

MAYBANK INVESTMENT BANK BERHAD
(15938-H)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Notes	Group		Bank	
		31 December 2011 RM'000	30 June 2011 RM'000	31 December 2011 RM'000	30 June 2011 RM'000
ASSETS					
Cash and short-term funds	12	1,200,265	1,322,342	1,169,338	1,290,431
Deposits and placements with banks and other financial institutions	13	12,590	10,347	9,199	9,163
Securities portfolio - held-for-trading	14(i)	18,238	-	18,238	-
Securities portfolio - available-for-sale	14(ii)	578,196	98,449	531,600	42,060
Securities portfolio - held-to-maturity	14(iii)	33	33	33	33
Loans and advances	15	209,437	211,032	209,437	211,032
Other assets	16	426,262	450,539	425,230	450,554
Statutory deposits with Bank Negara Malaysia		105	105	105	105
Investment in subsidiaries		-	-	233,279	233,279
Investment in associates		10,407	10,656	4,200	4,200
Property, plant and equipment		13,641	9,338	13,484	9,179
Intangible assets		6,028	5,217	6,028	5,217
Deferred tax assets		5,524	10,116	5,524	10,116
TOTAL ASSETS		2,480,726	2,128,174	2,625,695	2,265,369
LIABILITIES					
Deposits and placements of a licensed bank		605,000	-	605,000	-
Derivative liabilities		7,508	-	7,508	-
Other liabilities	17	1,352,742	1,684,640	1,519,846	1,852,797
Deferred tax liabilities		773	744	-	-
TOTAL LIABILITIES		1,966,023	1,685,384	2,132,354	1,852,797
SHAREHOLDER'S EQUITY					
Share capital		50,116	50,116	50,116	50,116
Reserves		464,587	392,674	443,225	362,456
TOTAL EQUITY		514,703	442,790	493,341	412,572
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		2,480,726	2,128,174	2,625,695	2,265,369
COMMITMENTS AND CONTINGENCIES					
	24	492,641	508,727	492,641	508,727

(The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the financial statements)

MAYBANK INVESTMENT BANK BERHAD
(15938-H)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
CONSOLIDATED AUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011

<u>Group</u>	Notes	2nd Quarter Ended		Cumulative 6 Months Ended	
		31 December 2011 RM'000	31 December 2010 RM'000	31 December 2011 RM'000	31 December 2010 RM'000
Interest income	18	6,904	4,216	13,126	7,788
Interest expense	19	(1,899)	(17)	(2,929)	(27)
Net interest income		5,005	4,199	10,197	7,761
Net income from Islamic					
Banking Scheme operations	26	24,420	21,188	62,397	21,188
Non-interest income	20	46,956	76,199	136,424	125,884
Net income		76,381	101,586	209,018	154,833
Overhead expenses	21	(58,282)	(39,484)	(105,564)	(71,860)
Operating profit		18,099	62,102	103,454	82,973
Writeback of/(allowance for) impairment on loans and advances and other debtors, net	22	684	292	248	(121)
Allowance for impairment on securities available-for-sale		(2,058)	-	(2,058)	-
		16,725	62,394	101,644	82,852
Share of results of associates		(389)	477	(249)	495
Profit before taxation and zakat		16,336	62,871	101,395	83,347
Taxation and zakat		(5,523)	(11,821)	(27,787)	(19,870)
Net profit for the period		10,813	51,050	73,608	63,477
Basic earnings per share (sen)		22	102	147	127

<u>Group</u>	2nd Quarter Ended		Cumulative 6 Months Ended	
	31 December 2011 RM'000	31 December 2010 RM'000	31 December 2011 RM'000	31 December 2010 RM'000
Net profit for the period	10,813	51,050	73,608	63,477
Other comprehensive income/(loss):				
Net gain/(loss) on securities available-for-sale				
- gain/(loss) on fair value changes, net of tax	11,334	1,291	(4,087)	11,421
Foreign currency translation	(384)	(223)	2,392	(2,324)
Other comprehensive income/(loss) for the period, net of tax	10,950	1,068	(1,695)	9,097
Total comprehensive income for the period	21,763	52,118	71,913	72,574
Total comprehensive income for the period attributable to equity holder of the parent	21,763	52,118	71,913	72,574

(The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the financial statements)
(The consolidated statements of comprehensive income for the quarter and cumulative 6 months ended 31 December 2010 have not been audited)

MAYBANK INVESTMENT BANK BERHAD

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(Incorporated in Malaysia)

**CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011**

	Notes	2nd Quarter Ended		Cumulative 6 Months Ended	
		31 December 2011	31 December 2010	31 December 2011	31 December 2010
Bank		RM'000	RM'000	RM'000	RM'000
Interest income	18	6,630	4,042	12,754	7,450
Interest expense	19	(1,899)	(17)	(2,929)	(27)
Net interest income		4,731	4,025	9,825	7,423
Net income from Islamic					
Banking Scheme operations	26	24,420	21,188	62,397	21,188
Non-interest income	20	46,839	73,230	134,451	120,280
Net income		75,990	98,443	206,673	148,891
Overhead expenses	21	(57,912)	(38,665)	(103,628)	(70,729)
Operating profit		18,078	59,778	103,045	78,162
Writeback of/(allowance for) impairment on loans and advances and other debtors, net	22	684	292	248	(121)
Allowance for impairment on securities available-for-sale		(2,058)	-	(2,058)	-
Profit before taxation and zakat		16,704	60,071	101,235	78,041
Taxation and zakat		(5,679)	(11,191)	(27,715)	(18,855)
Net profit for the period		11,025	48,880	73,520	59,186
Basic earnings per share (sen)		22	98	147	118

	2nd Quarter Ended		Cumulative 6 Months Ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
Bank	RM'000	RM'000	RM'000	RM'000
Net profit for the period	11,025	48,880	73,520	59,186
Other comprehensive income/(loss):				
Net gain/(loss) on securities available-for-sale				
- gain/(loss) on fair value changes, net of tax	7,312	(5,785)	7,249	(5,777)
Other comprehensive income/(loss) for the period, net of tax	7,312	(5,785)	7,249	(5,777)
Total comprehensive income for the period	18,337	43,095	80,769	53,409
Total comprehensive income for the period attributable to equity holder of the Bank	18,337	43,095	80,769	53,409

(The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the financial statements)

(The statements of comprehensive income for the quarter and cumulative 6 months ended 31 December 2010 have not been audited)

MAYBANK INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011

<u>Group</u>	<-----Non-distributable----->						Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves * RM'000	Equity Unrealised holding reserves RM'000	Exchange fluctuation reserve RM'000	Distributable retained earnings RM'000	
At 1 July 2011	50,116	172,669	50,116	25,958	(6,918)	150,849	442,790
Profit for the period	-	-	-	-	-	73,608	73,608
Other comprehensive (loss)/income	-	-	-	(4,087)	2,392	-	(1,695)
Total comprehensive (loss)/income for the period	-	-	-	(4,087)	2,392	73,608	71,913
At 31 December 2011	50,116	172,669	50,116	21,871	(4,526)	224,457	514,703
At 1 July 2010	50,116	172,669	50,116	18,762	(3,788)	132,259	420,134
Profit for the period	-	-	-	-	-	63,477	63,477
Other comprehensive income/(loss)	-	-	-	11,421	(2,324)	-	9,097
Total comprehensive income/(loss) for the period	-	-	-	11,421	(2,324)	63,477	72,574
At 31 December 2010	50,116	172,669	50,116	30,183	(6,112)	195,736	492,708

(These condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes to the financial statements)

(The consolidated statement of changes in equity for the cumulative 6 months ended 31 December 2010 has not been audited)

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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011

<u>Bank</u>	<-----Non-distributable----->					Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves * RM'000	Unrealised holding reserves RM'000	Distributable retained earnings RM'000	
At 1 July 2011	50,116	172,669	50,116	-	139,671	412,572
Profit for the period	-	-	-	-	73,520	73,520
Other comprehensive income	-	-	-	7,249	-	7,249
Total comprehensive income for the period	50,116	172,669	50,116	7,249	73,520	80,769
At 31 December 2011	50,116	172,669	50,116	7,249	213,191	493,341
At 1 July 2010	50,116	172,669	50,116	5,777	125,664	404,342
Profit for the period	-	-	-	-	59,186	59,186
Other comprehensive loss	-	-	-	(5,777)	-	(5,777)
Total comprehensive (loss)/income for the period	-	-	-	(5,777)	59,186	53,409
At 31 December 2010	50,116	172,669	50,116	-	184,850	457,751

* The statutory reserves are maintained in compliance with Section 36 of the Banking and Financial Institutions Act, 1989 and are not distributable as cash dividends.

