

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD**  
**(3755-M)**  
**(Incorporated in Malaysia)**

**Unaudited Condensed Interim Financial Statements**  
**30 September 2019**

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	Note	Group		Company	
		30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
<b>ASSETS</b>					
Cash and short-term funds	10	479,703	399,102	312,389	266,284
Deposits and placements with licensed banks and other financial institutions	11	266,567	306,478	259,787	298,678
Financial assets at fair value through profit or loss ("FVTPL")	12	310,237	323,818	300,859	323,807
Financial investments at fair value through other comprehensive income ("FVOCI")	13	1,628,146	927,429	1,655	1,655
Financial investments at amortised cost	14	2,605,523	2,785,096	-	-
Loans, advances and financing	15	755,950	691,818	89,406	265,566
Other assets	16	161,884	137,859	16,936	22,591
Statutory deposits with Bank Negara Malaysia		133,282	127,220	-	-
Investment in associate		4,189	3,873	2,560	2,560
Investment in subsidiaries		-	-	790,757	600,756
Investment properties		2,665	2,716	-	-
Property, plant and equipment		4,656	4,001	3,642	2,739
Intangible assets		5,180	6,172	3,347	3,207
Deferred tax assets		3,891	12,939	3,291	3,348
Goodwill		86,713	86,713	-	-
<b>TOTAL ASSETS</b>		<b>6,448,586</b>	<b>5,815,234</b>	<b>1,784,629</b>	<b>1,791,191</b>
<b>LIABILITIES</b>					
Deposits from customers	17	3,231,027	2,340,035	-	-
Deposits and placements of banks and other financial institutions	18	1,000,671	1,346,075	-	-
Derivative liabilities	19	919	117	-	-
Other liabilities	21	195,920	139,219	42,131	44,466
Borrowings	20	296,198	303,182	296,198	303,182
Provision for taxation and zakat		1,561	602	787	575
Employee benefits		10,578	10,998	7,873	8,289
<b>TOTAL LIABILITIES</b>		<b>4,736,874</b>	<b>4,140,228</b>	<b>346,989</b>	<b>356,512</b>
<b>SHAREHOLDER'S EQUITY</b>					
Capital and reserves attributable to shareholder of the Company					
Share capital		879,931	879,931	879,931	879,931
Reserves		831,526	794,820	557,709	554,748
		1,711,457	1,674,751	1,437,640	1,434,679
Non-controlling interests		255	255	-	-
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>1,711,712</b>	<b>1,675,006</b>	<b>1,437,640</b>	<b>1,434,679</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>6,448,586</b>	<b>5,815,234</b>	<b>1,784,629</b>	<b>1,791,191</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	31	<b>458,860</b>	<b>421,937</b>	<b>45,531</b>	<b>35,932</b>
<b>NET ASSETS PER SHARE (RM)</b>		<b>3.56</b>	<b>3.49</b>	<b>2.99</b>	<b>2.99</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 2018.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

<u>Group</u>	Note	Individual Quarter 3 Months Ended		Cumulative 9 Months Ended	
		30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
Operating revenue	30	95,265	97,303	256,289	256,994
Interest income	22	29,479	29,572	85,024	91,969
Interest expense	23	(19,404)	(24,174)	(58,157)	(72,053)
Net interest income		10,076	5,398	26,868	19,916
Net income from Islamic banking operations	36	29,940	18,794	72,339	62,621
Non-interest income	24	11,340	20,127	35,853	49,451
		51,356	44,319	135,060	131,988
Operating expenses	25	(33,029)	(28,344)	(93,349)	(83,787)
<b>Operating profit</b>		18,327	15,975	41,711	48,201
Expected credit loss allowance/ impairment loss (made)/written back on:					
- loans, advances and financing	26	14,876	(27,702)	17,071	(44,211)
- financial investments	27	3,563	(5,276)	3,576	(13,010)
- other assets	28	(481)	(1,798)	(524)	(2,138)
<b>Profit before share of results in associate</b>		36,285	(18,801)	61,834	(11,158)
Share of results in associate		460	457	1,608	1,209
<b>Profit before taxation and zakat</b>		36,745	(18,344)	63,442	(9,949)
Taxation		(10,713)	(5,616)	(15,601)	(10,782)
Zakat		(549)	(158)	(1,113)	(761)
<b>Profit/total comprehensive income for the financial period</b>		25,483	(24,118)	46,728	(21,492)
Attributable to:					
Shareholder of the Company		25,483	(24,119)	46,728	(21,493)
Non-controlling interests		-	1	-	1
<b>Profit for the financial period</b>		25,483	(24,118)	46,728	(21,492)
<b>Earnings per share (sen)</b>					
- Basic and diluted	29	5.31	(5.17)	9.73	(4.61)

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 2018.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

<b>Group</b>	<b>Individual Quarter 3 Months Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>30 September 2019 RM'000</b>	<b>30 September 2018 RM'000</b>	<b>30 September 2019 RM'000</b>	<b>30 September 2018 RM'000</b>
<b>Profit for the financial period</b>	25,483	(24,118)	46,728	(21,492)
Other comprehensive income/(loss):				
<b>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:</b>				
Changes in allowance for expected credit loss ("ECL")	27	(22)	30	31
Net gain/(loss) on financial investments at FVOCI				
- Transfer of gain to profit or loss upon disposal	(3,607)	(305)	(8,094)	(2,816)
- Fair value changes	5,210	6,337	18,022	(22)
Other comprehensive income/(loss) for the period, net of tax	1,630	6,010	9,958	(2,807)
<b>Other comprehensive gain not to be reclassified to profit or loss in subsequent periods:</b>				
Re-measurement gain on defined benefit plans	-	-	20	112
Other comprehensive gain for the period, net of tax	-	-	20	112
<b>Total comprehensive income for the period attributable to equity holder of the Group</b>	<b>27,113</b>	<b>(18,108)</b>	<b>56,706</b>	<b>(24,187)</b>
Total comprehensive income for the financial period attributable to:				
Shareholder of the Company	27,113	(18,109)	56,706	(24,188)
Non-controlling interests	-	1	-	1
	<b>27,113</b>	<b>(18,108)</b>	<b>56,706</b>	<b>(24,187)</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 2018.

**CONDENSED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL  
PERIOD ENDED 30 SEPTEMBER 2019**

<u>Company</u>	Note	Individual Quarter 3 Months Ended		Cumulative 9 Months Ended	
		30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
Operating revenue		27,313	25,098	79,993	73,264
Interest income	22	5,760	4,275	15,449	12,080
Interest expense	23	(965)	(1,014)	(2,891)	(3,035)
Net interest income		4,795	3,261	12,558	9,045
Net income from Islamic banking operations	36	12,907	10,932	36,344	32,927
Non-interest income	24	9,278	11,355	30,080	32,607
		26,980	25,548	78,982	74,579
Operating expenses	25	(21,921)	(15,003)	(55,675)	(44,883)
<b>Operating profit</b>		5,059	10,545	23,307	29,696
Expected credit loss allowance/ impairment loss written back/(made) on:					
- loans, advances and financing	26	8,706	(1,596)	8,796	(1,520)
- financial investments	27	10	3	10	45
- other assets	28	(74)	-	(44)	-
<b>Profit before taxation and zakat</b>		13,701	8,952	32,069	28,221
Taxation		(3,774)	(2,324)	(8,761)	(6,199)
Zakat		(118)	(77)	(347)	(322)
<b>Profit/total comprehensive income for the financial period</b>		9,809	6,551	22,961	21,700
Attributable to:					
Shareholder of the Company		9,809	6,551	22,961	21,700
Non-controlling interests		-	-	-	-
<b>Profit for the financial period</b>		9,809	6,551	22,961	21,700
Earnings per share (sen)					
- Basic and diluted	29	2.04	1.41	4.78	4.66

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 2018.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

<u>Group</u>	Attributable to shareholder of the Company					Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Non-Distributable		Distributable					
	Share Capital RM'000	Securities Available-For- Sale Reserve <sup>#</sup> RM'000	FVOCI Reserve <sup>#</sup> RM'000	Regulatory Reserve <sup>^</sup> RM'000	Retained Profits RM'000			
At 1 January 2019	879,931	-	(2,114)	19,390	777,544	1,674,751	255	1,675,006
Other comprehensive income for the period	-	-	9,958	-	20	9,978	-	9,978
Profit for the period	-	-	-	-	46,728	46,728	-	46,728
Total comprehensive income for the period	-	-	9,958	-	46,748	56,706	-	56,706
Transactions with owner Dividends *	-	-	-	-	(20,000)	(20,000)	-	(20,000)
Transfer to regulatory reserve	-	-	-	193	(193)	-	-	-
At 30 September 2019	879,931	-	7,844	19,583	804,099	1,711,457	255	1,711,712

\* A single tier interim dividend of 4.61 sen on 480,355,714 ordinary shares amounting to RM20.0 million was paid on 12 April 2019.

<sup>^</sup> The regulatory reserve is maintained in compliance with the revised Bank Negara Malaysia guidelines on Financial Reporting in which the Group is required to maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of total exposures, net of loss allowance for credit-impaired exposures.

<sup>#</sup> The financial investments at FVOCI/securities available-for-sale reserve arises from the change in the fair value of the underlying instruments 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 2018.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

Group	Attributable to shareholder of the Company							Non-controlling interests RM'000	Total Equity RM'000
	Non-Distributable			Distributable					
	Share Capital RM'000	Securities Available-For-Sale Reserve # RM'000	FVOCI Reserve # RM'000	Regulatory Reserve ^ RM'000	Retained Profits RM'000	Total RM'000			
At 1 January 2018	829,931	(18,576)	-	2,573	959,645	1,773,573	255	1,773,828	
Effect of MFRS 9 Financial Instrument adoption	-	18,576	681	19,056	(17,186)	21,127	-	21,127	
At 1 January 2018, restated	829,931	-	681	21,629	942,459	1,794,700	255	1,794,955	
Other comprehensive income for the period	-	-	(2,807)	-	112	(2,695)	-	(2,695)	
Profit for the period	-	-	-	-	(21,492)	(21,492)	-	(21,492)	
Total comprehensive income for the period	-	-	(2,807)	-	(21,380)	(24,187)	-	(24,187)	
Transactions with owner									
Dividends*	50,000	-	-	-	(100,000)	(50,000)	-	(50,000)	
Transfer to regulatory reserve	-	-	-	160	(160)	-	-	-	
At 30 September 2018	879,931	-	(2,126)	21,789	820,919	1,720,513	255	1,720,768	

\* A single tier interim and final dividend of 10.7280 sen on 466,070,000 ordinary shares amounting to RM100.0 million which consist of issuance of 14,285,714 units new ordinary shares and cash of RM50.0 million paid on 24 August 2018.

