer under the Capital Adequacy Framework, the Group transferred its statutory reserve back to retained profits.

^ 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.

MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017



Group	Attributable to shareholder of the Company		Non-Distributable		Distributable		Non-controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Available-For-Sale Reserve # RM'000	Regulatory Reserve ^ RM'000	Statutory Reserve * RM'000	Retained Profits RM'000		
At 1 January 2016	466,070	363,861	(25,643)	1,458	131,324	857,125	208	1,794,195
Other comprehensive income for the period	-	-	20,688	-	-	-	-	10,950
Profit for the period	-	-	-	-	-	44,976	-	44,976
Total comprehensive income for the period	-	-	20,688	-	-	44,976	-	55,926
Transactions with owner	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Transfer to regulatory reserve	-	-	-	2,728	-	(2,728)	-	-
At 30 September 2016	466,070	363,861	(4,955)	4,186	131,324	899,373	208	1,850,121
								1,850,329

* 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 STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

Company	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	-	-	72,871	72,871
Comprehensive income for the financial period	-	-	72,871	72,871
Transaction with owner				
Dividends	-	-	(90,000)	(90,000)
At 30 September 2017	466,070	363,861	606,293	1,436,224

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

Company	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	-	-	26,913	26,913
Comprehensive income for the financial period	-	-	26,913	26,913
At 30 September 2016	466,070	363,861	702,486	1,532,417

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 30 SEPTEMBER 2017

	Group		Company	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Profit before taxation and zakat:	54,540	65,864	80,539	35,900
Adjustments	(9,420)	3,570	(12,439)	(15,747)
Operating profit before changes in working capital	45,120	69,434	68,100	20,153
Changes in working capital:				
Net changes in operating assets	(248,454)	(331,799)	186,963	147,918
Net changes in operating liabilities	773,636	430,646	3,897	(10,321)
Tax expense paid	(14,348)	(19,233)	(7,063)	(7,992)
Retirement benefits paid	(465)	(465)	(347)	(572)
Net cash generated from operating activities	555,489	148,583	251,550	149,186
Net cash used in generated from investing activities	(5,750)	(1,674)	(4,854)	(455)
Net cash generated used in generated financing activities	(121,638)	7,580	(101,805)	(9,703)
Net increase / (decrease) in cash and cash equivalents	428,101	154,489	144,891	139,028
Cash and cash equivalents at beginning of the financial period	756,183	742,704	687,820	674,444
Cash and cash equivalents at end of the financial period	1,184,284	897,193	832,711	813,472

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

	Group		Company	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Cash and short-term funds	830,919	772,363	493,116	495,572
Deposits and placements with banks and other financial institutions	353,365	124,830	339,595	317,900
	1,184,284	897,193	832,711	813,472

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"), International Accounting Standard 134 ("IAS 34"), 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.

Companies Act, 2016

The unaudited condensed interim financial statements of the Group and of the Company are prepared in accordance with the requirements of the Companies Act, 2016 ("New Act"), which replaced the Companies Act, 1965. Amongst the key changes introduced in the New Act which will affect the financial statements of the Group and of the Company upon the commencement of the New Act on 31 January are:

- (a) the removal of the authorised share capital;
- (b) the ordinary shares of the Group and Company will cease to have par or nominal value; and
- (c) the Company's share premium will become part of the share capital.

Pursuant to Section 618 of the New Act, the Group and the Company has twenty four (24) months to utilise the amount of share premium of RM363.9 million transferable to its share capital.

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 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. Significant accounting policies (cont'd.)

2.2 Standards issued but not yet effective

At the date of authorisation of the unaudited condensed interim 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 materially 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 30 September 2017.

5. Significant estimates and changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 30 September 2017.

6. Debt and equity securities

There were no changes in debt and equity securities during the quarter ended 30 September 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 of RM90,000,000 has been approved by the Board of Directors on 28 February 2017. The dividend has been paid on 5 May 2017.

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 RM54.5 million for the period ended 30 September 2017, a decrease of 17.3% as compared to the previous corresponding period's pre-tax profit of RM65.9 million. The lower pre-tax profit is attributable to lower interest income/profit income earned on loans, and financing and higher impairment loss made on securities during the financial period.

10. Cash and short-term funds

	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Cash and bank balances	92,320	40,255	9,679	3,724
Deposits and placements maturing within one month	738,599	551,478	483,437	526,176
	<u>830,919</u>	<u>591,733</u>	<u>493,116</u>	<u>529,900</u>

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group amounted to RM1,044,000 and RM1,035,000 (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	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Deposits with licensed banks	339,595	155,450	339,595	148,920
Deposits with other financial institutions	13,770	9,000	-	9,000
	<u>353,365</u>	<u>164,450</u>	<u>339,595</u>	<u>157,920</u>

12. Securities held-for-trading

	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
At fair value				
Money market instruments:				
Government Investment Issues	9,994	-	9,994	-
Unquoted securities in Malaysia:				
Corporate Bond and/or Sukuk	60,480	29,984	60,480	29,984
Islamic Commercial Papers	149,578	208,745	149,578	208,745
Shares	1	253	1	253
	<u>210,059</u>	<u>238,982</u>	<u>210,059</u>	<u>238,982</u>
Unit Trust	-	20,083	-	20,083
	<u>220,053</u>	<u>259,065</u>	<u>220,053</u>	<u>259,065</u>

13. Securities available-for-sale

	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	483,445	471,465	-	-
Government Investment Issue	385,945	507,028	-	-
Malaysian Treasury Bills	-	-	-	-
Negotiable Instruments of Deposit	695,520	248,925	-	-
	<u>1,564,910</u>	<u>1,227,418</u>	<u>-</u>	<u>-</u>

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

	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Quoted securities in Malaysia: Shares and Warrants	19,861	21,218	-	-
Unquoted securities in Malaysia: Corporate Bond/Sukuk	2,310,262	2,288,050	7	7
Loan Stocks	12,277	6,275	1,348	1,348
	<u>2,322,539</u>	<u>2,294,325</u>	<u>1,355</u>	<u>1,355</u>
At cost				
Unquoted securities in Malaysia: Shares	5,891	5,555	300	300
	<u>3,913,201</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
30 September 2017		
Interest rate related derivatives: - Interest rate swaps	220,000	169
31 December 2016		
Interest rate related derivatives: - Interest rate swaps	320,000	528

