

HONG LEONG INVESTMENT BANK BERHAD
(Company Number 43526-P)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

	Note	The Group		The Bank	
		As at 30/09/2011 RM'000	As at 30/06/2011 RM'000	As at 30/09/2011 RM'000	As at 30/06/2011 RM'000
ASSETS					
Cash and short term funds		553,102	850,712	550,165	850,415
Reverse repurchase agreements		130,054	159,684	130,054	159,684
Deposits and placements with banks and other financial institutions		127,796	60,125	127,796	60,125
Financial assets held-for-trading	12	518,804	423,345	518,804	423,345
Financial investments available- for-sale	13	83,406	74,882	83,406	74,882
Financial investments held-to-maturity	14	378,044	112,647	378,044	112,647
Derivative financial assets	20	22,394	5,358	22,394	5,358
Loans and advances	15	113,243	107,975	113,243	107,975
Clients' and brokers' balances	16	116,989	165,813	116,989	165,813
Other assets	17	46,012	68,022	46,400	68,743
Statutory deposits with Bank Negara Malaysia		26,000	17,800	26,000	17,800
Tax recoverable		17	17	17	17
Investment in subsidiary companies		-	-	588	588
Deferred tax assets		39,101	41,716	39,101	41,716
Property and equipment		7,339	7,800	7,339	7,800
Goodwill		28,986	28,986	30,236	30,236
Intangible assets		888	993	888	993
TOTAL ASSETS		2,192,175	2,125,875	2,191,464	2,128,137
LIABILITIES					
Deposits from customers	18	337,962	395,243	337,962	395,243
Deposits and placements of banks and other financial institutions	19	994,441	747,999	994,441	747,999
Derivative financial liabilities	20	45,413	5,159	45,413	5,159
Clients' and brokers' balances		417,116	582,461	417,116	582,461
Other liabilities	21	86,142	75,519	84,238	76,639
TOTAL LIABILITIES		1,881,074	1,806,381	1,879,170	1,807,501

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2011.

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(Company Number 43526-P)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

	The Group		The Bank	
	As at 30/09/2011	As at 30/06/2011	As at 30/09/2011	As at 30/06/2011
Note	RM'000	RM'000	RM'000	RM'000
EQUITY				
Share capital	265,535	265,535	265,535	265,535
Redeemable preference shares	1,631	1,631	1,631	1,631
Reserves	43,935	52,328	45,128	53,470
TOTAL EQUITY	311,101	319,494	312,294	320,636
TOTAL LIABILITIES AND EQUITY				
	2,192,175	2,125,875	2,191,464	2,128,137
COMMITMENTS AND CONTINGENCIES				
27	3,104,879	2,958,703	3,104,879	2,958,703
CAPITAL ADEQUACY				
28				
Core Capital Ratio	31.4%	35.6% *	31.4%	35.7% *
Risk Weighted Capital Ratio	31.8%	36.1% *	31.8%	36.1% *
Net assets per share attributable to ordinary equity holder of the Bank (RM)				
	1.17	1.20	1.18	1.21

* After deducting the final dividend

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2011.

HONG LEONG INVESTMENT BANK BERHAD
(Company Number 43526-P)
INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

		Current quarter ended 30/09/2011	Last year's quarter ended 30/09/2010	Current year ended 30/09/2011	Last year's ended 30/09/2010
	Note	RM'000	RM'000	RM'000	RM'000
The Group					
Operating revenue		<u>37,473</u>	<u>25,484</u>	<u>37,473</u>	<u>25,484</u>
Interest income	22	17,528	9,666	17,528	9,666
Interest expense	23	<u>(13,200)</u>	<u>(6,410)</u>	<u>(13,200)</u>	<u>(6,410)</u>
Net interest income		4,328	3,256	4,328	3,256
Non-interest income	24	<u>19,945</u>	15,818	<u>19,945</u>	15,818
Net income		24,273	19,074	24,273	19,074
Overhead expenses	25	<u>(13,657)</u>	<u>(11,578)</u>	<u>(13,657)</u>	<u>(11,578)</u>
Operating profit before allowances		10,616	7,496	10,616	7,496
Write-back of allowance for impairment on loans and advances and other losses	26	<u>606</u>	491	<u>606</u>	491
Profit before taxation		11,222	7,987	11,222	7,987
Taxation		<u>(2,818)</u>	<u>(1,978)</u>	<u>(2,818)</u>	<u>(1,978)</u>
Net profit for the period		<u>8,404</u>	6,009	<u>8,404</u>	6,009
Earnings per share (sen)					
- Basic		<u>3.2</u>	2.3	<u>3.2</u>	2.3

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2011.