(These condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes to the financial statements)

(The statement of changes in equity for the cumulative 6 months ended 31 December 2010 has not been audited)

MAYBANK INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
AUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011

	Group		Bank	
	31 December 2011 RM'000	31 December 2010 RM'000	31 December 2011 RM'000	31 December 2010 RM'000
Profit before taxation and zakat	101,395	83,347	101,235	78,041
Adjustment for non-operating and non-cash items	3,323	1,473	3,765	1,595
Operating profit before working capital changes	<u>104,718</u>	<u>84,820</u>	<u>105,000</u>	<u>79,636</u>
Changes in working capital:				
Net changes in operating assets	(223,053)	(1,429,408)	(220,655)	(1,399,120)
Net changes in operating liabilities	324,159	1,384,580	320,324	1,358,720
Net taxes (paid)/refunded	(5,439)	19,870	(2,603)	18,855
Net cash generated from operations	<u>200,385</u>	<u>59,862</u>	<u>202,066</u>	<u>58,091</u>
Net cash used in investing activities	<u>(6,570)</u>	<u>(933)</u>	<u>(7,267)</u>	<u>(527)</u>
Net increase in cash and cash equivalents	<u>193,815</u>	<u>58,929</u>	<u>194,799</u>	<u>57,564</u>
Cash and cash equivalents at beginning of the period	<u>127,083</u>	<u>141,178</u>	<u>95,172</u>	<u>115,343</u>
Cash and cash equivalents at end of the period	<u>320,898</u>	<u>200,107</u>	<u>289,971</u>	<u>172,907</u>
Cash and cash equivalents included in the cash flow statements comprise the following in Statement of Financial Position amounts:				
Cash and short-term funds	1,200,265	1,645,446	1,169,338	1,618,246
Less: Monies held in trust	(879,367)	(1,445,339)	(879,367)	(1,445,339)
	<u>320,898</u>	<u>200,107</u>	<u>289,971</u>	<u>172,907</u>

(These condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the financial statements)
(The condensed cash flow statements for the cumulative 6 months ended 31 December 2010 have not been audited)

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

1. Basis of Preparation

The audited condensed financial statements for the Group and of the Bank have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: securities held-for-trading, securities available-for-sale, and derivative financial instruments.

The audited condensed financial statements have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting. The audited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011. These explanatory notes attached to the audited condensed 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 financial year ended 30 June 2011.

The audited condensed financial statements incorporated those activities relating to the Islamic banking business which have been undertaken by the Group. Islamic banking business refers generally to capital market and stockbroking activities under the principles of Shariah.

The significant accounting policies and methods of computation applied by the Group and the Bank are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 30 June 2011 except for the adoption of the following Financial Reporting Standards ("FRS"), amendments to FRs, Interpretations of the Issues Committee ("IC Interpretations") and Technical Release ("TR"):-

- Amendment to FRS 1: First-time Adoption of Financial Reporting Standards, Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters, Additional Exemptions for First-time Adopters.
- Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
- Amendments to FRS 3: Business Combinations
- Amendments to FRS 7: Financial Instruments: Disclosures, Improving Disclosures about Financial Instruments
- Amendments to FRS 101: Presentation of Financial Statements
- Amendments to FRS 121: The Effects of Changes in Foreign Exchange Rates
- Amendments to FRS 128: Investments in Associates
- Amendments to FRS 131: Interests in Joint Ventures
- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 134: Interim Financial Reporting
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement
- IC Interpretation 4: Determining Whether an Arrangement contains a Lease
- IC Interpretation 18: Transfers of Assets from Customers
- IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 13: Customer Loyalty Programmes
- Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement
- TR 3: Guidance on Disclosures of Transition to IFRSs
- TR i-4: Shariah Compliant Sale Contracts

The adoption of the above FRs, amendments to FRs and IC Interpretations did not have any material impact on the financial statements of the Group and the Bank except for the adoption of Amendments to FRS7: Financial Instruments: Disclosures, Improving Disclosures about Financial Instruments.

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1. Basis of Preparation (Cont'd)

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the MFRS Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group will need to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

2. Significant Accounting Estimates and Judgements

The preparation of financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving higher degree of judgement and complexity are as follows:

(i) Fair Value Estimation of Securities Held-for-trading (Note 14(i)) and Available-for-sale (Note 14(ii))

The fair value of securities that are not traded in an active market are determined using valuation techniques based on assumptions of market conditions existing at the reporting date, including reference to quoted market prices and independent dealer quotes for similar securities and discounted cash flows method.

(ii) Impairment of Other Intangible Assets

The Group's and the Bank's intangible assets that can be separated and sold and have a finite useful life are amortised over their estimated useful life.

The determination of the estimated useful life of these intangible assets requires the Bank's management to analyse the circumstances, the industry and market practice and also to use judgement. At each reporting date, or more frequently when events or changes in circumstances dictate, intangible assets are assessed for indications of impairment. If indications are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying amount of the assets with its recoverable amount.