15. Loans, advances and financing

	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Term loans				
Syndicated term loans/financing	68,728	282,629	-	-
Hire purchase receivables	10,211	10,275	1,345	1,383
Real estate financing	27,735	96,047	-	-
Murabahah financing	362,727	230,352	-	-
Lease receivables	1,567	1,568	-	-
Other term loans/financing	228,481	239,860	176,933	303,927
	<u>699,449</u>	<u>860,731</u>	<u>178,278</u>	<u>305,310</u>
Margin accounts	266,013	261,148	-	-
Staff loans	1,567	2,003	1,015	1,333
	<u>967,029</u>	<u>1,123,882</u>	<u>179,293</u>	<u>306,643</u>
Less: Unearned interest / income	(9,182)	(9,189)	(9,182)	(9,189)
Gross loans, advances and financing	<u>957,847</u>	<u>1,114,693</u>	<u>170,111</u>	<u>297,454</u>
Less: Impairment allowance				
- Collective impairment allowance	(9,448)	(7,601)	(5,754)	(4,755)
- Individual impairment allowance	(117,319)	(126,184)	(40,909)	(42,906)
Total net loans, advances and financing	<u>831,080</u>	<u>980,908</u>	<u>123,448</u>	<u>249,793</u>

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

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	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	RM'000	RM'000	RM'000	RM'000
Domestic business enterprises				
- Small medium enterprises	537,800	504,177	119,959	249,506
- Others	191,834	244,468	49,137	46,615
Individuals	228,213	366,048	1,015	1,333
Gross loans, advances and financing	957,847	1,114,693	170,111	297,454

b. By interest/profit rate sensitivity

	Group		Company	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Staff loans	1,567	2,003	1,015	1,333
- Hire purchase receivables	10,211	10,275	1,345	1,383
- Other fixed rate loan/financing	424,327	508,958	90,941	91,967
Variable rate				
- BLR plus	28,065	27,260	28,065	27,260
- Cost plus	493,677	566,197	48,745	175,511
Gross loans, advances and financing	957,847	1,114,693	170,111	297,454

c. By economic sector

	Group		Company	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	RM'000	RM'000	RM'000	RM'000
Mining and quarrying	98,187	88,730	-	-
Manufacturing	111,899	129,209	53,385	55,695
Construction	117	117	-	-
Wholesale & retail trade and restaurants & hotels	70,383	51,008	42,940	39,778
Transport, storage and communications	2,903	3,066	2,235	2,398
Finance, insurance, and business services	465,508	230,782	66,357	193,915
Purchase of transport vehicles	7,554	7,607	-	-
Others	201,296	604,174	5,194	5,668
Gross loans, advances and financing	957,847	1,114,693	170,111	297,454

d. By residual contractual maturity

	Group		Company	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	RM'000	RM'000	RM'000	RM'000
Within one year	575,048	658,920	72,200	77,800
One year to five years	347,809	434,427	74,370	198,429
After five years	34,990	21,346	23,541	21,225
Gross loans, advances and financing	957,847	1,114,693	170,111	297,454

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

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

(i) Movements in ILs

	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 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	21,517	244,974	-	(28,706)
Amount recovered	(64,243)	(116,499)	(907)	(2,776)
Amount written off	(72)	(20,218)	(72)	(4,063)
At 30 September / 31 December	525,672	568,470	64,263	65,242
Less: Individual impairment allowance	(117,319)	(126,184)	(40,909)	(42,906)
Net ILs	408,353	442,286	23,354	22,336
Net ILs as % of gross loans, advances and financing less individual impairment allowance	48.58%	44.74%	18.08%	8.77%

(ii) ILs by economic sector

	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Mining and quarrying	86,200	88,730	-	-
Manufacturing	107,668	123,489	49,154	49,975
Construction	117	117	-	-
Wholesale & retail trade and restaurants & hotels	24,047	24,197	12,817	12,968
Transport, storage and communication	948	886	280	218
Finance, insurance, and business services	296,833	89,185	1,593	1,663
Purchase of transport vehicles	7,554	7,607	-	-
Others	2,305	234,259	419	419
	525,672	568,470	64,263	65,242

(iii) Movements in impairment provision

	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Individual impairment allowance				
At 1 January	126,184	138,736	42,906	40,550
Reclassification to other liabilities and AFS	(9,728)	-	-	-
Impairment made during the financial period/year	8,858	18,136	24	8,609
Amount written-back	(5,399)	(1,800)	(838)	(1,121)
Amount written off	(789)	(20,218)	(789)	(4,063)
Discount unwind	(1,807)	(8,670)	(394)	(1,069)
At 30 September / 31 December	117,319	126,184	40,909	42,906

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

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

(iii) Movements in impairment provision (cont'd)

	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Collective impairment allowance				
At 1 January	7,601	12,011	4,755	5,039
Impairment made/(written back) during the financial period	1,847	(4,410)	999	(284)
At 30 September / 31 December	<u>9,448</u>	<u>7,601</u>	<u>5,754</u>	<u>4,755</u>
% of total loans, advances and financing less individual impairment allowance	1.12%	0.77%	4.45%	1.87%

16. Other assets

	Note	Group		Company	
		30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Interest/profit receivables		39,724	33,706	4,970	5,517
Amount due from brokers and clients	(b)	160,098	44,890	-	-
Less: Individual impairment allowance		-	-	-	-
		160,098	44,890	-	-
Deposits, prepayments and other receivables		23,595	21,853	3,669	8,468
Less: Individual impairment allowance		(8,934)	(4,515)	-	-
		14,661	17,338	3,669	8,468
Amount receivables from Danaharta		97,877	97,877	-	-
Less: Individual impairment allowance		(97,877)	(97,877)	-	-
		-	-	-	-
Amount due from subsidiaries	(a)	-	-	2,164	1,625
Amount due from Government Scheme Fund		-	3,588	-	3,588
Tax recoverable		28,124	29,925	-	-
		<u>242,607</u>	<u>129,447</u>	<u>10,803</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

Group	Note	30 September 2017 RM'000	31 December 2016 RM'000
Brokers		54,525	24,654
Amount due from clients		105,573	20,236
		<u>160,098</u>	<u>44,890</u>
Less: Individual impairment allowance	(i)	-	-
		<u>160,098</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.