^ The regulatory reserve is maintained in compliance with the revised Bank Negara Malaysia guidelines on Financial Reporting in which the Group is required to maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of total exposures, net of loss allowance for credit-impaired exposures.

# The financial investments at FVOCI/securities available-for-sale reserve arises from the change in the fair value of the underlying instruments 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 2018.

**CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED  
30 SEPTEMBER 2019**

<b>Company</b>	<b>Attributable to shareholder of the Company</b>		
	<b>Share Capital RM'000</b>	<b>Distributable Retained Profits RM'000</b>	<b>Total Equity RM'000</b>
At 1 January 2019	879,931	554,748	1,434,679
Total other comprehensive income for the period	-	-	-
Profit for the financial period	-	22,961	22,961
Comprehensive income for the financial period	-	22,961	22,961
Transaction with owner Dividends *	-	(20,000)	(20,000)
At 30 September 2019	879,931	557,709	1,437,640

\* A single tier interim dividend of 4.61 sen on 480,355,714 ordinary shares amounting to RM20.0 million was paid on 12 April 2019.

<b>Company</b>	<b>Attributable to shareholder of the Company</b>		
	<b>Share Capital RM'000</b>	<b>Distributable Retained Profits RM'000</b>	<b>Total Equity RM'000</b>
At 1 January 2018	829,931	617,963	1,447,894
Effects of MFRS 9 Financial Instruments adoption	-	2,822	2,822
At 1 January 2018, restated	829,931	620,785	1,450,716
Total other comprehensive income for the period	-	-	-
Profit for the financial period	-	21,700	21,700
Comprehensive income for the financial period	-	21,700	21,700
Transaction with owner Dividends*	50,000	(100,000)	(50,000)
At 30 September 2018	879,931	542,485	1,422,416

\* A single tier interim and final dividend of 10.7280 sen on 466,070,000 ordinary shares amounting to RM100.0 million which consist of issuance of 14,285,714 units new ordinary shares and cash of RM50.0 million paid on 24 August 2018.

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



**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD  
ENDED 30 SEPTEMBER 2019**

	Group		Company	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b>Profit before taxation and zakat:</b>	63,442	(9,949)	32,069	28,221
Adjustment on non-cash items	(9,179)	54,855	9,891	2,609
<b>Operating profit before changes in working capital</b>	<u>54,263</u>	<u>44,906</u>	<u>41,960</u>	<u>30,830</u>
<b>Changes in working capital:</b>				
Net changes in operating assets	(569,537)	(224,924)	202,802	(151,590)
Net changes in operating liabilities	590,154	176,659	(2,332)	(13,462)
Tax expense and zakat paid	(3,125)	(9,601)	(11,841)	(7,280)
Retirement benefits paid	(914)	(114)	(981)	(114)
<b>Net cash generated from/(used in) operating activities</b>	<u>70,840</u>	<u>(13,074)</u>	<u>229,608</u>	<u>(141,616)</u>
<b>Net cash used in investing activities</b>	<u>(3,166)</u>	<u>(2,388)</u>	<u>(192,829)</u>	<u>(2,202)</u>
Dividend paid	(20,000)	(50,000)	(20,000)	(50,000)
Borrowings repayment	(6,984)	(155,222)	(9,565)	(6,985)
<b>Net cash used in financing activities</b>	<u>(26,984)</u>	<u>(205,222)</u>	<u>(29,565)</u>	<u>(56,985)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>40,690</u>	<u>(220,684)</u>	<u>7,214</u>	<u>(200,803)</u>
Cash and cash equivalents at beginning of the financial period	705,580	1,015,190	564,962	840,354
<b>Cash and cash equivalents at end of the financial period</b>	<u>746,270</u>	<u>794,506</u>	<u>572,176</u>	<u>639,551</u>

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

	Group		Company	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
Cash and short-term funds	479,703	475,358	312,389	327,703
Deposits and placements with banks and other financial institutions	266,567	319,148	259,787	311,848
	<u>746,270</u>	<u>794,506</u>	<u>572,176</u>	<u>639,551</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 2018.

**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 2018.

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 2018.

**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 2018.

**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 2019.

- MFRS 16 *Leases*
- IC Int.23 *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3 - *Business Combinations*  
(*Annual Improvements to MFRS Standards 2015 - 2017 Cycle*)
- Amendments to MFRS 11 - *Joint Arrangements*  
(*Annual Improvements to MFRS Standards 2015 - 2017 Cycle*)
- Amendments to MFRS 112 - *Income Taxes*  
(*Annual Improvements to MFRS Standards 2015 - 2017 Cycle*)
- Amendments to MFRS 123 - *Borrowing Costs*  
(*Annual Improvements to MFRS Standards 2015 - 2017 Cycle*)

The above adoption did not result in any material impact to the financial statements of the Group and the Company except as described below:

**(a) MFRS 16 Leases**

In these interim financial statements, the Group and the Company has applied MFRS 16 which supersedes MFRS 117, effective for annual periods beginning on or after 1 January 2019.

A lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The following summarises how the adoption will impact the accounting treatment for leases.

2. Significant accounting policies (cont'd.)

(a) MFRS 16 Leases (cont'd.)

(i) Lessee

At the commencement date of a lease, a lease liability will be recognised based on the present value of the remaining lease payments and a "right-of-use" will be recognised. Subsequently, the "right-of-use" asset will be depreciated using straight-line method over the remaining tenure while the lease liability is reduced over time with interest expense recognised in the profit or loss using the effective interest rate method.

(ii) Lessor

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117.

(iii) Practical expedients adopted

The Group and the Company has elected not to apply MFRS 16 requirements for the following transactions as allowed by MFRS 16, where the lease payments will be expensed in the income statement:

- (a) Short term leases with tenure of 12 months or less;
- (b) Leases where the underlying asset is of low value are exempted from accounted under MFRS 16.

(iv) Transitional provisions

The Group and the Company has elected the modified retrospective approach as allowed by the transitional provisions of the Standard, which do not require a restatement of the comparative information. Therefore, the comparative information for 2018 is reported under MFRS 117.

The Group and the Company elected for the following practical expedients:

- (a) No reassessment is performed whether contract is, or contains, a lease at the date of initial application.
- (b) Leases for which the lease term ends within 12 months of the date of initial application, these are accounted for as short-term leases and the lease payments will be recognised as an expense.

Based on management's assessment, there are no financial impact to the opening retained earnings arising from the adoption of MFRS 16.

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
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
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 2019.

**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 2019.

**6. Debt and equity securities**

There were no changes in debt and equity securities during the quarter ended 30 September 2019.

**7. Dividend paid/payable**

A single tier interim dividend in respect of the financial year ended 31 December 2018 of 4.61 sen on 480,355,714 ordinary shares, amounting to a dividend of RM20,000,000 has been approved by the Board of Directors on 28 February 2019. On 1 April 2019, Bank Negara Malaysia ("BNM") approved this dividend and the dividend was paid on 12 April 2019.

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

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2018 was not qualified.

**9. Performance review**

The Group registered a profit before tax of RM63.4 million for the period ended 30 September 2019 compared to the previous corresponding period's loss before tax of RM9.9 million. The improved results are attributed to higher revenue and impairment write back for the period under review.

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

	Group		Company	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	40,972	63,232	5,180	4,755
Deposits and placements maturing within one month	438,731	335,870	307,209	261,529
	<u>479,703</u>	<u>399,102</u>	<u>312,389</u>	<u>266,284</u>

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group amounted to RM2,932,000 and RM2,796,000 (2018: RM3,804,000 and RM3,749,000) 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 2019	31 December 2018	30 September 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	266,567	306,478	259,787	298,678
	<u>266,567</u>	<u>306,478</u>	<u>259,787</u>	<u>298,678</u>

12. Financial assets at fair value through profit or loss ("FVTPL")

	Group		Company	
	30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
<b>At fair value</b>				
Money market instruments:				
Government Investment Issues	35,298	14,898	35,298	14,898
Unquoted securities in Malaysia:				
Corporate Bond and/or Sukuk	75,674	81,192	75,663	81,181
Islamic Commercial Papers	181,319	219,224	181,319	219,224
Shares	1	1	1	1
	<u>256,994</u>	<u>300,417</u>	<u>256,983</u>	<u>300,406</u>
Unit Trust	17,945	8,503	8,578	8,503
	<u>310,237</u>	<u>323,818</u>	<u>300,859</u>	<u>323,807</u>

13. Financial investments at fair value through comprehensive income ("FVOCI")

	Group		Company	
	30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
<b>At fair value</b>				
Money market instruments:				
Malaysian Government Securities	-	287,748	-	-
Government Investment Issue	899,514	432,327	-	-
Negotiable Instruments of Deposit	397,194	-	-	-
	<u>1,296,708</u>	<u>720,075</u>	<u>-</u>	<u>-</u>
Unquoted securities in Malaysia:				
Corporate Bond/Sukuk	324,773	200,624	7	7
Shares	1,057	1,057	300	300
Loan Stocks	5,608	5,673	1,348	1,348
	<u>331,438</u>	<u>207,354</u>	<u>1,655</u>	<u>1,655</u>
	<u>1,628,146</u>	<u>927,429</u>	<u>1,655</u>	<u>1,655</u>

13. Financial investments at fair value through comprehensive income ("FVOCI")(cont'd.)

(a) Movements in expected credit loss allowance

<u>Group</u>	<b>Stage 1 Collective RM'000</b>	<b>Stage 3 Individual RM'000</b>	<b>Total RM'000</b>
As at 1 January 2018	-	-	-
Effects of adoption of MFRS 9			
- Transfer from individual impairment allowance	-	156,123	156,123
As at 1 January, restated	-	156,123	156,123
Impairment made during the financial year	44	14,435	14,479
Written off	-	(47,864)	(47,864)
At 31 December 2018	<u>44</u>	<u>122,694</u>	<u>122,738</u>
As at 1 January 2019	44	122,694	122,738
Impairment made during the financial period	30	65	95
Amount written-back	-	(10)	(10)
At 30 September 2019	<u>74</u>	<u>122,749</u>	<u>122,823</u>
		<b>Stage 3 Individual RM'000</b>	<b>Total RM'000</b>
		-	-
As at 1 January 2018		-	-
Effects of adoption of MFRS 9			
- Transfer from individual impairment allowance		12,580	12,580
As at 1 January, restated		12,580	12,580
Impairment made during the financial year		-	-
Written off		-	-
Recovery		(49)	(49)
At 31 December 2018		<u>12,531</u>	<u>12,531</u>
As at 1 January 2019		12,531	12,531
Impairment made during the financial period		-	-
Amount written-back		(10)	(10)
At 30 September 2019		<u>12,521</u>	<u>12,521</u>

There were no Stage 2 exposure as at 30 September 2019 and 31 December 2018.