HONG LEONG INVESTMENT BANK BERHAD
(Company Number 43526-P)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

	Current quarter ended 30/09/2011 Note	Last year's quarter ended 30/09/2010 RM'000	Current year ended 30/09/2011 RM'000	Last year's ended 30/09/2010 RM'000
The Group				
Net profit for the period	8,404	6,009	8,404	6,009
Other comprehensive income:				
Net fair value changes on financial investments available-for-sale	(652)	-	(652)	-
Income tax relating to net fair value changes on financial investments available-for-sale	163	-	163	-
Other comprehensive income for the period, net of tax	(489)	-	(489)	-
Total comprehensive income for the period, net of tax	7,915	6,009	7,915	6,009

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2011.

HONG LEONG INVESTMENT BANK BERHAD
(Company Number 43526-P)
INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

		Current quarter ended 30/09/2011 RM'000	Last year's quarter ended 30/09/2010 RM'000	Current year ended 30/09/2011 RM'000	Last year's ended 30/09/2010 RM'000
	Note				
The Bank					
Operating revenue		<u>37,473</u>	25,383	<u>37,473</u>	25,383
Interest income	22	17,528	9,666	17,528	9,666
Interest expense	23	<u>(13,200)</u>	<u>(6,410)</u>	<u>(13,200)</u>	<u>(6,410)</u>
Net interest income		4,328	3,256	4,328	3,256
Non-interest income	24	<u>19,945</u>	15,717	<u>19,945</u>	15,717
Net income		24,273	18,973	24,273	18,973
Overhead expenses	25	<u>(13,606)</u>	<u>(11,546)</u>	<u>(13,606)</u>	<u>(11,546)</u>
Operating profit before allowances		10,667	7,427	10,667	7,427
Write-back of allowance for impairment on loans and advances and other losses	26	<u>606</u>	491	<u>606</u>	491
Profit before taxation		11,273	7,918	11,273	7,918
Taxation		<u>(2,818)</u>	<u>(1,978)</u>	<u>(2,818)</u>	<u>(1,978)</u>
Net profit for the period		<u>8,455</u>	5,940	<u>8,455</u>	5,940
Earnings per share (sen)					
- Basic		<u>3.2</u>	2.2	<u>3.2</u>	2.2

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2011.

HONG LEONG INVESTMENT BANK BERHAD
(Company Number 43526-P)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

	Current quarter ended 30/09/2011 Note	Last year's quarter ended 30/09/2010 RM'000	Current year ended 30/09/2011 RM'000	Last year's ended 30/09/2010 RM'000
The Bank				
Net profit for the period	8,455	5,940	8,455	5,940
Other comprehensive income				
Net fair value changes on financial investments available-for-sale	(652)	-	(652)	-
Income tax relating to net fair value changes on financial investments available-for-sale	<u>163</u>	<u>-</u>	<u>163</u>	<u>-</u>
Other comprehensive income for the period, net of tax	<u>(489)</u>	<u>-</u>	<u>(489)</u>	<u>-</u>
Total comprehensive income for the period, net of tax	<u>7,966</u>	<u>5,940</u>	<u>7,966</u>	<u>5,940</u>

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2011.

HONG LEONG INVESTMENT BANK BERHAD
 (Company Number 43526-P)
INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

The Group	Share Capital RM'000	Redeemable Preference Share RM'000	Non-Distributable Reserves		Distributable Reserves		Total RM'000
			Statutory Reserves RM'000	Fair Value Reserves RM'000	Retained Profits RM'000		
At 1 July 2011	265,535	1,631	28,222	56	24,050		319,494
Net profit for the period	-	-	-	-	8,404		8,404
Other comprehensive income	-	-	-	(489)	-		(489)
Total comprehensive income for the period	-	-	-	(489)	8,404		7,915
Dividend paid	-	-	-	-	(16,308)		(16,308)
At 30 September 2011	265,535	1,631	28,222	(433)	16,146		311,101
At 1 July 2010							
- as previously reported	265,535	1,631	11,044	-	9,415		287,625
- effect of adopting FRS139	-	-	-	-	(2,630)		(2,630)
At 1 July 2010, restated	265,535	1,631	11,044	-	6,785		284,995
Net profit for the period	-	-	-	-	6,009		6,009
Other comprehensive income	-	-	-	-	-		-
Total comprehensive income for the period	-	-	-	-	6,009		6,009
At 30 September 2010	265,535	1,631	11,044	-	12,794		291,004

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2011.