Group	30 September 2017 RM'000	31 December 2016 RM'000
(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 30 September / 31 December	<u>-</u>	<u>-</u>

17. Deposits from customers

	Group	
	30 September 2017 RM'000	31 December 2016 RM'000
(i) By type of deposit		
- Call deposits	25,749	31,072
- Fixed deposits	2,195,422	1,956,685
	<u>2,221,171</u>	<u>1,987,757</u>
(ii) By type of customer		
- Business enterprises	1,659,367	1,678,421
- Government and statutory bodies	559,247	306,847
- Individuals	2,557	2,489
	<u>2,221,171</u>	<u>1,987,757</u>
(iii) The maturity structure of term deposits are as follows:		
- Due within six months	2,064,275	1,955,495
- Six months to one year	156,896	32,262
	<u>2,221,171</u>	<u>1,987,757</u>

18. Deposits and placements of banks and other financial institutions

	Group	
	30 September 2017 RM'000	31 December 2016 RM'000
(i) Call deposits		
- Other financial institutions	9,042	3,811
(ii) Fixed deposits		
- Licensed banks	60,400	12,300
- Licensed Islamic banks	-	-
- Other financial institutions	1,872,525	1,505,746
	<u>1,932,925</u>	<u>1,518,046</u>
	<u>1,941,967</u>	<u>1,521,857</u>

19. Borrowings

	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
(a) Short Term:				
- Unsecured	6,985	11,805	6,985	11,805
	<u>6,985</u>	<u>11,805</u>	<u>6,985</u>	<u>11,805</u>
(b) Long Term:				
- Unsecured	271,380	298,198	143,182	150,167
- Unsecured - Islamic Operations	160,000	160,000	160,000	160,000
	<u>431,380</u>	<u>458,198</u>	<u>303,182</u>	<u>310,167</u>
Total borrowings	<u>438,365</u>	<u>470,003</u>	<u>310,167</u>	<u>321,972</u>

20. Interest income

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Group				
Loans, advances and financing				
- Interest income on non-impaired loans	3,236	7,295	15,590	23,870
- Interest income on impaired loans ("ILs")	284	2,458	11,383	21,057
Money at call and deposit placements with financial institutions	6,804	3,624	15,282	10,187
Securities held-for-trading ("HFT")	-	-	3	-
Securities available-for-sale ("AFS")				
- Interest income on non-impaired AFS	19,468	12,549	61,191	39,497
- Interest income on impaired AFS	1,245	95	2,922	351
Securities held-to-maturity ("HTM")				
- Interest income on non-impaired HTM	-	11,786	-	32,957
Accretion of discounts (net of amortisation of premium)	749	(43)	373	(189)
Derivative Instruments	46	254	152	1,831
	<u>31,832</u>	<u>38,018</u>	<u>106,896</u>	<u>129,561</u>

20. Interest income (cont'd.)

<u>Company</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income on non-impaired loans	1,003	2,748	3,722	9,163
- Interest income on impaired loans ("ILs")	122	477	395	1,995
Money at call and deposit placements with financial institutions	3,006	2,480	8,429	6,546
Securities available-for-sale ("AFS")				
- Interest income on impaired AFS	1	3	12	19
	<u>4,132</u>	<u>5,708</u>	<u>12,558</u>	<u>17,723</u>

21. Interest expense

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	11,194	14,511	33,226	41,429
Deposits from customers	14,398	11,126	38,291	35,948
Borrowings	1,967	737	5,823	2,378
Concessionary funds	1,063	1,157	3,214	3,508
	<u>28,622</u>	<u>27,531</u>	<u>80,554</u>	<u>83,263</u>
<u>Company</u>				
Concessionary funds	1,063	1,157	3,214	3,508
	<u>1,063</u>	<u>1,157</u>	<u>3,214</u>	<u>3,508</u>

22. Non-interest income

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Agency fees	-	13	-	188
Underwriting fees	504	664	662	1,697
Management fees	1,183	1,665	7,042	3,518
Corporate advisory fees	588	565	1,572	1,243
Brokerage fees	3,781	4,636	15,093	13,948
Income from Government Scheme Funds	2,766	2,425	10,267	8,160
Other fees	4,135	(535)	6,707	6,959
	<u>12,957</u>	<u>9,433</u>	<u>41,343</u>	<u>35,713</u>

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

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Investment income:				
Gain/(loss) on sale of securities:				
- Held-for-trading	-	-	13	-
- Available-for-sale	13	15	2	2,211
- Held-to-maturity	-	3,164	-	3,164
Net unrealised gain on revaluation of securities held-for-trading	4,279	4,576	13,732	16,015
Net unrealised (loss)/gain on revaluation of derivative instruments	(105)	(1,009)	(358)	(4,217)
	<u>4,187</u>	<u>6,746</u>	<u>13,389</u>	<u>17,173</u>
Gross dividend income:				
Securities available-for-sale	123	937	1,903	937
	<u>123</u>	<u>937</u>	<u>1,903</u>	<u>937</u>
Other income:				
Rental from:				
- Office premises	325	2,550	1,070	3,411
Others	428	1,628	1,369	1,901
	<u>753</u>	<u>4,178</u>	<u>2,439</u>	<u>5,312</u>
Total non-interest income	<u>18,020</u>	<u>21,294</u>	<u>59,074</u>	<u>59,135</u>
Company				
Fee income:				
Management fees	2,053	2,145	6,304	6,434
Income from Government Scheme Funds	2,766	2,425	10,267	8,160
	<u>4,819</u>	<u>4,570</u>	<u>16,571</u>	<u>14,594</u>
Investment income:				
Net unrealised gain on revaluation of securities held-for-trading	4,279	4,576	13,732	16,015
	<u>4,279</u>	<u>4,576</u>	<u>13,732</u>	<u>16,015</u>
Gross dividend income:				
Subsidiaries	-	-	50,000	-
Associate	-	-	1,017	1,617
Securities available-for-sale	-	300	300	300
	<u>-</u>	<u>300</u>	<u>51,317</u>	<u>1,917</u>
Other income:				
Rental from:				
- Office premises	1,024	1,071	3,116	3,167
Others	199	338	670	1,074
	<u>1,223</u>	<u>1,409</u>	<u>3,786</u>	<u>5,171</u>
Total non-interest income	<u>10,321</u>	<u>10,855</u>	<u>85,406</u>	<u>37,697</u>

23. Operating expenses

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Staff costs				
Wages, salaries and bonuses	15,655	15,641	49,467	48,525
Employee benefits:				
Current period	164	270	691	806
Social security costs	185	88	364	232
Defined contribution plan	2,578	2,603	8,188	7,366
Other staff related expenses	2,283	957	5,263	3,681
	<u>20,865</u>	<u>19,559</u>	<u>63,973</u>	<u>60,610</u>
Establishment costs				
Depreciation	974	510	1,966	1,394
Office rental	1,577	1,973	5,923	5,902
Equipment rental	25	26	70	72
Others	1,243	1,083	6,016	4,491
	<u>3,819</u>	<u>3,592</u>	<u>13,975</u>	<u>11,859</u>
Promotion and marketing-related expenses				
Business promotion and advertisement	1,019	1,076	2,841	3,513
Entertainment	103	113	340	354
	<u>1,122</u>	<u>1,189</u>	<u>3,181</u>	<u>3,867</u>
General and administrative expenses				
Auditors' remuneration				
- Audit fees	115	124	371	384
Directors' fees and meeting allowances	559	643	1,371	1,613
Communication expenses	143	110	331	351
Loss on disposal of property, plant and equipment	-	-	-	45
Professional fees	526	159	1,702	1,141
Securities Commission's levy	246	274	1,024	796
Brokerage fee	223	1,078	708	1,486
Others	260	382	1,550	1,699
	<u>2,072</u>	<u>2,770</u>	<u>7,057</u>	<u>7,515</u>
	<u>27,878</u>	<u>27,110</u>	<u>88,186</u>	<u>83,851</u>