14. Financial investments at amortised cost

	Group	
	30 September 2019	31 December 2018
	RM'000	RM'000
Money market instruments:		
Malaysian Government Securities	193,923	194,282
Government Investment Issue	479,760	480,228
	673,683	674,510
Unquoted securities in Malaysia:		
Corporate Bonds/Sukuk	1,929,351	2,106,998
Loan Stocks	9,557	9,462
	1,938,908	2,116,460
Less: Expected credit loss allowance	(a) (7,068)	(5,874)
	2,605,523	2,785,096

(a) Movements in expected credit loss allowance

<u>Group</u>	Stage 1 Collective RM'000	Stage 2 Collective RM'000	Stage 3 Individual RM'000	Off Balance Sheet RM'000	Total RM'000
As at 1 January 2018	-	-	-	-	-
Effects of adoption of MFRS 9					
- Transfer from individual impairment allowance	-	-	629	-	629
- Remeasurement under ECL	428	-	-	-	428
As at 1 January, restated	428	-	629	-	1,057
Impairment made during the financial year	-	-	4,910	9	4,919
Written back	(102)	-	-	-	(102)
Transfer	4	-	-	(4)	-
As at 31 December 2018	330	-	5,539	5	5,874
As at 1 January 2019	330	-	5,539	5	5,874
Impairment made during the financial period	-	1,533	-	5	1,538
Written back	(104)	-	(194)	-	(298)
Discount unwind	-	-	(46)	-	(46)
At 30 September 2019	226	1,533	5,299	10	7,068

There were no Stage 2 exposure as at 31 December 2018.

15. Loans, advances and financing

	Group		Company	
	30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
Term loans				
Syndicated term loans/financing	224,285	224,407	-	-
Hire purchase receivables	4,678	1,088	4,678	1,088
Real estate financing	23,383	23,362	-	-
Murabahah financing	180,523	180,305	-	-
Other term loans/financing	134,952	134,455	127,231	313,548
	<u>567,821</u>	<u>563,617</u>	<u>131,909</u>	<u>314,636</u>
Margin accounts	396,391	349,388	-	-
Staff loans	1,258	1,336	756	861
	<u>965,470</u>	<u>914,341</u>	<u>132,665</u>	<u>315,497</u>
Less: Unearned interest / income	(9,948)	(7,809)	(9,948)	(7,809)
Gross loans, advances and financing	955,522	906,532	122,717	307,688
Less: ECL allowance	(199,572)	(214,714)	(33,311)	(42,122)
Total net loans, advances and financing	<u>755,950</u>	<u>691,818</u>	<u>89,406</u>	<u>265,566</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	
	30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
Domestic business enterprises				
- Small medium enterprises	364,312	444,905	54,121	255,867
- Others	292,562	189,264	67,840	50,960
Individuals	298,648	272,363	756	861
	<u>955,522</u>	<u>906,532</u>	<u>122,717</u>	<u>307,688</u>

b. By interest/profit rate sensitivity

	Group		Company	
	30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
Fixed rate:				
- Staff loans	1,258	1,336	756	861
- Hire purchase receivables	4,186	1,088	4,186	1,088
- Other fixed rate loan/financing	555,458	503,149	93,683	88,398
Variable rate:				
- BLR plus	24,092	26,144	24,092	26,144
- Cost plus	370,528	374,815	-	191,197
	<u>955,522</u>	<u>906,532</u>	<u>122,717</u>	<u>307,688</u>



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

c. By economic sector

	Group		Company	
	30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
Mining and quarrying	93,921	98,048	-	-
Manufacturing	114,028	104,140	48,754	49,384
Construction	45,339	43,222	-	-
Wholesale & retail trade and restaurants & hotels	75,131	70,712	49,394	44,971
Transport, storage and communications	4,592	1,605	4,592	1,605
Finance, insurance, and business services	160,821	154,728	15,075	207,008
Real Estate	138,522	138,304	-	-
Household	232,508	206,037	-	-
Others	90,660	89,736	4,902	4,720
Gross loans, advances and financing	<u>955,522</u>	<u>906,532</u>	<u>122,717</u>	<u>307,688</u>

d. By residual contractual maturity

	Group		Company	
	30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
Within one year	424,625	564,247	65,585	55,239
One year to five years	459,125	336,894	40,818	247,231
After five years	71,772	5,391	16,314	5,218
	<u>955,522</u>	<u>906,532</u>	<u>122,717</u>	<u>307,688</u>

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

(i) Movements in ILs

	Group		Company	
	30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
At 1 January	429,564	449,700	66,658	63,743
Classified as impaired during the period	1,739	32,167	1,481	31,704
Amount recovered	(4,605)	(31,239)	(479)	(26,444)
Amount written off	(23)	(21,064)	-	(2,345)
At 30 September/31 December	<u>426,675</u>	<u>429,564</u>	<u>67,660</u>	<u>66,658</u>
Less: ECL allowances	<u>(195,761)</u>	<u>(211,086)</u>	<u>(30,580)</u>	<u>(39,925)</u>
Net ILs	<u>230,914</u>	<u>218,478</u>	<u>37,080</u>	<u>26,733</u>
Net ILs as % of gross loans, advances and financing less ECL allowances	<u>30.39%</u>	<u>31.42%</u>	<u>40.24%</u>	<u>9.98%</u>

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

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

(ii) ILs by economic sector

	Group		Company	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Mining and quarrying	93,921	98,048	-	-
Manufacturing	96,893	97,003	46,493	46,604
Wholesale & retail trade and restaurants hotels	27,990	28,058	17,220	17,289
Transport, storage and communication	1,544	-	1,544	-
Finance, insurance, and business services	1,984	2,346	1,984	2,346
Real Estate	138,522	138,304	-	-
Others	65,821	65,805	419	419
	<u>426,675</u>	<u>429,564</u>	<u>67,660</u>	<u>66,658</u>

(iii) Movements in impairment provision

Expected credit loss allowance on loans, advances and financing

	Stage 1 Collective RM'000	Stage 2 Collective RM'000	Stage 3 Individual RM'000	Off-Balance Sheet RM'000	Total RM'000
<b>Group</b>					
As at 1 January 2018	-	-	-	-	-
Effects of adoption of MFRS 9					
- Transfer from individual impairment allowance	8,881	-	116,966	-	125,847
- Remeasurement under ECL	(6,355)	1,633	-	2,552	(2,170)
As at 1 January, restated	2,526	1,633	116,966	2,552	123,677
Transfer	1,959	-	-	(1,959)	-
Impairment made during the financial year	302	432	116,442	39	117,215
Amount written-back	(3,382)	(474)	(415)	-	(4,271)
Amount written off	-	-	(21,379)	-	(21,379)
Discount unwind	-	-	(528)	-	(528)
At 31 December 2018	<u>1,405</u>	<u>1,591</u>	<u>211,086</u>	<u>632</u>	<u>214,714</u>
As at 1 January 2019	1,405	1,591	211,086	632	214,714
Transfer	51	-	-	(51)	-
Impairment made during the financial period	492	118	2,118	659	3,387
Amount written-back	(329)	(522)	(16,716)	(235)	(17,802)
Amount written off	-	-	(23)	-	(23)
At 30 September 2019	<u>1,619</u>	<u>1,187</u>	<u>195,761</u>	<u>1,005</u>	<u>199,572</u>

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

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

(iii) Movements in impairment provision

<u>Company</u>	Stage 1 Collective RM'000	Stage 2 Collective RM'000	Stage 3 Individual RM'000	Off-Balance Sheet RM'000	Total RM'000
As at 1 January 2018	-	-	-	-	-
Effects of adoption of MFRS 9					
- Transfer from individual impairment allowance	5,366		40,602	-	45,968
- Remeasurement under ECL	(4,558)	1,633	-	103	(2,822)
As at 1 January, restated	808	1,633	40,602	103	43,146
Transfer					-
Impairment made during the financial year	302	432	2,525	39	3,298
Amount written-back	(646)	(474)	(329)	-	(1,449)
Amount written off	-	-	(2,345)	-	(2,345)
Discount unwind	-	-	(528)	-	(528)
At 31 December 2018	464	1,591	39,925	142	42,122
As at 1 January 2019	464	1,591	39,925	142	42,122
Transfer					-
Impairment made during the financial period	492	118	1,031	504	2,145
Amount written-back	(44)	(522)	(9,672)	(14)	(10,252)
Amount written off	-	-	-	-	-
Discount unwind	-	-	(704)	-	(704)
At 30 September 2019	912	1,187	30,580	632	33,311

16. Other assets

	Note	Group		Company	
		30 September 2019	31 December 2018	30 September 2019	31 December 2018
		RM'000	RM'000	RM'000	RM'000
Interest/profit receivables		40,635	36,351	3,403	3,197
Amount due from brokers and clients	(b)	74,717	45,733	-	-
Deposits, prepayments and other receivables		22,616	21,623	3,408	3,065
Less: ECL allowance	(c)	(6,739)	(6,076)	-	-
		15,877	15,547	3,408	3,065
Amount receivables from Danaharta		96,973	96,973	-	-
Less: ECL allowance		(96,973)	(96,973)	-	-
		-	-	-	-
Amount due from subsidiaries	(a)	-	-	803	5,041
Amount due from related companies		-	-	-	-
Amount due from penultimate holding company		-	-	-	-
Amount due from Government Scheme Fund		-	-	-	-
Tax recoverable		30,655	40,228	9,322	11,288
		<u>161,884</u>	<u>137,859</u>	<u>16,936</u>	<u>22,591</u>

(a) Amount due from subsidiaries

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

(b) Clients' accounts

<u>Group</u>	Note	30 September 2019 RM'000	31 December 2018 RM'000
Brokers		56,991	33,865
Amount due from clients		17,726	11,868
		<u>74,717</u>	<u>45,733</u>

Clients' and brokers' debit balances arose from trading of securities through the Group which are not yet due for settlement as at reporting date under the Rules of Bursa Malaysia Securities Berhad.