HONG LEONG INVESTMENT BANK BERHAD
(Company Number 43526-P)
INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

	Share Capital RM'000	Redeemable Preference Share RM'000	Non-Distributable <u>Reserves</u>		Distributable <u>Reserves</u>		Total RM'000
			Statutory Reserves RM'000	Fair Value Reserves RM'000	Retained Profits RM'000		
The Bank							
At 1 July 2011	265,535	1,631	28,222	56	25,192		320,636
Net profit for the period	-	-	-	-	8,455		8,455
Other comprehensive income	-	-	-	(489)	-		(489)
Total comprehensive income for the period	-	-	-	(489)	8,455		7,966
Dividend paid	-	-	-	-	(16,308)		(16,308)
At 30 September 2011	265,535	1,631	28,222	(433)	17,339		312,294
At 1 July 2010							
- as previously reported	265,535	1,631	11,044	-	10,644		288,854
- effect of adopting FRS139	-	-	-	-	(2,630)		(2,630)
At 1 July 2010, restated	265,535	1,631	11,044	-	8,014		286,224
Net profit for the period	-	-	-	-	5,940		5,940
Other comprehensive income	-	-	-	-	-		-
Total comprehensive income for the period	-	-	-	-	5,940		5,940
At 30 September 2010	265,535	1,631	11,044	-	13,954		292,164

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2011.

HONG LEONG INVESTMENT BANK BERHAD
(Company Number 43526-P)
INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011

	The Group		The Bank	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	11,222	7,987	11,273	7,918
Adjustments for non-cash items	9,755	(4,442)	9,755	(4,442)
Operating profit before changes in working capital	20,977	3,545	21,028	3,476
Changes in working capital:				
Net changes in operating assets	(337,012)	(207,948)	(336,679)	(206,766)
Net changes in operating liabilities	114,983	81,359	111,959	82,683
Income tax refund	-	120	-	120
Net cash used in operating activities	(201,052)	(122,924)	(203,692)	(120,487)
Net cash generated from investing activities	294	2,431	294	2,431
Net cash used in financing activities	(16,308)	-	(16,308)	-
Net changes in cash and cash equivalents	(217,066)	(120,493)	(219,706)	(118,056)
Cash and cash equivalents at beginning of the year	412,525	480,828	412,228	478,318
Cash and cash equivalents at end of the period	195,459	360,335	192,522	360,262
Cash and cash equivalents comprise:				
Cash and short term funds	553,102	536,686	550,165	533,908
Less: Remisiers' and clients' trust monies	(357,643)	(176,351)	(357,643)	(173,646)
	195,459	360,335	192,522	360,262

The Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 30 June 2011.

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

1. Basis of preparation

The unaudited interim financial statements have been prepared in accordance with FRS134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB"). The unaudited interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Bank for the year ended 30 June 2011. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 30 June 2011.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 30 June 2011, except for the adoption of the following Financial Reporting Standards ("FRS"), amendments to FRSs and IC Interpretations:

- Amendments to FRS 2 "Share-based Payment: Group, cash-settled share based payment transactions"
- Amendments to FRS 7 "Improving Disclosures about Financial Instruments"
- IC Interpretation 4 "Determining whether an arrangement contains a lease"
- IC Interpretation 19 "Extinguishing financial liabilities with equity investments"
- FRS 101 "Presentation of Financial Statements"

The adoption of these FRSs, amendments to FRSs and IC Interpretations did not have any significant financial impact on the results of the Group and the Bank.

2. Auditors' report on preceding annual financial statements

The auditors' report on the audited financial statements for the financial year ended 30 June 2011 was not qualified.

3. Comments about seasonal or cyclical factors

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors during the financial quarter ended 30 September 2011.

4. Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equities, net income or cash flows of the Group and the Bank during the financial quarter ended 30 September 2011.

5. Change in estimate

There were no unusual items affecting the assets, liabilities, equities, net income or cash flows of the Group and the Bank during the financial quarter ended 30 September 2011.