<u>Company</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Personnel costs				
Wages, salaries and bonuses	7,823	7,514	24,234	22,235
Employee benefits:				
Current period	199	195	601	583
Social security costs	51	50	154	133
Defined contribution plan	1,338	1,272	4,295	3,674
Other staff related expenses	1,039	993	2,859	2,966
	<u>10,450</u>	<u>10,024</u>	<u>32,143</u>	<u>29,591</u>
Establishment costs				
Depreciation	243	221	664	704
Office rental	1,952	1,956	5,883	5,865
Equipment rental	12	11	29	28
Others	624	557	1,793	1,794
	<u>2,831</u>	<u>2,745</u>	<u>8,369</u>	<u>8,391</u>

23. Operating expenses (cont'd.)

<u>Company (cont'd.)</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	RM'000	RM'000	RM'000	RM'000
Promotion and marketing-related expenses				
Business promotion and advertisement	569	624	1,228	1,785
Entertainment	11	10	24	16
	<u>580</u>	<u>634</u>	<u>1,252</u>	<u>1,801</u>
General and administrative expenses				
Auditors' remuneration				
- Audit fees	48	49	145	148
Directors' fees and meeting allowances	262	375	696	878
Communication expenses	73	58	181	198
Loss on disposal of property, plant and equipment	-	-	-	45
Building maintenance	192	208	556	540
Professional fees	284	85	872	835
GST expense	26	85	116	288
Others	30	25	84	312
	<u>915</u>	<u>885</u>	<u>2,650</u>	<u>3,244</u>
	<u>14,776</u>	<u>14,288</u>	<u>44,414</u>	<u>43,027</u>

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

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	RM'000	RM'000	RM'000	RM'000
(a) Individual impairment allowances				
- written-back / (made) in the financial period (net)	1,144	(22,841)	(3,459)	(25,625)
(b) Collective impairment allowances				
- made in the financial period (net)	(354)	(6,043)	(1,847)	(1,249)
(c) Recoveries from impaired loans	849	6,123	9,019	9,751
	<u>1,639</u>	<u>(22,761)</u>	<u>3,713</u>	<u>(17,123)</u>

<u>Company</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	RM'000	RM'000	RM'000	RM'000
(a) Individual impairment allowances				
- written-back / (made) in financial period (net)	249	(397)	814	851
(b) Collective impairment allowances				
- written-back / (made) in financial period (net)	349	(85)	(999)	1,057
(c) Recoveries from impaired loans	326	98	1,537	680
	<u>924</u>	<u>(384)</u>	<u>1,352</u>	<u>2,588</u>

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

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Securities available-for-sale (net)	(2,397)	(863)	(5,701)	602
	<u>(2,397)</u>	<u>(863)</u>	<u>(5,701)</u>	<u>602</u>
<u>Company</u>				
Securities available-for-sale (net)	9	-	(243)	23
	<u>9</u>	<u>-</u>	<u>(243)</u>	<u>23</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 Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Segment Revenue				
Investment banking	60,094	65,236	175,862	183,726
Development finance	11,049	11,533	43,204	40,542
Asset management	1,290	1,065	3,729	3,098
Investment holding	6,722	17,453	79,795	43,297
Others	4,668	3,341	14,973	25,819
	<u>83,823</u>	<u>98,628</u>	<u>317,563</u>	<u>296,482</u>
Inter-segment elimination	(5,492)	(9,349)	(65,236)	(24,345)
	<u>78,331</u>	<u>89,279</u>	<u>252,327</u>	<u>272,137</u>
Segment Results				
Investment banking	684	19,472	22,707	46,552
Development finance	9,568	6,673	28,505	24,583
Asset management	(44)	(182)	(148)	(577)
Investment holding	439	2,741	52,093	11,342
Others	1,299	(25,716)	1,159	(14,502)
Inter-segment elimination	-	(36)	(50,819)	(2,558)
	<u>11,946</u>	<u>2,952</u>	<u>53,497</u>	<u>64,840</u>
Share of results in associates	334	341	1,043	1,024
	<u>12,280</u>	<u>3,293</u>	<u>54,540</u>	<u>65,864</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 30 September 2017 →			← As at 31 December 2016 →		
	Principal amount	Credit equivalent amount*	Risk weighted amount	Principal amount	Credit equivalent amount*	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Obligations under underwriting agreement	15,984	7,992	7,992	10,000	5,000	5,000
Interest rate related contracts with an original maturity						
- Not exceeding one year	220,000	558	112	220,000	614	123
- Exceeding one year	-	-	-	100,000	1,341	268
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	209,033	41,807	41,807	115,289	23,058	23,056
- Maturity exceeding one year	32,095	16,049	16,049	57,898	24,764	24,764
Total	477,112	66,406	65,959	503,187	54,777	53,211
<u>Company</u>						
Irrevocable commitments to extend credit:						
- Maturity exceeding one year	18,484	9,242	9,242	13,951	6,975	6,975
Total	18,484	9,242	9,242	13,951	6,975	6,975

* 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 30 September 2017 RM'000	As at 30 September 2016 RM'000	As at 30 September 2017 RM'000	As at 30 September 2016 RM'000
Penultimate holding company				
Income:				
Brokerage fees earned	5,286	6,381	-	-
Expenditures:				
Interest expense on deposits	-	35	-	-
Rental expense	5,582	5,582	5,582	5,794
Subsidiaries				
Income:				
Interest on loans	-	-	2,840	9,240
Rental of premises	-	-	2,018	2,045
Management fees	-	-	6,259	6,278
Dividend from subsidiaries	-	-	50,000	-
Expenditures:				
Other expenses	-	-	-	3
Associates				
Income:				
Rental received	-	-	326	326
Dividend from associates	-	-	1,017	1,617
Expenditures:				
Interest expense on deposits	-	-	-	-
Other related companies				
Income:				
Interest income on securities	3,993	12,448	-	-
Fee income	-	-	-	-
Management fees	4	20	4	20
Brokerage fees earned	2,226	738	-	-
Expenditures:				
Interest expense on deposits	2,003	4,046	-	-