(c) Movements in expected credit loss allowances

	30 September 2019 RM'000	31 December 2018 RM'000
As at 1 January	6,076	-
Effects of adoption of MFRS 9		
- Transfer from individual impairment allowance	-	4,350
- Remeasurement under ECL	-	(128)
As at 1 January, restated	6,076	4,222
Impairment made during the financial period/year	892	3,858
Written back	(229)	(1,397)
Written off	-	(607)
	<u>6,739</u>	<u>6,076</u>

17. Deposits from customers

	<b>Group</b>	
	<b>30 September 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(i) By type of deposit</b>		
- Call deposits	20,587	15,578
- Fixed deposits	<u>3,210,440</u>	<u>2,324,457</u>
	<u>3,231,027</u>	<u>2,340,035</u>
<b>(ii) By type of customer</b>		
- Business enterprises	1,656,430	1,745,620
- Government and statutory bodies	1,572,006	591,782
- Individuals	<u>2,591</u>	<u>2,633</u>
	<u>3,231,027</u>	<u>2,340,035</u>
<b>(iii) The maturity structure of term deposits are as follows:</b>		
- Due within six months	3,027,796	2,253,045
- Six months to one year	185,231	70,990
- One year to two years	<u>18,000</u>	<u>16,000</u>
	<u>3,231,027</u>	<u>2,340,035</u>

18. Deposits and placements of banks and other financial institutions

	<b>Group</b>	
	<b>30 September 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(i) Call deposits</b>		
- Other financial institutions	<u>3,679</u>	<u>5,724</u>
<b>(ii) Fixed deposits</b>		
- Licensed banks	5,200	194,100
- Other financial institutions	<u>991,792</u>	<u>1,146,251</u>
	<u>996,992</u>	<u>1,340,351</u>
	<u>1,000,671</u>	<u>1,346,075</u>

**19. Derivative liabilities**

<u>Group</u>	Contract or underlying principal amount RM'000	Derivative liabilities RM'000
30 September 2019		
Interest rate related derivatives - interest rate swap	100,000	919
31 December 2018		
Interest rate related derivatives - interest rate swap	100,000	117

**20. Borrowings**

	Group and Company	
	30 September 2019 RM'000	31 December 2018 RM'000
<b>(a) Short Term:</b>		
Loan from JBIC - FSMI	6,984	6,984
	<u>6,984</u>	<u>6,984</u>
<b>(b) Long Term:</b>		
Loan from JBIC - FSMI	129,214	136,198
Loan From MITI	160,000	160,000
	<u>289,214</u>	<u>296,198</u>
Total borrowings	<u>296,198</u>	<u>303,182</u>

**21. Other liabilities**

	Group		Company	
	30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000
Amount due to clients	81,677	60,498	-	-
Accrued interest and other payables	99,071	59,532	26,820	25,324
Other creditors and accruals	12,136	13,664	12,136	13,555
Amount due to subsidiaries	-	-	139	62
Amount due to Government Scheme Fund (GSF)	3,036	5,525	3,036	5,525
	<u>195,920</u>	<u>139,219</u>	<u>42,131</u>	<u>44,466</u>

22. Interest income

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
Loans, advances and financing				
- Interest income on non-impaired loans	7,349	8,038	21,117	24,988
- Interest income on impaired loans ("ILs")	262	(69)	544	959
Money at call and deposit placements with financial institutions	6,769	4,004	17,303	12,050
Financial assets at FVTPL	1,063	28	2,810	36
Financial investments at FVOCI				
- Interest income on non-impaired investments	2,923	4,092	8,535	12,091
- Interest income on impaired investments	-	646	25	790
Financial investments at amortised cost				
- Interest income on non-impaired investments	11,306	12,959	35,037	40,062
- Interest income on impaired investments	170	-	312	1,116
Accretion of discount less amortisation of premium	(363)	(126)	(659)	(232)
Derivative instruments	-	-	-	109
	<u>29,479</u>	<u>29,572</u>	<u>85,024</u>	<u>91,969</u>

<u>Company</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
Loans, advances and financing				
- Interest income on non-impaired loans	64	1,956	419	3,395
- Interest income on impaired loans ("ILs")	262	108	544	332
Money at call and deposit placements with financial institutions	4,368	2,209	11,736	8,343
Financial assets at FVTPL	1,063	2	2,742	10
Financial investments at FVOCI				
- Interest income on non-impaired investments	3	-	8	-
	<u>5,760</u>	<u>4,275</u>	<u>15,449</u>	<u>12,080</u>

23. Interest expense

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Deposits and placements of banks and other financial institutions	4,278	6,332	14,635	21,434
Deposits from customers	14,085	14,507	40,510	41,341
Borrowings	965	3,331	2,891	9,274
Derivatives liabilities	76	4	121	4
	<u>19,404</u>	<u>24,174</u>	<u>58,157</u>	<u>72,053</u>
<b><u>Company</u></b>				
Borrowings	965	1,014	2,891	3,035
	<u>965</u>	<u>1,014</u>	<u>2,891</u>	<u>3,035</u>

24. Non-interest income

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Fee income:				
Underwriting fees	-	350	-	350
Management fees	(856)	1,791	1,352	4,101
Corporate advisory fees	700	345	1,730	3,107
Brokerage fees	2,543	3,917	8,139	13,618
Income from Government Scheme Funds	1,204	1,878	3,938	6,197
Other fees	943	3,021	2,831	5,183
	<u>4,534</u>	<u>11,302</u>	<u>17,990</u>	<u>32,556</u>



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

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	RM'000	RM'000	RM'000	RM'000
<b>Investment income:</b>				
Net gain on sales of financial assets/ investments at:				
- FVTPL	3,677	1,912	10,448	1,912
- FVOCI	2,633	361	4,051	744
- Amortised cost	195	-	292	-
Net unrealised gain on revaluation of financial assets at FVTPL	(158)	4,185	1,509	9,561
Net unrealised loss on revaluation of derivative instruments	(149)	27	(802)	(51)
	<u>6,198</u>	<u>6,485</u>	<u>15,498</u>	<u>12,166</u>
<b>Gross dividend income:</b>				
Subsidiaries	-	-	-	-
Associates	-	-	-	-
Financial assets at FVTPL	60	407	150	1,394
Financial investments at FVOCI	98	-	398	300
	<u>158</u>	<u>407</u>	<u>548</u>	<u>1,694</u>
<b>Other income:</b>				
Rental from:				
- Office premises	140	494	1,041	969
- Others	-	-	-	-
Others	311	1,439	777	2,066
	<u>451</u>	<u>1,933</u>	<u>1,818</u>	<u>3,035</u>
Total non-interest income	<u>11,340</u>	<u>20,127</u>	<u>35,853</u>	<u>49,451</u>

<u>Company</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	RM'000	RM'000	RM'000	RM'000
<b>Fee income:</b>				
Management fees	3,369	2,264	9,332	7,081
Income from Government Scheme Funds	1,204	1,878	3,938	6,197
	<u>4,573</u>	<u>4,142</u>	<u>13,270</u>	<u>13,278</u>
<b>Investment income:</b>				
Net gain on sales of financial assets at FVTPL	3,677	-	10,403	-
Net unrealised gain on revaluation of financial assets at FVTPL	(158)	6,145	1,509	14,482
	<u>3,519</u>	<u>6,145</u>	<u>11,912</u>	<u>14,482</u>
<b>Gross dividend income:</b>				
Subsidiaries	-	-	-	-
Associates	-	-	1,294	1,155
Financial investments at FVOCI	-	-	300	300
	<u>-</u>	<u>-</u>	<u>1,594</u>	<u>1,455</u>

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

<u>Company</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	RM'000	RM'000	RM'000	RM'000
<b>Other income:</b>				
Rental from:				
- Office premises	999	941	2,970	2,846
Others	187	127	334	546
	<u>1,186</u>	<u>1,068</u>	<u>3,304</u>	<u>3,392</u>
Total non-interest income	<u>9,278</u>	<u>11,355</u>	<u>30,080</u>	<u>32,607</u>

25. Operating expenses

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	RM'000	RM'000	RM'000	RM'000
<b>Staff costs</b>				
Wages, salaries and bonuses	17,915	16,010	51,144	46,465
Employee benefits:				
Current period	260	148	777	654
Social security costs	100	97	299	295
Defined contribution plan	2,749	2,601	8,044	7,113
Other staff related expenses	1,979	1,946	5,053	5,107
	<u>23,003</u>	<u>20,802</u>	<u>65,317</u>	<u>59,634</u>
<b>Establishment costs</b>				
Depreciation	1,219	819	3,554	2,466
Office rental	2,019	2,008	5,934	5,914
Equipment rental	32	22	73	61
Others	1,984	2,269	7,051	6,455
	<u>5,255</u>	<u>5,118</u>	<u>16,613</u>	<u>14,896</u>
<b>Promotion and marketing-related expenses</b>				
Business promotion and advertisement	507	380	2,364	2,742
Entertainment	159	93	360	311
	<u>666</u>	<u>473</u>	<u>2,724</u>	<u>3,053</u>
<b>General and administrative expenses</b>				
Auditors' remuneration				
- Audit fees	132	190	405	463
Directors' fees and meeting allowances	645	640	1,789	1,987
Communication expenses	91	106	326	359
Professional fees	3,301	129	4,604	459
GST expenses	-	1,062	-	1,062
Others	(64)	(176)	1,571	1,874
	<u>4,105</u>	<u>1,951</u>	<u>8,695</u>	<u>6,204</u>
	<u>33,029</u>	<u>28,344</u>	<u>93,349</u>	<u>83,787</u>

25. Operating expenses (cont'd.)

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b><u>Company</u></b>				
Personnel costs				
Wages, salaries and bonuses	8,983	8,601	25,390	24,236
Employee benefits:				
Current period	195	58	565	465
Social security costs	60	59	179	174
Defined contribution plan	1,480	1,441	4,316	3,805
Other staff related expenses	1,717	1,445	4,385	3,540
	<u>12,435</u>	<u>11,604</u>	<u>34,835</u>	<u>32,220</u>
Establishment costs				
Depreciation	642	255	1,784	805
Office rental	1,973	1,954	5,924	5,872
Equipment rental	16	11	35	28
Others	1,135	910	2,854	2,487
	<u>3,766</u>	<u>3,130</u>	<u>10,597</u>	<u>9,192</u>
Promotion and marketing-related expenses				
Business promotion and advertisement	303	189	1,226	1,355
Entertainment	3	5	10	16
	<u>306</u>	<u>194</u>	<u>1,236</u>	<u>1,371</u>
General and administrative expenses				
Auditors' remuneration				
- Audit fees	59	71	178	168
Directors' fees and meeting allowances	292	300	830	921
Communication expenses	65	62	225	213
Professional fees	3,897	135	4,864	346
GST expense	-	48	-	48
Others	1,101	(541)	2,910	404
	<u>5,414</u>	<u>75</u>	<u>9,007</u>	<u>2,100</u>
	<u>21,921</u>	<u>15,003</u>	<u>55,675</u>	<u>44,883</u>