6. Debt and Equity Securities

There were no new issuance and repayment of debt and equity securities, share-buy-back, share cancellations, share held as treasury shares and resale of treasury shares during the financial quarter ended 30 September 2011.

7. Dividends

During the financial quarter, a single-tier final dividend of 10.0 sen per share on the Bank's issued and paid-up Redeemable Preference Shares comprising 163,076,524 Redeemable Preference Shares amounting to RM16,307,652 in respect of the financial year ended 30 June 2011 was paid on 28 September 2011.

8. Valuations of Property, Plant and Equipment

No valuations of property, plant and equipment were carried out for the financial quarter ended 30 September 2011.

9. Subsequent Events

There were no material events subsequent to the end of the reporting period that require disclosure or adjustments to the unaudited interim financial statements.

10. Performance review

The Group achieved a profit before tax of RM11.3 million in current quarter as compared to RM8.0 million in the preceding year corresponding quarter. The increase in profit was mainly due to higher fee income which was contributed by investment banking business achieved in the current quarter as compared to the preceding year corresponding quarter.

11. Prospect for the next financial year

The Group is expected to show satisfactory performance in the coming financial year ending 30 June 2012 with improving profitability via diversification of income source from more extensive investment banking activities.

Financial Reporting for Licensed Institutions ("BNM/GP8")**12. Financial assets held-for-trading**

	The Group and the Bank	
	As at	As at
	30/09/2011	30/06/2011
	RM'000	RM'000
Money market instruments		
Malaysian Government Investment Issues	72,214	-
Negotiable instruments of deposits	120,579	20,143
Bankers' acceptances	31,737	212,418
	<u>224,530</u>	<u>232,561</u>
Quoted securities		
In Malaysia:		
Shares	7,237	52,463
Outside Malaysia:		
Foreign currency bonds	26,725	98,036
	<u>33,962</u>	<u>150,499</u>
Unquoted securities		
Private and Islamic debt securities	260,312	40,285
	<u>518,804</u>	<u>423,345</u>

13. Financial investments available-for-sale

	The Group and the Bank	
	As at	As at
	30/09/2011	30/06/2011
	RM'000	RM'000
Money market instruments		
Cagamas bonds	5,213	5,140
Quoted securities		
Outside Malaysia:		
Foreign currency bonds	18,832	10,902
Unquoted securities		
Shares	2,445	2,445
Private and Islamic debt securities	56,916	56,395
	<u>59,361</u>	<u>58,840</u>
	<u>83,406</u>	<u>74,882</u>

14. Financial investments held-to-maturity

	The Group and the Bank	
	As at 30/09/2011 RM'000	As at 30/06/2011 RM'000
Money market instruments		
Malaysian Government Investment Issues	5,099	5,153
Cagamas bonds	<u>10,415</u>	<u>10,319</u>
	15,514	15,472
Quoted securities		
Outside Malaysia:		
Foreign currency bonds	316,509	76,710
Unquoted securities		
Private and Islamic debt securities	46,021	20,465
	<u>378,044</u>	<u>112,647</u>

15. Loans and advances

	The Group and the Bank	
	As at 30/09/2011 RM'000	As at 30/06/2011 RM'000
Term loan financing	32,529	15,022
Share margin financing	66,416	76,819
Revolving credits	<u>20,733</u>	<u>22,457</u>
Gross loans and advances	119,678	114,298
Allowance for impaired loans and advances:		
- individual assessment allowance	(4,711)	(4,679)
- collective assessment allowance	<u>(1,724)</u>	<u>(1,644)</u>
Net loans and advances	<u>113,243</u>	<u>107,975</u>

15a. By type of customer

Domestic business enterprises		
- Small and medium enterprises	9,780	8,807
- Others	52,353	35,568
Individuals	55,912	68,722
Foreign entities	<u>1,633</u>	<u>1,201</u>
Gross loans and advances	<u>119,678</u>	<u>114,298</u>

15b. By interest rate sensitivity

Fixed rate		
- Other fixed rate loan	66,416	76,819
Variable rate		
- Cost plus	<u>53,262</u>	<u>37,479</u>
Gross loans and advances	<u>119,678</u>	<u>114,298</u>

HLIB Q4 (30.09.2011)