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 30 September 2017 RM'000	As at 31 December 2016 RM'000	As at 30 September 2017 RM'000	As at 31 December 2016 RM'000
Penultimate holding company				
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	-	-	-	-
Other payables	-	-	-	-
Subsidiaries				
Amount due from:				
Loans, advances and financing	-	-	50,606	175,511
Trade receivables	-	-	1,939	1,625
Amount due to:				
Rental deposit received	-	-	649	649
Other payables	-	-	458	510
Associates				
Amount due to:				
Rental deposit received	109	109	109	109
Other related companies				
Amount due from:				
Fee receivables	-	80	-	-
Trade receivables	-	553	-	1
Securities	30,071	169,475	-	-
Amount due to:				
Deposits from placements of banks and other financial institutions	125,939	104,909	-	-
Other payables	-	134	-	25

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 30 September 2017	As at 31 December 2016
(i) Total credit exposures with connected parties	87,609	330,000
(ii) Percentage of total credit exposures to connected parties as proportion of total credit exposures	2.46%	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 30 September 2017 RM'000	As at 31 December 2016 RM'000	As at 30 September 2017 RM'000	As at 31 December 2016 RM'000
Tier 1 Capital				
Common Equity Tier 1 ("CET1")				
Capital				
Ordinary shares	466,070	466,070	466,070	466,070
Share premium	363,861	363,861	363,861	363,861
Statutory reserve	-	131,324	-	-
Securities available-for-sale reserve	(22,314)	(42,534)	-	-
Regulatory reserve	2,972	3,932	-	-
Retained profits	909,161	866,877	533,422	623,422
	<u>1,719,750</u>	<u>1,789,530</u>	<u>1,363,353</u>	<u>1,453,353</u>
Less: Regulatory adjustments	(120,426)	(121,884)	(618,632)	(613,857)
Total CET1 Capital / Tier 1 Capital	<u>1,599,324</u>	<u>1,667,646</u>	<u>744,721</u>	<u>839,496</u>
Tier 2 Capital				
Collective impairment allowance and regulatory reserve	5,340	5,956	571	1,074
Total Tier 2 capital	<u>5,340</u>	<u>5,956</u>	<u>571</u>	<u>1,074</u>
Total Capital	<u>1,604,664</u>	<u>1,673,602</u>	<u>745,292</u>	<u>840,570</u>
CET 1 Capital	57.993%	62.935%	135.346%	128.771%
Tier 1 Capital	57.993%	62.935%	135.346%	128.771%
Total Capital	58.186%	63.160%	135.450%	128.936%

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

	Group		Company	
	As at 30 September 2017 RM'000	As at 31 December 2016 RM'000	As at 30 September 2017 RM'000	As at 31 December 2016 RM'000
Total risk weighted assets for credit risk	2,280,763	2,176,711	323,265	417,923
Total risk weighted assets equivalent for market risk	56,997	93,952	48,197	62,752
Total risk weighted assets equivalent for operational risk	420,049	379,138	178,774	171,252
	<u>2,757,809</u>	<u>2,649,801</u>	<u>550,236</u>	<u>651,927</u>

31. 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
At 30 September 2017				
Financial assets				
Assets measured at fair value:				
Securities held-for-trading				
Unquoted securities	-	220,052	1	220,053
Securities available-for-sale				
Money market instruments	-	1,564,910	-	1,564,910
Quoted securities	19,861	-	-	19,861
Unquoted securities	-	2,119,550	202,989	2,322,539
Derivative assets	-	169	-	169
	<u>19,861</u>	<u>3,914,675</u>	<u>202,990</u>	<u>4,137,526</u>
Assets for which fair value are disclosed:				
Loans, advances and financing				
- staff loans	-	1,006	-	1,006
Investment properties				
Residential properties	-	-	7,366	7,366
Office property	-	-	1,836	1,836
	<u>-</u>	<u>-</u>	<u>9,202</u>	<u>9,202</u>
Liability for which fair values are disclosed:				
Borrowings	-	438,365	-	438,365
	<u>-</u>	<u>438,365</u>	<u>-</u>	<u>438,365</u>

31. Fair value hierarchy (cont'd.)

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2016				
Financial assets				
Assets measured at fair value:				
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	329,690	2,299,252
Derivative assets	-	528	-	528
Assets for which fair value are disclosed:				
Loans, advances and financing				
- staff loans	-	1,154	-	1,154
Investment properties				
Residential properties	-	-	6,508	6,508
Office property	-	-	1,301	1,301
Liability for which fair values are disclosed:				
Borrowings	-	470,003	-	470,003
Company				
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 30 September 2017				
Assets measured at fair value:				
Securities held-for-trading				
Unquoted securities	-	220,052	1	220,053
Securities available-for-sale				
Unquoted securities	-	-	1,355	1,355
	-	230,046	1,356	231,402
Assets for which fair value are disclosed:				
Loans, advances and financing				
- staff loans	-	784	-	784
Liability for which fair values are disclosed:				
Borrowings	-	310,167	-	310,167

31. Fair value hierarchy (cont'd.)

Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2016				
Assets measured at fair value:				
Securities held-for-trading				
Money market instruments				-
Unquoted securities	-	258,812	253	259,065
Securities available-for-sale				
Unquoted securities	-	-	1,355	1,355
	<u>-</u>	<u>258,812</u>	<u>1,608</u>	<u>260,420</u>
Assets for which fair value are disclosed:				
Loans, advances and financing				
- staff loans	-	1,029	-	1,029
Liability for which fair values are disclosed:				
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
At 30 September 2017			
At 1 January 2017	253	329,690	329,943
Additional unquoted securities	-	7,040	7,040
Total gains/(losses) recognised in profit or loss:			
Included within interest income	-	2,910	2,910
Included within net income from Islamic Banking Operation	-	2,052	2,052
Included within impairment loss on securities	(252)	(5,458)	(5,710)
	<u>(252)</u>	<u>(487)</u>	<u>(739)</u>
Settlements	-	(133,254)	(133,254)
At 30 September 2017	<u>1</u>	<u>202,989</u>	<u>202,990</u>
At 31 December 2016			
At 1 January 2016	253	10,279	10,532
Additional unquoted securities		323,408	323,408
Total gains/(losses) recognised in profit or loss:			
Included within interest income	-	481	481
Included within impairment loss on securities	-	151	151
	-	632	632
Settlements		(4,629)	(4,629)
At 31 December 2016	<u>253</u>	<u>329,690</u>	<u>329,943</u>