26. Expected credit loss allowance (made)/written back on loan, advances and financing

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b><u>Group</u></b>				
(a) Expected credit loss allowance				
- made in the financial period	(1,093)	(29,433)	(3,387)	(48,566)
- written-back	15,696	1,291	17,802	3,653
(b) Recoveries from impaired loans	273	440	2,656	702
	<u>14,876</u>	<u>(27,702)</u>	<u>17,071</u>	<u>(44,211)</u>

26. Expected credit loss allowance (made)/written back on loan, advances and financing (cont'd.)

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b><u>Company</u></b>				
(a) Expected credit loss allowance				
- Made in the financial period	(293)	(2,350)	(2,145)	(3,122)
- Written-back	8,747	627	10,252	1,213
(b) Recoveries from impaired loans	252	127	689	389
	<u>8,706</u>	<u>(1,596)</u>	<u>8,796</u>	<u>(1,520)</u>

27. Expected credit loss allowance (made)/written back on financial investments

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b><u>Group</u></b>				
Financial investments at FVOCI	(88)	(6,643)	(85)	(14,435)
Financial investments at amortised cost	(1,250)	(6)	(1,240)	52
Interest on impaired financial investment instruments recovered	4,901	1,373	4,901	1,373
	<u>3,563</u>	<u>(5,276)</u>	<u>3,576</u>	<u>(13,010)</u>
<b><u>Company</u></b>				
Financial investments at FVOCI	10	3	10	45
	<u>10</u>	<u>3</u>	<u>10</u>	<u>45</u>

28. Expected credit loss allowance (made)/written back on other assets

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b><u>Group</u></b>				
(a) Expected credit loss allowance				
- Made during the financial period	(468)	(1,798)	(892)	(2,138)
- Written back	62	-	229	-
(b) Bad debt recoveries	(75)	-	139	-
	<u>(481)</u>	<u>(1,798)</u>	<u>(524)</u>	<u>(2,138)</u>

28. Expected credit loss allowance (made)/written back on other assets (cont'd.)

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	RM'000	RM'000	RM'000	RM'000
<b><u>Company</u></b>				
(a) Expected credit loss allowance				
- Made during the financial period	(74)	-	(44)	-
	<u>(74)</u>	<u>-</u>	<u>(44)</u>	<u>-</u>

29. Basic earnings per ordinary shares

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Profit for the period	25,483	(24,118)	46,728	(21,492)
Weighted average number of ordinary shares	480,356	466,070	480,356	466,070
Basic and diluted earning per ordinary shares	5.31	(5.17)	9.73	(4.61)

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	RM'000	RM'000	RM'000	RM'000
<b><u>Company</u></b>				
Profit for the period	9,809	6,551	22,961	21,700
Weighted average number of ordinary shares	480,356	466,070	480,356	466,070
Basic and diluted earning per ordinary shares	2.04	1.41	4.78	4.66

### 30. 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 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b>Segment Revenue</b>				
Investment banking	70,471	72,990	184,802	187,065
Development finance	13,279	17,856	46,457	47,304
Asset management	1,676	1,349	4,084	3,851
Investment holding	14,495	12,715	38,213	36,135
Others	158	(2,855)	392	(1,792)
	<u>100,079</u>	<u>102,055</u>	<u>273,948</u>	<u>272,563</u>
Inter-segment elimination	(4,813)	(4,752)	(17,658)	(15,569)
	<u>95,265</u>	<u>97,303</u>	<u>256,289</u>	<u>256,994</u>

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b>Segment Results</b>				
Investment banking	23,922	6,524	31,718	19,864
Development finance	17,320	7,644	35,776	25,365
Asset management	260	301	51	123
Investment holding	(3,674)	1,161	(3,762)	2,709
Others	(1,541)	(34,375)	(655)	(58,008)
Inter-segment elimination	290	(1,211)	-	(1,211)
	<u>36,577</u>	<u>(19,956)</u>	<u>63,128</u>	<u>(11,158)</u>
Share of results in associate	168	1,612	314	1,209
	<u>36,745</u>	<u>(18,344)</u>	<u>63,442</u>	<u>(9,949)</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.

### 31. Commitments and contingencies

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

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

<b>Group</b>	<b>As at 30 September 2019</b>			<b>As at 31 December 2018</b>		
	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
Interest rate related contracts with an original maturity						
- Not exceeding one year	100,000	1,000	200	100,000	2,000	400
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	120,759	24,152	24,152	133,664	26,733	26,733
- Maturity exceeding one year	238,101	119,050	119,050	188,273	94,136	94,136
<b>Total</b>	<b>458,860</b>	<b>144,202</b>	<b>143,402</b>	<b>421,937</b>	<b>122,869</b>	<b>121,269</b>

#### **Company**

Guarantee facilities						
Irrevocable commitments to extend credit:						
- Maturity exceeding one year	45,531	22,765	22,765	35,932	17,966	17,966
<b>Total</b>	<b>45,531</b>	<b>22,765</b>	<b>22,765</b>	<b>35,932</b>	<b>17,966</b>	<b>17,966</b>

\* The credit equivalent and risk weighted amount are arrived at using the credit conversion factors and risk weights as per Bank Negara Malaysia Guidelines.

### 32. Related party disclosures

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

	Group		Company	
	As at 30 September 2019 RM'000	As at 30 September 2018 RM'000	As at 30 September 2019 RM'000	As at 30 September 2018 RM'000
<b>Penultimate holding company</b>				
Income:				
Interest income on securities	1,785	989	-	-
Brokerage fees earned	2,125	4,739	-	-
Fee income	-	-	-	-
<hr/>				
Expenditures:				
Rental expense	6,407	4,260	6,407	4,260
<hr/>				
<b>Subsidiaries</b>				
Income:				
Interest on loans	-	-	49	911
Rental of premises	-	-	2,005	1,309
Interest on short term deposits	-	-	-	-
Management fees	-	-	8,337	4,380
<hr/>				
<b>Associate</b>				
Income:				
Management fees			1	
Brokerage fees				
Rental received	326	217	326	217
Dividend from associate	1,294	1,155	1,294	1,155
<hr/>				
<b>Other related companies</b>				
Income:				
Interest income on financial investments	1,055	699	-	-
Interest income on loans and advances	2,012	-	-	-
Fee income	372	1,232	-	-
Brokerage fees earned	2,345	2,034	-	-
<hr/>				
Expenditures:				
Interest expense on deposits	9,871	3,526	-	-
<hr/>				



32. 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 2019 RM'000	As at 31 December 2018 RM'000	As at 30 September 2019 RM'000	As at 31 December 2018 RM'000
<b>Penultimate holding company</b>				
Amount due from:				
Fee receivable	-	-	-	-
Financial investments	58,000	36,500	-	-
Sundry deposit received	1,861	1,861	1,861	1,861
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Amount due to:				
Other payables	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Subsidiaries</b>				
Amount due from:				
Loans, advances and financing	-	-	-	190,941
Trade receivables	-	-	800	5,039
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Amount due to:				
Rental deposit received	-	-	649	649
Other payables	-	-	139	63
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Associate</b>				
Amount due from:				
Trade receivables	-	-	1	-
Amount due to:				
Rental deposit received	109	109	109	109
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Other related companies</b>				
Amount due from:				
Loans, advances and financing	47,197	-	-	-
Sundry deposits	553	71	-	-
Fee receivable	-	553	-	-
Financial investments	30,000	179,244	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Amount due to:				
Deposits from placements of banks and other financial institutions	21,110	126,099	-	-
Other payables	530	185	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Other related companies include companies within the Yayasan Pelaburan Bumiputera Group and companies related to the Directors of the Group and of the Company.

**33. Credit exposures arising from credit transactions with connected parties**

	Group	
	As at 30 September 2019	As at 31 December 2018
(i) Total credit exposures with connected parties	241,798	173,832
(ii) Percentage of total credit exposures to connected parties as proportion of total credit exposures	7.21%	5.05%
(iii) Percentage of total credit exposures to connected parties which is impaired or in default	Nil	Nil

**34. Capital adequacy**

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

	Group		Company	
	As at 30 September 2019 RM'000	As at 31 December 2018 RM'000	As at 30 September 2019 RM'000	As at 31 December 2018 RM'000
<b><u>Tier 1 Capital</u></b>				
Common Equity Tier 1 ("CET1") Capital				
Share capital	879,931	879,931	879,931	879,931
FVOCI reserve	7,844	(2,114)	-	-
Regulatory reserve	19,583	19,390	-	-
Retained profits	777,351	777,544	554,748	554,748
	1,684,709	1,674,751	1,434,679	1,434,679
Less: Regulatory adjustments	(146,301)	(137,970)	(822,386)	(618,754)
Total CET1 Capital / Tier 1 Capital	1,538,408	1,536,781	612,293	815,925
<b><u>Tier 2 Capital</u></b>				
Loss provision/loss provision and regulatory reserve*	21,947	22,398	2,731	2,197
Total Tier 2 capital	21,947	22,398	2,731	2,197
<b>Total Capital</b>	<b>1,560,355</b>	<b>1,559,179</b>	<b>615,024</b>	<b>818,122</b>
CET 1 Capital	68.411%	67.587%	109.437%	117.127%
Tier 1 Capital	68.411%	67.587%	109.437%	117.127%
Total Capital	69.387%	68.572%	109.926%	117.443%

\* The loss provision is computed based on Para 13.1(d)(ii) or Capital Adequacy Framework (Capital Components) issued by BNM on 2 February 2018.

**34. Capital adequacy (cont'd)**

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

	Group		Company	
	As at 30 September 2019 RM'000	As at 31 December 2018 RM'000	As at 30 September 2019 RM'000	As at 31 December 2018 RM'000
Total risk weighted assets for credit risk	1,755,771	1,791,867	250,077	425,076
Total risk weighted assets for market risk	118,486	96,022	112,264	85,452
Total risk weighted assets for operational risk	374,513	385,892	197,150	186,086
	<u>2,248,770</u>	<u>2,273,781</u>	<u>559,491</u>	<u>696,614</u>

**35. Fair value hierarchy**

- 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).