15. Loans and advances (continued)

	The Group and the Bank	
	As at	As at
	30/09/2011	30/06/2011
	RM'000	RM'000
15c. <u>By residual contractual maturity</u>		
Maturity within 1 year	119,678	114,298
15d. <u>By geographical distribution</u>		
Malaysia	119,678	114,298
15e. <u>By economic purpose</u>		
Purchase of securities	78,202	89,354
Working capital	41,476	24,944
Gross loans and advances	119,678	114,298
15f. Movements in impaired loans and advances ("impaired loans") are as follows:		
Impaired loans and advances		
At 1 July		
- as previously reported	9,374	2,688
- effect of adopting FRS139	-	10,012
At 1 July, as restated	9,374	12,700
Impaired during the period	3,893	107
Amount written back	(68)	(2,347)
Amount written off	-	(1,086)
Closing balance	13,199	9,374
% of impaired loans to total loans and advances net of individual assessment allowance	11.5%	8.6%
15g. <u>Impaired loans and advances by geographical distribution</u>		
Malaysia	13,199	9,374
15h. <u>Impaired loans and advances by economic purpose</u>		
Working capital	8,186	8,254
Purchase of securities	5,013	1,120
Gross impaired loans and advances	13,199	9,374

HLIB Q4 (30.09.2011)**15. Loans and advances (continued)**

The Group and the Bank
As at **As at**
30/09/2011 **30/06/2011**
RM'000 **RM'000**

15i. Movement in the allowance for loss on loans and advances are as follows:

Collective assessment allowance

At 1 July

- as previously reported

1,644

-

- effect of adopting FRS139

-

1,743

At 1 July, as restated

1,644

1,743

Allowance made/(written back) during the period

80

(99)

Closing balance

1,724

1,644

Individual assessment allowance

At 1 July

- as previously reported

4,679

-

- effect of adopting FRS139

-

6,247

At 1 July, as restated

4,679

6,247

Allowance made during the period

32

107

Amount written back

-

(589)

Amount written off

-

(1,086)

Closing balance

4,711

4,679

16. Clients' and brokers' balances

The Group and the Bank
As at **As at**
30/09/2011 **30/06/2011**
RM'000 **RM'000**

Performing accounts

116,412

165,605

Impaired accounts

12,288

12,589

128,700

178,194

Less: Individual assessment allowance

(11,711)

(12,381)

116,989

165,813

HLIB Q4 (30.09.2011)

17. Other assets

	The Group		The Bank	
	As at 30/09/2011 RM'000	As at 30/06/2011 RM'000	As at 30/09/2011 RM'000	As at 30/06/2011 RM'000
Amount due from holding company	713	384	713	384
Amount due from subsidiary companies	-	-	392	808
Other receivables, deposits and prepayments	45,299	67,638	45,295	67,551
	46,012	68,022	46,400	68,743

18. Deposits from customers

	The Group and the Bank	
	As at 30/09/2011 RM'000	As at 30/06/2011 RM'000
Fixed deposits	337,962	395,243
18a. <u>By type of deposit</u>		
Fixed deposits	337,962	395,243
18b. <u>By type of customer</u>		
Government and statutory bodies	262,405	205,501
Business enterprises	73,992	188,724
Individual	1,565	1,018
	337,962	395,243
18c. The maturity structure of fixed deposits are as follows:		
Due within six months	337,962	395,243

19. Deposits and placements of banks and other financial institutions

	The Group and the Bank	
	As at 30/09/2011 RM'000	As at 30/06/2011 RM'000
Licensed banks	255,402	211,431
Other financial institutions	739,039	536,568
	994,441	747,999

20. Derivative financial instruments

	The Group and the Bank		
	Contract or underlying principal amount RM'000	Positive fair value RM'000	Negative fair value RM'000
30/09/2011			
Interest rate related contracts:			
- Interest rate swaps	715,000	3,918	(6,053)
- Futures	1,729,196	438	(3,790)
Foreign exchange related contracts:			
- Foreign currency swaps	311,789	14,974	(35,570)
- Foreign currency forwards	12,282	64	-
Equity related contracts:			
- Call option	10,000	3,000	-
	2,778,267	22,394	(45,413)
30/06/2011			
Interest rate related contracts:			
- Interest rate swaps	455,000	622	(1,600)
- Futures	2,013,753	515	(919)
Foreign exchange related contracts:			
- Foreign currency swaps	64,471	1,192	(2,247)
- Foreign currency spot	18,119	29	(25)
- Foreign currency forwards	30,198	-	(301)
Equity related contracts:			
- Futures	44,675	-	(67)
- Call option	10,000	3,000	-
	2,636,216	5,358	(5,159)