31. Fair value hierarchy (cont'd)

Company	Securities held-for- trading RM'000	Securities available- for-sale RM'000	Total RM'000
At 30 September 2017			
At 1 January 2017	253	1,355	1,608
Total gains/(losses) recognised in profit or loss:			
Included within impairment written back on securities	-	9	9
Included within impairment loss on securities	(252)	-	(252)
	(252)	9	(243)
Settlements	-	(9)	(9)
At 30 September 2017	<u>1</u>	<u>1,355</u>	<u>1,356</u>

Company	Securities held-for- trading RM'000	Securities available- for-sale RM'000	Total RM'000
At 31 December 2016			
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>

32. Operations of Islamic Banking Business

(a) CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	Note	Group		Company	
		30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
ASSETS					
Cash and short-term funds	32 (f)	129,740	120,067	107,112	119,491
Deposits and placements with licensed banks and other financial institutions	32 (g)	59,600	43,600	59,600	43,600
Securities available-for-sale	32 (h)	1,928,890	1,478,943	-	-
Financing and advances	32 (i)	216,106	228,014	36,130	31,897
Other assets		35,588	33,730	19,736	20,134
Intangible asset		951	-	-	-
Deferred tax assets		1,884	3,257	465	423
TOTAL ASSETS		2,372,759	1,907,611	223,043	215,545
LIABILITIES					
Deposits from customers	32 (j)	629,427	502,766	-	-
Deposits and placements of banks and other financial institutions	32 (k)	900,010	553,439	-	-
Borrowings	32 (l)	160,000	160,000	160,000	160,000
Other liabilities		68,732	49,977	26,919	21,169
Provision for taxation and zakat		8,201	10,809	756	522
Amount due to Head Office		420	302	420	302
TOTAL LIABILITIES		1,766,790	1,277,293	188,095	181,993
ISLAMIC BANKING CAPITAL FUNDS					
Funds allocated from Head Office		416,600	416,600	20,000	20,000
Reserves		189,369	213,718	14,948	13,552
TOTAL ISLAMIC BANKING CAPITAL FUNDS		605,969	630,318	34,948	33,552
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		2,372,759	1,907,611	223,043	215,545

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

(b) CONDENSED STATEMENT OF PROFIT & LOSS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

<u>Group</u>	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
		30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Income derived from investment of depositors funds and others		23,335	21,596	68,005	61,391
Income derived from Government Scheme Funds		9,483	7,573	25,755	21,296
Total attributable income		32,818	29,169	93,760	82,687
Income attributable to depositors		(13,466)	(7,459)	(35,038)	(22,989)
Net income attributable to the reporting institution		19,352	21,710	58,722	59,698
Other operating expenses		(4,679)	(4,795)	(14,064)	(13,892)
Operating profit		14,673	16,915	44,658	45,806
Impairment losses (made)/ written back on securities		(614)	-	(2,400)	594
Impairment losses written back/(made) on financing and advances	32 (o)	79	(520)	3,828	1,291
Impairment losses made on other assets		-	1	(410)	27
Profit before taxation and zakat		14,138	16,396	45,676	47,718
Taxation		(2,919)	(4,272)	(10,326)	(11,266)
Zakat		(289)	(312)	(911)	(940)
Profit for the financial period		10,930	11,812	34,439	35,512
Company					
Income derived from investment of depositors funds and others		1,027	1,111	3,541	3,108
Income derived from Government Scheme Funds		9,483	7,573	25,755	21,296
Income attributable to the reporting institution		10,510	8,684	29,296	24,404
Other operating expenses		(3,622)	(3,854)	(11,140)	(11,235)
Operating profit		6,888	4,830	18,156	13,169
Impairment losses written back/(made) on financing and advances	32 (o)	111	(4)	1,530	42
Impairment losses written back on securities		-	-	-	-
Impairment losses made on other asset		-	-	-	(28)
Profit before taxation and zakat		6,999	4,826	19,686	13,183
Taxation		(1,368)	(1,179)	(4,343)	(3,164)
Zakat		(145)	(93)	(395)	(258)
Profit for the financial period		5,486	3,554	14,948	9,761

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

(c) CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Group				
Profit for the financial period	10,930	11,812	34,439	35,512
Other comprehensive income:				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
Net gain on securities available-for-sale				
Cumulative gain transferred to profit and loss upon disposal	(4,885)	(28)	(4,896)	(39)
Fair value changes	39	1,922	10,195	5,551
Other comprehensive gain for the year, net of tax	(4,846)	1,894	5,299	5,512
Total comprehensive income for the period	6,084	13,706	39,738	41,024
Company				
Profit for the financial period	5,486	3,554	14,948	9,761
Other comprehensive income/(loss):				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
Net loss on securities available-for-sale				
Cumulative gain transferred to profit and loss upon disposal	-	-	-	-
Fair value changes	-	-	-	-
Other comprehensive gain for the year, net of tax	-	-	-	-
Total comprehensive income for the period	5,486	3,554	14,948	9,761

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

(d) CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

<u>Group</u>	← Non-distributable →		Distributable	
	Islamic banking funds RM'000	Securities available-for-sale reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2016	416,600	(5,639)	184,285	595,246
Profit for the financial year	-	-	35,512	35,512
Other comprehensive income	-	1,894	-	1,894
Total comprehensive income for the period	-	1,894	35,512	37,406
At 30 September 2016	416,600	(3,745)	219,797	632,652
At 1 January 2017	416,600	(8,255)	221,438	629,783
Profit for the financial year	-	-	34,439	34,439
Other comprehensive income	-	5,299	-	5,299
Total comprehensive income for the period	-	5,299	34,439	39,738
Dividends	-	-	(50,000)	(50,000)
Allocation to Head Office	-	-	(13,552)	(13,552)
At 30 September 2017	416,600	(2,956)	192,325	605,969

(d) CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

<u>Company</u>	← Non-distributable →		Distributable	
	Islamic banking funds RM'000	Retained profits RM'000	Total RM'000	
At 1 January 2016	20,000	10,485	30,485	
Total comprehensive income for the period	-	-	-	
Allocation to Head Office	-	-	-	
At 30 September 2016	20,000	10,485	30,485	
At 1 January 2017	20,000	13,552	33,552	
Total comprehensive income for the period	-	14,948	14,948	
Allocation to Head Office	-	(13,552)	(13,552)	
At 30 September 2017	20,000	14,948	34,948	