<u>Group</u>	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>At 30 September 2019</b>				
<b>Financial assets</b>				
<b>Assets measured at fair value:</b>				
Financial assets at FVTPL				
- Money market instruments	-	-	-	-
- Unquoted instruments	-	300,858	12	300,870
Financial investments at FVOCI				
Money market instruments	-	1,296,708	-	1,296,708
Unquoted securities	-	325,823	5,615	331,438
<b>Assets for which fair value are disclosed:</b>				
Loans, advances and financing				
- staff loans	-	931	-	931
Investment properties				
Residential properties	-	-	6,983	6,983
Office property	-	-	1,892	1,892

35. Fair value hierarchy (cont'd.)

<u>Group (cont'd.)</u>	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>At 30 September 2019</b>				
<b>Liability for which fair values are disclosed:</b>				
Derivative liabilities	-	919	-	919
Borrowings	-	296,198	-	296,198
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2018</b>				
<b>Financial assets</b>				
<b>Assets measured at fair value:</b>				
Financial assets at FVTPL				
Unquoted securities	-	323,806	12	323,818
	<hr/>	<hr/>	<hr/>	<hr/>
Financial investments at FVOCI				
Money market instruments	-	720,705	-	720,705
Unquoted securities	-	200,918	5,679	206,597
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Liability measured at fair value</b>				
Derivative liabilities	-	117	-	117
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Assets for which fair value are disclosed:</b>				
Loans, advances and financing				
- staff loans	-	664	-	664
	<hr/>	<hr/>	<hr/>	<hr/>
Investment properties				
Residential properties	-	-	6,983	6,983
Office property	-	-	1,892	1,892
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Liability for which fair values are disclosed:</b>				
Borrowings	-	303,182	-	303,182
	<hr/>	<hr/>	<hr/>	<hr/>

35. Fair value hierarchy (cont'd.)

<u>Company</u>	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>At 30 September 2019</b>				
Financial assets at FVTPL				
Unquoted securities	-	300,858	1	300,859
Financial investments at FVOCI				
Unquoted securities	-	300	1,355	1,655
<b>Assets for which fair value are disclosed:</b>				
Loans, advances and financing				
- staff loans	-	583	-	583
<b>Liability for which fair values are disclosed:</b>				
Borrowings	-	296,198	-	296,198
<b>At 31 December 2018</b>				
<b>Assets measured at fair value:</b>				
Financial assets at FVTPL				
Unquoted securities	-	323,806	1	323,807
Financial investments at FVOCI				
Unquoted securities	-	300.00	1,355	1,655
<b>Assets for which fair value are disclosed:</b>				
Loans, advances and financing				
- staff loans	-	664	-	664
<b>Liability for which fair values are disclosed:</b>				
Borrowings	-	303,182	-	303,182

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

**35. Fair value hierarchy (cont'd.)**

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

<u>Group</u>	<b>Financial investments at FVOCI RM'000</b>	<b>Financial asset at FVTPL RM'000</b>	<b>Total RM'000</b>
<b>At 30 September 2019</b>			
At 1 January 2019	5,679	12	5,691
Total gains/(losses) recognised in profit or loss:			
Included within interest income	25	-	25
Included within impairment written back on securities	-	10	10
Included within impairment loss made on instruments	(3)	-	(3)
	22	10	32
Settlements	(22)	-	(22)
At 30 September 2019	<u>5,679</u>	<u>22</u>	<u>5,701</u>
<b>At 31 December 2018</b>			
At 1 January 2018	138,047	1	138,048
Additional unquoted securities	-	-	-
Total gains/(losses) recognised in profit or loss:			
Included within interest income	-	-	-
Included within net income from Islamic Banking Operation	21	-	21
Included within impairment loss on securities	(14,430)	-	(14,430)
	(14,409)	-	(14,409)
Settlements/adjustments	(117,959)	11	(117,948)
At 31 December 2018	<u>5,679</u>	<u>12</u>	<u>5,691</u>

35. Fair value hierarchy (cont'd.)

<u>Company</u>	Financial investments at FVOCI RM'000	Financial asset at FVTPL RM'000	Total RM'000
<b>At 30 September 2019</b>			
At 1 January 2019	1,355	1	1,356
Total gains/(losses) recognised in profit or loss:			
Included within impairment written back on securities	-	10	10
	-	10	10
Total gains/(losses) recognised in other comprehensive income			
Settlements	-	-	-
At 30 September 2019	<u>1,355</u>	<u>11</u>	<u>1,366</u>
	Financial investments at FVOCI RM'000	Financial asset at FVTPL RM'000	Total RM'000
<b>At 31 December 2018</b>			
At 1 January 2018	1,355	1	1,356
Total gains/(losses) recognised in profit or loss:			
Included within interest income	21	-	21
Included within impairment loss on securities	49	-	49
	70	-	70
Settlements	(70)	-	(70)
At 31 December 2018	<u>1,355</u>	<u>1</u>	<u>1,356</u>

36. Operations of Islamic Banking Business

(a) CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT  
30 SEPTEMBER 2019

	Note	Group		Company	
		30 September 2019	31 December 2018	30 September 2019	31 December 2018
		RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
Cash and short-term funds	(f)	228,543	172,634	101,308	122,923
Deposits and placements with licensed banks and other financial institutions	(g)	41,700	47,200	41,700	47,200
Financial assets at FVTPL	(h)	-	-	-	-
Financial investments at FVOCI	(i)	1,311,949	562,844	-	-
Financial investments at amortised cost	(j)	1,546,452	1,595,508	-	-
Financing and advances	(k)	178,659	164,792	48,955	38,234
Other assets		86,688	42,584	58,770	19,431
Intangible asset		212	491	-	-
Deferred tax assets		494	1,803	494	274
Amount due from Head Office		3,180	812	3,180	812
<b>TOTAL ASSETS</b>		<b>3,397,877</b>	<b>2,588,668</b>	<b>254,407</b>	<b>228,874</b>
<b>LIABILITIES</b>					
Deposits from customers	(l)	1,820,127	1,118,904	-	-
Deposits and placements of banks and other financial institutions	(m)	613,701	603,055	-	-
Borrowings	(n)	156,508	160,000	156,508	160,000
Amount due to clients		-	-	-	-
Other liabilities		112,150	83,569	23,984	25,718
Provision for taxation and zakat		2,884	575	787	575
Deferred tax liabilities		6,116	-	-	-
Amount due to Head Office		-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>2,711,486</b>	<b>1,966,103</b>	<b>181,279</b>	<b>186,293</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>					
Funds allocated from Head Office		456,600	416,600	60,000	20,000
Reserves		229,791	205,965	13,128	22,581
<b>TOTAL ISLAMIC BANKING CAPITAL FUNDS</b>		<b>686,391</b>	<b>622,565</b>	<b>73,128</b>	<b>42,581</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		<b>3,397,877</b>	<b>2,588,668</b>	<b>254,407</b>	<b>228,874</b>



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

(b) CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD  
ENDED 30 SEPTEMBER 2019

<u>Group</u>	Note	Individual Quarter		Cumulative Quarter	
		3 Months Ended 30 September 2019 RM'000	3 Months Ended 30 September 2018 RM'000	9 Months Ended 30 September 2019 RM'000	9 Months Ended 30 September 2018 RM'000
Income derived from investment of depositors funds and others		41,242	27,286	103,328	85,723
Income derived from Government Scheme Funds		11,570	9,556	32,084	28,852
<b>Total attributable income</b>	(o)	52,812	36,842	135,412	114,575
Income attributable to depositors	(p)	(22,872)	(18,048)	(63,073)	(51,954)
<b>Net income attributable to the reporting institution</b>		29,940	18,794	72,339	62,621
Other operating expenses		(8,607)	(5,954)	(21,918)	(17,737)
<b>Operating profit</b>		21,333	12,840	50,421	44,884
Expected credit loss (allowance)/ written back					
- financing and advances	(q)	3,239	(1,292)	2,414	894
- financial investments	(r)	3,742	(2,935)	3,765	(7,236)
- other assets	(s)	(468)	377	(624)	356
<b>Profit before taxation and zakat</b>		27,846	8,990	55,976	38,898
Taxation		(6,536)	(2,843)	(12,816)	(9,387)
Zakat		(549)	(158)	(1,113)	(761)
<b>Profit for the financial period</b>		20,761	5,989	42,047	28,750
<b><u>Company</u></b>					
Income derived from investment of depositors funds and others		1,337	1,376	4,260	4,075
Income derived from Government Scheme Funds		11,570	9,556	32,084	28,852
<b>Income attributable to the reporting institution</b>	(o) (ii)	12,907	10,932	36,344	32,927
Other operating expenses		(6,880)	(5,041)	(17,725)	(14,616)
<b>Operating profit</b>		6,027	5,891	18,619	18,311
Expected credit loss (allowance)/ written back					
- financing and advances	(q)	74	(1,258)	(855)	(1,428)
- financial investments		-	-	-	-
- other assets	(s)	(81)	-	(81)	-
<b>Profit before taxation and zakat</b>		6,020	4,633	17,683	16,883
Taxation		(1,419)	(1,657)	(4,208)	(4,400)
Zakat		(118)	(77)	(347)	(322)
<b>Profit/ total comprehensive income for the period</b>		4,483	2,899	13,128	12,161

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

(c) CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE  
FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b>Group</b>				
Profit for the financial period	20,761	5,989	42,047	28,750
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Charges in allowance for expected credit loss	27	3	31	27
Net realised loss transferred to profit or loss on disposal of financial investments at FVOCI	(974)	(1,928)	(4,043)	(3,703)
Fair value changes	2,248	10,565	8,372	10,156
Other comprehensive gain for the period net of tax	1,301	8,640	4,360	6,480
<b>Other comprehensive gain for the period, net of tax</b>	<b>1,301</b>	<b>8,640</b>	<b>4,360</b>	<b>6,480</b>
<b>Total comprehensive income for the period</b>	<b>22,062</b>	<b>14,629</b>	<b>46,407</b>	<b>35,230</b>
<b>Company</b>				
Profit for the financial period	4,483	2,899	13,128	12,161
Other comprehensive income/(loss):				
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
Charges in allowance for expected credit loss	-	-	-	-
Net realised loss transferred to profit or loss on disposal of debt instrument at fair value through other comprehensive income/ securities available-for-sale	-	-	-	-
Fair value changes	-	-	-	-
<b>Other comprehensive gain for the period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>4,483</b>	<b>2,899</b>	<b>13,128</b>	<b>12,161</b>

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

(d) CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

<u>Group</u>	----- Non-distributable -----			Distributable		Total RM'000
	Islamic banking funds RM'000	Regulatory reserve RM'000	Securities available- for-sale reserve RM'000	Fair value through other comprehensive income reserve RM'000	Retained profits RM'000	
At 1 January 2018	416,600	-	(5,507)	-	207,784	618,877
Effects of MFRS 9 Financial Instruments adoption	-	8,327	5,507	938	(9,252)	5,520
At 1 January 2018, restated	416,600	8,327	-	938	198,532	624,397
Profit for the financial year	-	-	-	-	28,750	28,750
Other comprehensive income	-	-	-	(44)	-	(44)
Total comprehensive income for the period	-	-	-	(44)	28,750	28,706
Transfer to regulatory reserve	-	3,002	-	-	(3,002)	-
Allocation to Head Office	-	-	-	-	(20,400)	(20,400)
At 30 September 2018	416,600	11,329	-	894	203,880	632,703

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

(d) CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019 (cont'd.)