21. Other liabilities

	The Group		The Bank	
	As at 30/09/2011 RM'000	As at 30/06/2011 RM'000	As at 30/09/2011 RM'000	As at 30/06/2011 RM'000
Amount due to immediate holding company		-	-	-
Amount due to subsidiary companies	-	-	88	88
Remisiers' trust deposits	10,254	10,210	10,254	10,210
ESOS liabilities	389	249	389	249
Other payables and accrued liabilities	75,065	64,628	73,073	65,660
Post employment benefits obligation				
- defined contribution plan	434	432	434	432
	86,142	75,519	84,238	76,639

22. Interest income

	Current quarter ended 30/09/2011 RM'000	Last year's quarter ended 30/09/2010 RM'000	Current year ended 30/09/2011 RM'000	Last year's ended 30/09/2010 RM'000
The Group and the Bank				
Loan and advances	1,751	1,505	1,751	1,505
Money at call and deposits placements with banks and other financial institutions	2,893	2,897	2,893	2,897
Financial investments available-for-sale	845	522	845	522
Financial investments held-to-maturity	2,874	295	2,874	295
Others	69	109	69	109
	8,432	5,328	8,432	5,328
Financial assets held-for-trading	9,913	4,442	9,913	4,442
Accretion of discount less amortisation of premium	(817)	(104)	(817)	(104)
Total interest income	17,528	9,666	17,528	9,666
Of which:				
Interest income earned on impaired loans and advances	75	99	75	99

23. Interest expense

	Current quarter ended 30/09/2011 RM'000	Last year's quarter ended 30/09/2010 RM'000	Current year ended 30/09/2011 RM'000	Last year's ended 30/09/2010 RM'000
The Group and the Bank				
Deposits and placements of banks and other financial institutions	5,984	1,844	5,984	1,844
Deposits from customers	7,171	4,566	7,171	4,566
Others	45	-	45	-
Total interest expense	13,200	6,410	13,200	6,410

24. Non-interest income

	Current quarter ended 30/09/2011 RM'000	Last year's quarter ended 30/09/2010 RM'000	Current year ended 30/09/2011 RM'000	Last year's ended 30/09/2010 RM'000
The Group				
(a) Fee income:				
Fee on loans and advances	83	1,349	83	1,349
Arranger fees	2,619	1,459	2,619	1,459
Corporate advisory fees	2,090	1,590	2,090	1,590
Brokerage commissions	10,344	10,076	10,344	10,076
Net commission from futures business	268	-	268	-
Other fee income	9,015	48	9,015	48
	24,419	14,522	24,419	14,522
(b) Net realised gain arising from sale of:				
- Financial assets held-for-trading	(2,806)	1,389	(2,806)	1,389
- Financial investments available-for-sale	210	-	210	-
	(2,596)	1,389	(2,596)	1,389
(c) Dividend income from:				
- Financial assets held-for-trading	364	269	364	269
- Financial investments available-for-sale	147	-	147	-
	511	269	511	269
(d) Net unrealised gain/(loss) on revaluation of:				
- Financial assets held-for-trading	(550)	445	(550)	445
- Derivatives	(23,141)	(1,128)	(23,141)	(1,128)
	(23,691)	(683)	(23,691)	(683)
(e) Gain on disposal of property and equipment	2	-	2	-
(f) Other non-operating income	21,300	321	21,300	321
Total non-interest income	19,945	15,818	19,945	15,818

24. Non-interest income (continued)

	Current quarter ended 30/09/2011 RM'000	Last year's quarter ended 30/09/2010 RM'000	Current year ended 30/09/2011 RM'000	Last year's ended 30/09/2010 RM'000
The Bank				
(a) Fee income:				
Fee on loans and advances	83	1,349	83	1,349
Arranger fees	2,619	1,459	2,619	1,459
Corporate advisory fees	2,090	1,590	2,090	1,590
Brokerage commissions	10,344	10,076	10,344	10,076
Net commission from futures business	268	-	268	-
Other fee income	9,015	(53)	9,015	(53)
	24,419	14,421	24,419	14,421
(b) Net realised gain arising from sale of:				
- Financial assets held-for-trading	(2,806)	1,389	(2,806)	1,389
- Financial investments available-for-sale	210	-	210	-
	(2,596)	1,389	(2,596)	1,389
(c) Dividend income from:				
- Financial assets held-for-trading	364	269	364	269
- Financial investments available-for-sale	147	-	147	-
	511	269	511	269
(d) Net unrealised gain/(loss) on revaluation of:				
- Financial assets held-for-trading	(550)	445	(550)	445
- Derivatives	(23,141)	(1,128)	(23,141)	(1,128)
	(23,691)	(683)	(23,691)	(683)
(e) Gain on disposal of property and equipment	2	-	2	-
(f) Other non-operating income	21,300	321	21,300	321
Total non-interest income	19,945	15,717	19,945	15,717