32 Islamic banking business (cont'd.)

(e) CONDENSED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	Group		Company	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Profit before taxation and zakat	45,676	47,718	19,686	13,183
Adjustments for non-cash items	(15,948)	(7,053)	(1,532)	(34)
Operating profit before changes in working capital	29,728	40,665	18,154	13,149
Changes in working capital:				
Net changes in operating assets	(421,960)	(304,067)	(1,199)	12,842
Net changes in operating liabilities	482,562	288,778	218	(552)
Net cash generated from operating activities	90,330	25,376	17,173	25,439
Net cash generated from investing activities	(1,105)	-	-	-
Net cash generated used in financing activities	(63,552)	-	(13,552)	-
Net increase in cash and cash equivalents	25,673	20,518	3,621	20,580
Cash and cash equivalents at beginning of the period	163,667	152,300	163,091	151,401
Cash and cash equivalents at end of the period	189,340	172,818	166,712	171,981

Cash and cash equivalents comprise:

	Group		Company	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Cash and short-term funds	129,740	131,118	107,112	130,281
Deposits and placements	59,600	41,700	59,600	41,700
	189,340	172,818	166,712	171,981

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

(f) Cash and short-term funds

	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Cash and bank balances	9,220	1,667	6,912	1,091
Deposits and placements maturing within one month	120,520	118,400	100,200	118,400
	<u>129,740</u>	<u>120,067</u>	<u>107,112</u>	<u>119,491</u>

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

	Group and Company	
	30 September 2017 RM'000	31 December 2016 RM'000
Deposits with licensed banks	59,600	43,600
	<u>59,600</u>	<u>43,600</u>

(h) Securities available-for-sale

	Group	
	30 September 2017 RM'000	31 December 2016 RM'000
At fair value		
Money market instruments:		
Government Investment Issue	380,009	501,129
Islamic Negotiable Instruments	595,513	248,925
Unquoted securities in Malaysia:		
Islamic Private Debt Securities	953,368	728,889
	<u>1,928,890</u>	<u>1,478,943</u>

(i) Financing and advances

	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Term financing				
- Syndicated term financing	182,744	198,901	-	-
- Islamic hire purchase/leasing	553	590	553	590
- Other term financing	47,704	44,972	47,704	44,972
	<u>231,001</u>	<u>244,463</u>	<u>48,257</u>	<u>45,562</u>
Less: Unearned income	(9,161)	(9,167)	(9,161)	(9,167)
Gross financing and advances	<u>221,840</u>	<u>235,296</u>	<u>39,096</u>	<u>36,395</u>
Less: Impairment provision				
- Collective impairment provision	(4,704)	(4,546)	(1,936)	(1,762)
- Individual impairment provision	(1,030)	(2,736)	(1,030)	(2,736)
Total net financing and advances	<u>216,106</u>	<u>228,014</u>	<u>36,130</u>	<u>31,897</u>

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

(I) Financing and advances (cont'd)

(i) By contract

Group

30 September 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	182,744	-	-	182,744
Deferred payment sales	-	38,543	-	38,543
Finance lease	-	-	553	553
	<u>182,744</u>	<u>38,543</u>	<u>553</u>	<u>221,840</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

30 September 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	38,543	-	38,543
Finance lease	-	553	553
	<u>38,543</u>	<u>553</u>	<u>39,096</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>

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

(i) Financing and advances (cont'd)

(ii) By contract

	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Commodity Murabahah	182,744	198,901	-	-
Bai Bithaman Ajil (deferred payment sale)	38,543	35,805	38,543	35,805
Al-Ijarah Thumma Al-Bai (finance lease)	553	590	553	590
	<u>221,840</u>	<u>235,296</u>	<u>39,096</u>	<u>36,395</u>

(iii) By types of customer

Domestic business enterprises	<u>221,840</u>	<u>235,296</u>	<u>39,096</u>	<u>36,395</u>
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(iv) By profit rate sensitivity

Variable rate				
Cost-plus	182,744	198,901	-	-
Fixed rate				
Hire purchase receivables	553	590	553	590
Other fixed rate financing	38,543	35,805	38,543	35,805
	<u>221,840</u>	<u>235,296</u>	<u>39,096</u>	<u>36,395</u>

(v) By economic sector

Mining and quarrying	86,200	88,730	-	-
Manufacturing	840	1,202	840	1,202
Wholesale & retail trade and restaurants & hotels	18,371	14,462	18,371	14,462
Transport, storage and communications	511	504	511	504
Finance, insurance and business services	70,812	84,352	15,195	15,902
Education, health and other	40,927	41,721	-	-
Others	4,179	4,325	4,179	4,325
	<u>221,840</u>	<u>235,296</u>	<u>39,096</u>	<u>36,395</u>

(vi) By residual contractual maturity

	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Within one year	61,812	8,188	7,145	7,064
One year to five years	143,613	212,116	15,536	14,339
After five years	16,415	14,992	16,415	14,992
Gross loans, advances and financing	<u>221,840</u>	<u>235,296</u>	<u>39,096</u>	<u>36,395</u>

(vii) Impaired financing and advances by economic sector

	Group and Company	
	30 September 2017 RM'000	31 December 2016 RM'000
Manufacturing	335	373
Wholesale & retail trade and restaurants & hotels	1,946	1,954
Transport, storage and communications	280	218
Finance, insurance and business services	373	371
Others	418	418
	<u>3,352</u>	<u>3,334</u>

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

(i) Financing and advances (cont'd)

(viii) Movements in impaired financing and advances

	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
At 1 January	3,334	6,850	3,334	6,850
Amount written off	-	(3,442)	-	(3,442)
Amount recovered	18	(74)	18	(74)
At 30 September / 31 December	3,352	3,334	3,352	3,334
Less: Individual impairment provision	(1,030)	(2,736)	(1,030)	(2,736)
Net impaired financing and advances	2,322	598	2,322	598
As % of gross financing and advances less individual impairment allowance	1.05%	0.26%	6.10%	1.78%

(ix) Movements in impairment allowance

	Group and Company	
	30 September 2017 RM'000	31 December 2016 RM'000
Individual impairment allowance		
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	(1,706)	(230)
Amount written off	-	(964)
Discount unwind	-	(15)
At 30 September / 31 December	1,030	2,736

	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Collective impairment allowance				
At 1 January	4,546	6,034	1,762	1,541
Impairment made/(written back) during the financial period/year	158	(1,488)	174	221
At 30 September / 31 December	4,704	4,546	1,936	1,762
As % of gross financing and advances less individual impairment allowance	2.13%	1.95%	5.09%	5.23%

(j) Deposits from customers

	Group	
	30 September 2017 RM'000	31 December 2016 RM'000
(i) By type of deposits		
Commodity Murabahah		
Term deposits	629,427	502,766
(ii) By type of customers		
Commodity Murabahah		
Business enterprises	376,680	413,833
Government and statutory bodies	252,747	88,933
	629,427	502,766