<u>Group</u>	----- Non-distributable -----				Distributable	
	Islamic banking funds RM'000	Regulatory reserve RM'000	Securities available- for-sale reserve RM'000	Fair value through other comprehensive income reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2019	416,600	9,982	-	1,198	194,785	622,565
Profit for the financial year	-	-	-	-	42,047	42,047
Other comprehensive income	-	-	-	4,360	-	4,360
Total comprehensive income for the period	-	-	-	4,360	42,047	46,407
Transfer to regulatory reserve	-	1,403	-	-	(1,403)	-
Allocation to Head Office	-	-	-	-	(22,581)	(22,581)
Additional capital	40,000	-	-	-	-	40,000
At 30 September 2019	<u>456,600</u>	<u>11,385</u>	<u>-</u>	<u>5,558</u>	<u>212,848</u>	<u>686,391</u>

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

(d) CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019 (cont'd.)

<u>Company</u>	---- Non-distributable ----		Distributable
	Islamic banking funds RM'000	Retained profits RM'000	Total RM'000
At 1 January 2018	20,000	20,369	40,369
Effects of MFRS 9 Financial Instruments adoption	-	866	866
At 1 January 2018, restated	20,000	21,235	41,235
Total comprehensive income for the period	-	12,161	12,161
Allocation to Head Office		(20,400)	(20,400)
At 30 September 2018	20,000	12,996	32,996
At 1 January 2019	20,000	22,581	42,581
Total comprehensive income for the period	-	13,128	13,128
Allocation to Head Office	-	(22,581)	(22,581)
Additional capital	40,000	-	40,000
At 30 September 2019	60,000	13,128	73,128

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

(e) CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED  
30 SEPTEMBER 2019

	Group		Company	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b>Profit before taxation and zakat</b>	55,976	38,898	17,683	16,883
Adjustments for non-cash items	(18,757)	(11,781)	1,028	1,428
Operating profit before changes in working capital	37,219	27,117	18,711	18,311
<b>Changes in working capital:</b>				
Net changes in operating assets	(731,959)	(407,992)	(47,460)	(1,393)
Net changes in operating liabilities	739,413	403,299	(4,102)	(16,279)
Tax and zakat paid	(8,191)	-	(8,191)	-
<b>Net cash generated from/(used in) operating activities</b>	36,482	22,424	(41,042)	639
<b>Net cash generated from/(used in) financing activities</b>	13,927	(20,400)	13,927	(20,400)
<b>Net increase/(decrease) in cash and cash equivalents</b>	50,409	2,024	(27,115)	(19,761)
Cash and cash equivalents at beginning of the period	219,834	216,522	170,123	177,670
<b>Cash and cash equivalents at end of the period</b>	270,243	218,546	143,008	157,909

Cash and cash equivalents comprise:

	Group		Company	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
Cash and short-term funds	228,543	171,346	101,308	110,709
Deposits and placements	41,700	47,200	41,700	47,200
	270,243	218,546	143,008	157,909

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

(f) Cash and short-term funds

	Group		Company	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	11,643	2,534	2,408	1,823
Money at call and deposit placements maturing within one month	216,900	170,100	98,900	121,100
	<u>228,543</u>	<u>172,634</u>	<u>101,308</u>	<u>122,923</u>

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

	Group and Company	
	30 September	31 December
	2019	2018
	RM'000	RM'000
Deposits with licensed banks		
Deposits with other financial institutions	41,700	47,200
	<u>41,700</u>	<u>47,200</u>

(i) Financial investment at FVOCI

	Group	
	30 September	31 December
	2019	2018
	RM'000	RM'000
<b>At fair value</b>		
Money market instruments:		
Government Investment Issue	620,212	432,327
Islamic Negotiable Instruments	397,194	-
	<u>1,017,406</u>	<u>432,327</u>
Corporate Sukuk	294,543	130,517
	<u>1,311,949</u>	<u>562,844</u>

**36. Operations of Islamic Banking Business (cont'd.)**

**(i) Financial investment at FVOCI (cont'd.)**

An analysis of changes in the corresponding ECL allowances in relation to FVOCI is, as follows:

<b>Expected credit loss allowance</b>	<b>Stage 1 Collective RM'000</b>	<b>Stage 3 Individual RM'000</b>	<b>Total RM'000</b>
At 1 January 2018	-	-	-
Effects of adoption of MFRS 9			
- Transfer from individual impairment allowance	-	8,839	8,839
As at 1 January, restated	-	8,839	8,839
Impairment made during the financial year	40	8,112	8,152
Written off	-	(8,839)	(8,839)
At 31 December 2018	40	8,112	8,152
At 1 January 2019	40	8,112	8,152
Impairment made during the financial period	31	-	31
At 30 September 2019	71	8,112	8,183

There were no Stage 2 exposure as at 30 September 2019 and 31 December 2018.

**(j) Financial investments at amortised costs**

	<b>Group</b>	
	<b>30 September 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
Money market instruments:		
Government Investment Issue	473,831	474,299
Corporate bond/sukuk	1,073,976	1,121,460
Less: ECL allowance	(1,355)	(251)
	<u>1,546,452</u>	<u>1,595,508</u>

An analysis of changes in the corresponding ECL allowances in relation to amortised cost is, as follows:

<b>Expected credit loss allowance</b>	<b>Stage 1 Collective RM'000</b>	<b>Stage 2 Collective RM'000</b>	<b>Off balance sheet RM'000</b>	<b>Total RM'000</b>
At 1 January 2018	-	-	-	-
Effects of adoption of MFRS 9				
- Remeasurement under ECL	290	-	-	290
As at 1 January, restated	290	-	-	290
Impairment written back during the financial year	(39)	-	-	(39)
At 31 December 2018	251	-	-	251
At 1 January 2019	251	-	-	251
Impairment made during the financial period	-	1,161	6	1,167
Written-back	(63)	-	-	(63)
At 30 September 2019	188	1,161	6	1,355

There were no Stage 3 exposure as at 30 September 2019.

There were no Stage 2 and Stage 3 exposure as at 31 December 2018.



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

(k) Financing and advances

	Group		Company	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Term financing				
Syndicated term financing	163,115	163,238	-	-
Islamic hire purchase/leasing	3,877	291	3,877	291
Other term financing	58,990	48,848	58,990	48,848
	225,982	212,377	62,867	49,139
Less: Unearned income	(9,948)	(7,809)	(9,948)	(7,809)
Gross financing and advances	216,034	204,568	52,919	41,330
Less: Impairment allowances				
Expected credit losses	(37,375)	(39,776)	(3,964)	(3,096)
Total net financing and advances	178,659	164,792	48,955	38,234

(i) By contract

Group

	Sale-based contract		Lease-based contract	Total financing and advances
	Commodity Murabahah	Bai Bithaman Ajil	Al-Ijarah Thumma Al-Bai	
	RM'000	RM'000	RM'000	RM'000
<b>30 September 2019</b>				
Syndicated term financing	163,115	-	-	163,115
Deferred payment sales	-	49,042	-	49,042
Finance lease	-	-	3,877	3,877
	163,115	49,042	3,877	216,034

**31 December 2018**

	Sale-based contract		Lease-based contract	Total financing and advances
	Commodity Murabahah	Bai Bithaman Ajil	Al-Ijarah Thumma Al-Bai	
	RM'000	RM'000	RM'000	RM'000
Syndicated term financing	163,238	-	-	163,238
Deferred payment sales	-	41,039	-	41,039
Finance lease	-	-	291	291
	163,238	41,039	291	204,568

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

(k) Financing and advances (cont'd.)

(i) By contract (cont'd.)

Company

30 September 2019

	Sale-based contract	Lease- based contract	Total financing and advances
	Bai Bithaman Ajil RM'000	Al-ljarah Thumma Al- Bai RM'000	RM'000
Deferred payment sales	49,042	-	49,042
Finance lease	-	3,877	3,877
	49,042	3,877	52,919

31 December 2018

	Sale-based contract	Lease- based contract	Total financing and advances
	Bai Bithaman Ajil RM'000	Al-ljarah Thumma Al- Bai RM'000	RM'000
Deferred payment sales	41,039	-	41,039
Finance lease	-	291	291
	41,039	291	41,330

	Group		Company	
	30 September 2019 RM'000	31 December 2018 RM'000	30 September 2019 RM'000	31 December 2018 RM'000

(ii) By types of customer

Domestic business enterprise	129,834	118,368	52,919	41,330
Foreign business enterprise	86,200	86,200	-	-
	216,034	204,568	52,919	41,330

(iii) By profit rate sensitivity

Variable rate				
Cost-plus	163,115	163,238	-	-
Fixed rate				
Hire purchase receivables	3,877	291	3,877	291
Other fixed rate financing	49,042	41,039	49,042	41,039
	216,034	204,568	52,919	41,330

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

(k) Financing and advances (cont'd.)

(iv) By economic sector

	Group		Company	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Mining and quarrying	86,200	86,200	-	-
Manufacturing	10,751	668	562	668
Wholesale and retail trade and restaurants and hotels	32,045	22,887	32,045	22,887
Transport, storage and communications	3,084	-	3,084	-
Finance, insurance and business services	34,469	48,138	13,082	13,916
Construction	45,339	42,816	-	-
Others	4,146	3,859	4,146	3,859
	<u>216,034</u>	<u>204,568</u>	<u>52,919</u>	<u>41,330</u>

(vi) By residual contractual maturity

	Group		Company	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Within one year	95,950	111,566	9,725	8,022
One year to five years	53,924	33,317	32,384	16,283
After five years	66,160	59,685	10,810	17,025
	<u>216,034</u>	<u>204,568</u>	<u>52,919</u>	<u>41,330</u>

(vii) Impaired financing and advances by economic sector

	Group		Company	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Mining	86,200	86,200	-	-
Manufacturing	267	291	267	291
Wholesale and retail trade and restaurants and hotels	6,739	6,799	6,739	6,799
Transport, storage and communications	63	-	63	-
Finance, insurance and business services	996	1,273	996	1,273
Others	419	419	419	419
	<u>94,684</u>	<u>94,982</u>	<u>8,484</u>	<u>8,782</u>

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

(k) Financing and advances (cont'd.)