25. Overhead expenses

	Current quarter ended 30/09/2011 RM'000	Last year's quarter ended 30/09/2010 RM'000	Current year ended 30/09/2011 RM'000	Last year's ended 30/09/2010 RM'000
The Group				
Personnel costs				
- Salaries, bonuses and allowances	5,947	4,384	5,947	4,384
- Option charge arising from ESOS	140	-	140	-
- Others	1,001	848	1,001	848
	<u>7,088</u>	<u>5,232</u>	<u>7,088</u>	<u>5,232</u>
Establishment costs				
- Depreciation of property and equipment	581	491	581	491
- Amortisation of intangible assets	185	194	185	194
- Rental	1,101	1,128	1,101	1,128
- Information technology expenses	880	1,247	880	1,247
- Others	463	888	463	888
	<u>3,210</u>	<u>3,948</u>	<u>3,210</u>	<u>3,948</u>
Marketing expenses				
- Advertisement and publicity	-	3	-	3
- Entertainment and business improvement	311	177	311	177
- Others	51	46	51	46
	<u>362</u>	<u>226</u>	<u>362</u>	<u>226</u>
Administration and general expenses				
- Management fees	455	365	455	365
- Teletransmission expenses	429	493	429	493
- Auditors' remuneration	37	32	37	32
- Statutory audit	37	32	37	32
- Tax compliance fee	-	-	-	-
- Other fees	-	-	-	-
- Legal and professional fees	1,101	738	1,101	738
- Others	975	544	975	544
	<u>2,997</u>	<u>2,172</u>	<u>2,997</u>	<u>2,172</u>
	<u>13,657</u>	<u>11,578</u>	<u>13,657</u>	<u>11,578</u>

25. Overhead expenses (continued)

	Current quarter ended 30/09/2011 RM'000	Last year's quarter ended 30/09/2010 RM'000	Current year ended 30/09/2011 RM'000	Last year's ended 30/09/2010 RM'000
The Bank				
Personnel costs				
- Salaries, bonuses and allowances	5,947	4,359	5,947	4,359
- Option charge arising from ESOS	140	-	140	-
- Others	1,001	844	1,001	844
	7,088	5,203	7,088	5,203
Establishment costs				
- Depreciation of property and equipment	581	491	581	491
- Amortisation of intangible assets	185	194	185	194
- Rental	1,101	1,128	1,101	1,128
- Information technology expenses	880	1,247	880	1,247
- Others	463	888	463	888
	3,210	3,948	3,210	3,948
Marketing expenses				
- Advertisement and publicity	-	3	-	3
- Entertainment and business improvement	311	177	311	177
- Others	51	46	51	46
	362	226	362	226
Administration and general expenses				
- Management fees	455	365	455	365
- Teletransmission expenses	429	493	429	493
- Auditors' remuneration	37	32	37	32
- Statutory audit	37	32	37	32
- Tax compliance fee	-	-	-	-
- Other fees	-	-	-	-
- Legal and professional fees	1,104	738	1,104	738
- Others	921	541	921	541
	2,946	2,169	2,946	2,169
	13,606	11,546	13,606	11,546

26. Writeback of allowance for losses on loans and advances and other losses

	Current quarter ended 30/09/2011 RM'000	Last year's quarter ended 30/09/2010 RM'000	Current year ended 30/09/2011 RM'000	Last year's ended 30/09/2010 RM'000
The Group and the Bank				
Allowance for/(write-back of) losses on impaired loans and advances:				
Individual assessment allowance				
- made during the period	32	42	32	42
- written back during the period	-	-	-	-
Collective assessment allowance made/ (written back) during the period	80	(279)	80	(279)
Bad debts on loans and advance				
- recovered	(48)	(54)	(48)	(54)
Allowance for losses on clients' and brokers' balances:				
General allowance made during the period				
	-	195	-	195
Individual assessment allowance				
- made during the period	683	130	683	130
- written back during the period	(1,353)	(525)	(1,353)	(525)
	(606)	(491)	(606)	(491)