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

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

	Group	
	30 September 2017 RM'000	31 December 2016 RM'000
(iii) The maturity structure of term deposits is as follows:		
Due within six months	516,380	502,766
One to two years	113,047	-
	<u>629,427</u>	<u>502,766</u>

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

(i) By type of deposits

Commodity Murabahah Fund
Term deposits

	Group	
	30 September 2017 RM'000	31 December 2016 RM'000
	900,010	553,439

(ii) By type of customers

Commodity Murabahah Fund
Other financial institutions

	900,010	553,439
	<u>900,010</u>	<u>553,439</u>

(l) Borrowings

Funds from MITI Soft Loans Scheme for Services Sector

	Group and Company	
	30 September 2017 RM'000	31 December 2016 RM'000
	160,000	160,000
	<u>160,000</u>	<u>160,000</u>

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

Income derived from investment of general investment deposits:

Group

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Income derived from investment of:				
(i) General investment deposits	20,331	15,550	57,133	43,505
(ii) Other deposits	12,487	13,619	36,627	39,182
	<u>32,818</u>	<u>29,169</u>	<u>93,760</u>	<u>82,687</u>

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

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

<u>Company</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Income derived from investment of:				
(i) General investment deposits	-	-	-	-
(ii) Other deposits	10,510	8,684	29,296	24,404
	<u>10,510</u>	<u>8,684</u>	<u>29,296</u>	<u>24,404</u>

(i) General investment deposits

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Finance income and hibah				
Money at call placements				
with financial and deposit institutions	1,475	454	2,880	1,110
Securities available-for-sale				
- Profit on non-impaired securities	12,466	2,834	37,119	8,262
- Profit on impaired securities	663	-	2,052	-
Securities held-to-maturity	-	(12,975)	-	5,082
	<u>14,604</u>	<u>(9,687)</u>	<u>42,051</u>	<u>14,454</u>
Accretion of discounts less amortisation of premiums	4,534	(3,803)	10,186	-
Total finance income and hibah	<u>19,138</u>	<u>(13,490)</u>	<u>52,237</u>	<u>14,454</u>
Other operating income				
Net gain on sale of securities available-for-sale	1,193	28	4,896	39
	<u>20,331</u>	<u>(13,462)</u>	<u>57,133</u>	<u>14,493</u>

(ii) Other deposits

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Finance income and hibah				
Financing and advances	2,258	4,681	6,920	14,726
Money at call and deposit placements with financial institutions	236	(584)	877	-
	<u>2,494</u>	<u>4,097</u>	<u>7,797</u>	<u>14,726</u>
Other operating income				
Management fee from Government Scheme Funds	9,483	7,573	25,755	21,296
Fee income	307	1,666	2,288	2,499
Other income	203	283	787	661
	<u>9,993</u>	<u>9,522</u>	<u>28,830</u>	<u>24,456</u>
	<u>12,487</u>	<u>13,619</u>	<u>36,627</u>	<u>39,182</u>

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

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

Company

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Finance income and hibah				
Financing and advances	374	354	1,102	1,008
Money at call and deposit placements with financial institutions	236	297	877	881
	<u>610</u>	<u>651</u>	<u>1,979</u>	<u>1,889</u>
Other operating income				
Management fee from Government Scheme Funds	9,483	7,573	25,755	21,296
Fee income	216	181	780	611
Other income	201	279	782	608
	<u>9,900</u>	<u>8,033</u>	<u>27,317</u>	<u>22,515</u>
	<u>10,510</u>	<u>8,684</u>	<u>29,296</u>	<u>24,404</u>

(n) Income attributable to depositors

	Group			
	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Commodity Fund				
Deposits from customers	(6,732)	(4,182)	(17,318)	(11,803)
Deposits and placements of banks and financial institutions	(6,734)	(3,277)	(17,720)	(11,186)
	<u>(13,466)</u>	<u>(7,459)</u>	<u>(35,038)</u>	<u>(22,989)</u>
	<u>(13,466)</u>	<u>(7,459)</u>	<u>(35,038)</u>	<u>(22,989)</u>

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

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

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Collective impairment allowance				
- (Made) / written back during the period	66	(536)	(158)	1,052
Individual impairment allowance				
- Made in the financial year	-	(33)	-	(33)
- Written back in the financial period	16	236	1,706	236
Bad debts recovered on financing and advances	(3)	24	2,280	36
	<u>79</u>	<u>(309)</u>	<u>3,828</u>	<u>1,291</u>

<u>Company</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Collective impairment allowance				
- Made during the period	98	(71) 51	(174)	(197)
Individual impairment allowance				
- Made in the financial year	-	(33)	-	(33)
- Written back in the financial period	16	236	1,706	236
Bad debts recovered on financing and advances	(3)	24	(2)	36
	<u>111</u>	<u>207</u>	<u>1,530</u>	<u>42</u>

32. 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:

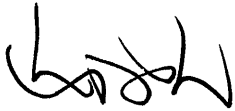
	Group		Company	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Common Equity Tier 1 (CET1)	RM'000	RM'000	RM'000	RM'000
Islamic capital fund	416,600	416,600	20,000	20,000
Unrealised gain and loss of securities available-for-sale	(2,956)	(8,256)	-	-
Retained profits	158,424	221,974	-	13,552
	<u>572,068</u>	<u>630,318</u>	<u>20,000</u>	<u>33,552</u>
Less: Regulatory adjustments of CET1	(2,836)	(6,037)	(466)	(3,203)
Total Tier-I capital	<u>569,232</u>	<u>624,281</u>	<u>19,534</u>	<u>30,349</u>
Collective impairment allowance	1,212	1,298	342	411
	<u>1,212</u>	<u>1,298</u>	<u>342</u>	<u>411</u>
Total Tier-II capital				
Total capital	<u>570,444</u>	<u>625,579</u>	<u>19,876</u>	<u>30,760</u>
CET1 Capital	63.76%	82.95%	12.75%	21.54%
Tier 1 Capital	63.76%	82.95%	12.75%	21.54%
Total Capital	63.89%	83.12%	12.98%	21.83%

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

	Group		Company	
	As at 30 September 2017	As at 31 December 2016	As at 30 September 2017	As at 31 December 2016
Total risk weighted assets for credit risk	753,522	623,386	89,983	86,192
Total risk weighted assets equivalent for market risk	-	-	-	-
Total risk weighted assets equivalent for operational risk	139,315	129,242	63,191	54,706
	<u>892,837</u>	<u>752,628</u>	<u>153,174</u>	<u>140,898</u>

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 nine months ended 30th September 2017, as set out on pages 1 to 45, 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 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

27th October 2017