(viii) Movements in impaired financing and advances

	Group		Company	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
At 1 January	94,982	89,549	8,782	3,349
Impaired during the financial period/year	-	5,715	-	5,715
Amount written off	-	(218)	-	(218)
Amount recovered	(298)	(64)	(298)	(64)
At 30 September/31 December	94,684	94,982	8,484	8,782
Less: ECL allowance	(34,255)	(37,202)	(1,924)	(1,953)
Net impaired financing and advances	60,429	57,780	6,560	6,829
As % of gross financing and advances less ECL allowance	33.24%	34.52%	12.86%	17.34%

Expected credit loss allowance

	Stage 1	Stage 2	Stage 3	Off Balance Sheet	Total
	Collective RM'000	Collective RM'000	Individual RM'000	Individual RM'000	
<b>Group</b>					
At 1 January 2018	-	-	-	-	-
Effects of adoption of MFRS 9					-
- Transfer form collective impairment allowance	4,456	-	1,014	-	5,470
- Remeasurement under ECL	(2,181)	342	-	2,474	635
As at 1 January, restated	2,275	342	1,014	2,474	6,105
Transfer	1,881	-	-	(1,881)	-
Impairment made during the financial year	205	419	36,519	39	37,182
Amount written back	(3,069)	(111)	(22)	-	(3,202)
Amount written off	-	-	(219)	-	(219)
Discount unwind	-	-	(90)	-	(90)
At 31 December 2018	1,292	650	37,202	632	39,776
At 1 January 2019	1,292	650	37,202	632	39,776
Transfer	352	-	-	(352)	-
Impairment made during the financial period	443	18	384	740	1,585
Amount written back	(587)	(54)	(3,171)	(14)	(3,826)
Amount written off	-	-	-	-	-
Discount unwind	-	-	(160)	-	(160)
At 30 September 2019	1,500	614	34,255	1,006	37,375

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

(k) Financing and advances (cont'd.)

Expected credit loss allowance

<u>Company</u>	Stage 1	Stage 2	Stage 3	Off Balance Sheet	Total RM'000
	Collective RM'000	Collective RM'000	Individual RM'000	Individual RM'000	
At 1 January 2018	-	-	-	-	-
Effects of adoption of MFRS 9					-
- Transfer form collective impairment allowance	1,867	-	1,014	-	2,881
- Remeasurement under ECL	(1,310)	342	-	103	(865)
As at 1 January, restated	557	342	1,014	103	2,016
Transfer	-	-	-	-	-
Impairment made during the financial year	205	419	1,270	39	1,933
Amount written back	(411)	(111)	(22)	-	(544)
Amount written off	-	-	(219)	-	(219)
Discount unwind	-	-	(90)	-	(90)
At 31 December 2018	351	650	1,953	142	3,096
At 1 January 2019	351	650	1,953	142	3,096
Impairment made during the financial period	443	18	384	505	1,350
Amount written back	(1)	(54)	(253)	(14)	(322)
Amount written off	-	-	-	-	-
Discount unwind	-	-	(160)	-	(160)
At 30 September 2019	793	614	1,924	633	3,964

(l) Deposits from customers

	Group	
	30 September 2019 RM'000	31 December 2018 RM'000
<b>(i) Commodity Murabahah</b>		
Term deposits	1,820,127	1,118,904
<b>(ii) By type of customers</b>		
Business enterprises	502,611	738,187
Government and statutory bodies	1,317,516	380,717
	1,820,127	1,118,904
<b>(iii) The maturity structure of term deposits is as follows:</b>		
Due within six months	1,681,464	1,068,904
Six months to one year	138,663	50,000
One year or two years	-	-
	1,820,127	1,118,904

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

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

	Group	
	30 September 2019 RM'000	31 December 2018 RM'000
<b>(i) By type of deposits</b>		
<b>Commodity Murabahah Fund</b>		
Term deposits	613,701	603,055
<b>(ii) By type of customers</b>		
<b>Commodity Murabahah Fund</b>		
Other financial institutions	613,701	603,055

(n) Borrowings

	Group and Company	
	30 September 2019 RM'000	31 December 2018 RM'000
Funds from MITI Soft Loans Scheme for Services Sector	156,508	160,000
	<u>156,508</u>	<u>160,000</u>

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

Income derived from investment of general investment deposits:

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b>Group</b>				
Income derived from investment of:				
(i) General investment deposits	37,077	25,068	93,266	76,106
(ii) Other deposits	15,735	-	42,146	26,695
	<u>52,812</u>	<u>25,068</u>	<u>135,412</u>	<u>102,801</u>

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b>Company</b>				
Income derived from investment of:				
(i) General investment deposits	-	-	-	-
(ii) Other deposits	12,907	10,932	36,344	32,927
	<u>12,907</u>	<u>10,932</u>	<u>36,344</u>	<u>32,927</u>

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

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

(i) General investment deposits

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b>Finance income and hibah</b>				
Money at call placements				
with financial and deposit institutions	1,639	1,201	5,471	3,484
Financial asset at FVTPL	-	-	88	-
Financial investments at FVOCI	9,481	4,505	23,598	9,421
Financial investments at amortised cost	16,870	14,673	50,452	45,157
	<u>27,990</u>	<u>20,379</u>	<u>79,609</u>	<u>58,062</u>
Accretion of discounts less amortisation of premiums	2,286	4,392	3,638	13,740
Total finance income and hibah	<u>30,276</u>	<u>24,771</u>	<u>83,247</u>	<u>71,802</u>
<b>Other operating income</b>				
Net gain on sale of financial investments at FVOCI	974	297	4,043	2,072
Net gain on sale of financial investments at amortised cost	-	-	97	-
Net realised gain on sale of financial at FVTPL	5,827	-	5,879	2,232
Net unrealised gain on revaluation of financial assets at FVTPL	-	-	-	-
	<u>6,801</u>	<u>297</u>	<u>10,019</u>	<u>4,304</u>
	<u>37,077</u>	<u>25,068</u>	<u>93,266</u>	<u>76,106</u>

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

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

(ii) Other deposits

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b>Finance income and hibah</b>				
Financing and advances	1,674	2,053	4,933	5,900
Money at call and deposit placements with financial institutions	104	232	592	867
	<u>1,778</u>	<u>2,285</u>	<u>5,525</u>	<u>6,767</u>
<b>Other operating income</b>				
Management fee from Government Scheme Funds	11,570	9,556	32,084	28,852
Fee income	2,066	(464)	3,432	1,771
Other income	321	397	1,105	1,079
	<u>13,957</u>	<u>9,489</u>	<u>36,621</u>	<u>31,702</u>
	<u>15,735</u>	<u>11,774</u>	<u>42,146</u>	<u>38,469</u>

Company

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b>Finance income and hibah</b>				
Financing and advances	529	325	1,449	1,109
Money at call and deposit placements with financial institutions	104	232	592	867
	<u>633</u>	<u>557</u>	<u>2,041</u>	<u>1,976</u>
<b>Other operating income</b>				
Management fee from Government Scheme Funds	11,570	9,556	32,084	28,852
Fee income	384	423	1,116	1,141
Other income	320	396	1,103	958
	<u>12,274</u>	<u>10,375</u>	<u>34,303</u>	<u>30,951</u>
	<u>12,907</u>	<u>10,932</u>	<u>36,344</u>	<u>32,927</u>



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

(p) Income attributable to depositors

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<b>Commodity Fund</b>				
Deposits from customers	17,939	8,443	46,687	25,176
Deposits and placements of banks and financial institutions	4,933	9,605	16,386	26,778
	<u>22,872</u>	<u>18,048</u>	<u>63,073</u>	<u>51,954</u>

(q) Expected credit loss/impairment loss allowance/(written-back) on financing and advances

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
Expected credit loss				
- made during the period	(112)	(57)	(1,585)	(252)
- written back during the period	3,218	(1,235)	3,826	1,143
Profit on impaired financing recovered	133	-	173	3
	<u>3,239</u>	<u>(1,292)</u>	<u>2,414</u>	<u>894</u>

<u>Company</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
Expected credit loss				
- made during the period	(318)	(57)	(1,350)	(252)
- written back during the period	259	(1,201)	322	(1,179)
Profit on impaired financing recovered	133	-	173	3
	<u>74</u>	<u>(1,258)</u>	<u>(855)</u>	<u>(1,428)</u>

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

(r) Expected credit loss allowance made/(written-back) on financial investments

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
Financial investments at FVOCI	(27)	(3,794)	(31)	(8,139)
Financial investments at amortised cost	(1,131)	(29)	(1,104)	15
Profit on impaired debt instruments recovered	4,900	888	4,900	888
	<u>3,742</u>	<u>(2,935)</u>	<u>3,765</u>	<u>(7,236)</u>

(s) Expected credit loss allowance made on other assets

<u>Group</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
Other asset				
- Made during the financial period	(468)	377	(624)	356
	<u>(468)</u>	<u>377</u>	<u>(624)</u>	<u>356</u>

  

<u>Company</u>	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
Other asset				
- Made during the financial period	(81)	-	(81)	-
	<u>(81)</u>	<u>-</u>	<u>(81)</u>	<u>-</u>

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

(t) Capital adequacy

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

	Group		Company	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
<b>Common Equity Tier 1 (CET1)</b>				
Islamic capital fund	456,600	416,600	60,000	20,000
Regulatory reserve	11,385	9,982	-	-
FVOCI reserve	5,558	1,198	-	-
Retained profits	193,382	194,785	22,581	22,581
	<u>666,925</u>	<u>622,565</u>	<u>82,581</u>	<u>42,581</u>
Less:				
Regulatory adjustments of CET1	(15,070)	(12,276)	(416)	(274)
Capital allocation	(2,335)	(113)	(2,335)	(113)
<b>Total Tier-1 capital</b>	<b>649,520</b>	<b>610,176</b>	<b>79,830</b>	<b>42,194</b>
Loan provision/loan provision and regulatory reserve*	10,221	8,061	1,802	1,143
	<u>10,221</u>	<u>8,061</u>	<u>1,802</u>	<u>1,143</u>
<b>Total capital</b>	<b>659,741</b>	<b>618,237</b>	<b>81,632</b>	<b>43,337</b>
CET1 Capital	65.117%	76.351%	32.483%	23.165%
Tier 1 Capital	65.117%	76.351%	32.483%	23.165%
Total Capital	66.141%	77.360%	33.217%	23.792%

\* The loss provision is computed based on Para 13.1(d)(ii) or Capital Adequacy Framework (Capital Components) issued by BNM on 2 February 2018.

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

	Group		Company	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Total risk weighted assets for credit risk	838,010	644,864	164,491	108,188
Total risk weighted assets equivalent for market risk	-	-	-	-
Total risk weighted assets for operational risk	159,460	154,304	81,266	73,959
	<u>997,470</u>	<u>799,168</u>	<u>245,757</u>	<u>182,147</u>

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 period ended 30 September 2019, as set out on pages 1 to 58, 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 30 September 2019. 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**

**31 October 2019**