HLIB Q4 (30.09.2011)

27. Commitments and contingencies

	30 September 2011			30 June 2011		
	Principal Amount RM'000	Credit Equivalent RM'000	Risk Weighted Amount RM'000	Principal Amount RM'000	Credit Equivalent RM'000	Risk Weighted Amount RM'000
The Group and the Bank						
Commitments and contingent liabilities						
Obligations under underwriting agreement	-	-	-	20,238	10,119	10,119
Any commitments that are unconditionally cancelled at any time by the bank without prior notice						
- maturity less than 1 year	326,612	-	-	302,249	-	-
	326,612	-	-	322,487	10,119	10,119
Derivative Financial Instruments						
Interest rate related contracts:						
- One year or less	519,863	-	-	527,573	-	-
- Over one year to five years	1,793,584	31,718	6,344	1,817,370	18,572	3,714
- Over five years	130,749	-	-	123,810	-	-
Foreign exchange related contracts						
- One year or less	324,071	24,134	4,827	112,788	5,750	1,512
Equity related contracts						
- One year or less	-	-	-	44,675	-	-
- Over one year to five years	10,000	-	-	10,000	-	-
	2,778,267	55,852	11,171	2,636,216	24,322	5,226
	3,104,879	55,852	11,171	2,958,703	34,441	15,345

The credit equivalent amount and risk weighted amount are arrived at using the credit conversion factors and risk weights as defined in the BNM's revised Risk-weighted Capital Adequacy Framework ("RWCAF").

28. Capital adequacy

The capital adequacy ratios of the Group and the Bank as at the following dates:

	The Group		The Bank	
	As at 30/09/2011	As at 30/06/2011	As at 30/09/2011	As at 30/06/2011
Core capital ratio	31.4%	35.6% *	31.4%	35.7% *
Risk-weighted capital ratio	31.8%	36.1% *	31.8%	36.1% *

* After deducting the final dividend

	The Group		The Bank	
	As at 30/09/2011 RM'000	As at 30/06/2011 RM'000	As at 30/09/2011 RM'000	As at 30/06/2011 RM'000
Components of Tier I and Tier II capital:				
<u>Tier I capital</u>				
Paid-up share capital	265,535	265,535	265,535	265,535
Retained profit	7,742	24,050	8,884	25,192
Statutory reserves	28,222	28,222	28,222	28,222
	301,499	317,807	302,641	318,949
Less: Goodwill	(28,986)	(28,986)	(30,236)	(30,236)
Deferred tax assets (net)	(41,716)	(41,716)	(41,716)	(41,716)
Total Tier I capital	230,797	247,105	230,689	246,997
<u>Tier II capital</u>				
Redeemable preference shares ("RPS")	1,631	1,631	1,631	1,631
Collective assessment allowance ⁽¹⁾	1,655	1,574	1,655	1,574
Total Tier II capital	3,286	3,205	3,286	3,205
Eligible Tier II capital	3,286	3,205	3,286	3,205
Total capital	234,083	250,310	233,975	250,202
Less: Investment in subsidiaries	-	-	(588)	(588)
Total capital base	234,083	250,310	233,387	249,614

The capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's revised Risk-Weighted Capital Adequacy Framework ("RWCAF-Basel II"). The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% (2011 - 8.00%) for the risk-weighted capital ratio.

Note :

⁽¹⁾ Excludes collective assessment allowance attributable to loans and advances classified as impaired.

28. Capital adequacy (continued)

	The Group		The Bank	
	As at 30/09/2011 RM'000	As at 30/06/2011 RM'000	As at 30/09/2011 RM'000	As at 30/06/2011 RM'000
Credit risk	373,226	286,172	373,027	286,833
Market risk	223,329	237,494	223,329	237,494
Operational risk	139,332	124,294	137,632	122,594
	735,887	647,960	733,988	646,921

The detailed disclosures on the capital base and risk-weighted assets, are presented in accordance with para 4.3 of BNM's Guidelines on Risk Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirement (Pillar 3).