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2. Significant Accounting Estimates and Judgements (Cont'd)

(iii) Deferred Tax and Income Taxes

The Group and the Bank are subject to income taxes in many jurisdictions and significant judgement is required in estimating the provision for income taxes. There are many transactions and interpretations of tax law for which the final outcome will not be established until some time later. Liabilities for taxation are recognized based on estimates of whether additional taxes will be payable. The estimation process includes seeking expert advice where appropriate. Where the final liability for taxation is different from the amounts that were initially recorded, the differences will affect the income tax and deferred tax provisions in the period which the estimates is revised or the final liability is established.

(iv) Impairment Losses on Loans, Advances and Financing

The Group and the Bank review its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the income statement. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Group and the Bank make judgements about the borrower's or the customer's financial situation and the net realisable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ resulting in future changes to the allowances.

Loans and advances that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident. The collective assessment takes account of data from the loan portfolio (such as credit quality, level of arrears, credit utilisation, loan to collateral ratios etc.), concentrations of risks and relevant economic data.

(v) Impairment of Investments in Subsidiaries and Interest in Associates

The Group and the Bank assess whether there is any indication that an investment in subsidiaries and interests in associates may be impaired at each reporting date.

If indicators are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying amount of the investment and the investment's estimated recoverable amount.

Judgements made by management in the process of applying the Group's and the Bank's accounting policies in respect of investment in subsidiaries and interest in associates are as follows:

- (i) The Bank determines whether its investments are impaired following certain indications of impairments such as, amongst others, prolonged shortfall between market value and carrying amount, significant changes with adverse effects on the investment and deteriorating financial performance of the investment due to observed changes and fundamentals.
- (ii) Depending on their nature and the industries in which the investments relate to, judgements are made by management to select suitable methods of valuation such as, amongst others, discounted cash flow, realisable net asset value and sector average price-earnings ratio methods.

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2. Significant Accounting Estimates and Judgements (Cont'd)

(v) Impairment of Investments in Subsidiaries and Interest in Associates (Cont'd)

Once a suitable method of valuation is selected, management makes certain assumptions concerning the future to estimate the recoverable amount of the investment. These assumptions and other key sources of estimation uncertainty at the reporting date, may have a significant risk of causing a material adjustment to the carrying amounts of the investments within the next financial year. Depending on the specific individual investment, assumptions made by management may include, amongst others, assumptions on expected future cash flows, revenue growth, discount rate used for purposes of discounting future cash flows which incorporates the relevant risks, and expected future outcome of certain past events.

(vi) Impairment of Securities Portfolio

The Group and the Bank review the Securities Portfolio and assess at each reporting date whether there is any objective evidence that the investment is impaired. If there are indicators or objective evidence, the assets are subject to impairment review.

The impairment review comprises the following judgement made by management:

- (i) Determination whether its investment is impaired following certain indicators or triggers such as, amongst others, prolonged decline in fair value, significant financial difficulties of the issuers or obligors, the disappearance of an active trading market and deterioration of the credit quality of the issuers or obligors.
- (ii) Determination of "significant" or "prolonged" requires judgement and management evaluates various factors, such as historical value movement and the significant reduction in fair value.

3. Auditors' Report on Preceding Annual Financial Statements

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

4. Seasonal or Cyclical Factors

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the second quarter and financial period ended 31 December 2011.

5. Unusual Items Due to Their Nature, Size or Incidence

During the second quarter and financial period ended 31 December 2011, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank.

6. Subsequent Events

There were no material events subsequent to financial period ended 31 December 2011.

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7. Changes in Estimates

There were no material changes in estimates during the second quarter and financial period ended 31 December 2011.

8. Changes in Debt and Equity Securities

There were no issuances, cancellations, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Bank.

9. Dividend Paid

No dividend has been proposed for the second quarter and financial period ended 31 December 2011.

10. Performance Review

For the period ended 31 December 2011, the Group recorded growth in revenue and operating profit despite challenging business environment.

Net interest income increased by 31.4% or RM2.4 million due to higher interest income from share margin financing as well as placement of deposits. In support of "Islamic First" strategy, Islamic Banking income recorded a huge jump to RM62.4 million (RM21.2 million in corresponding 6 months ended last year) due to sizeable debt capital market transactions. Non-interest income was higher by 8.4% or RM10.5 million to RM136.4 million due to higher fee-based income mainly from investment banking (including debt and equity capital markets). Net income rose by RM54.2 million or 35.0% to RM209.0 million.

Overhead expenses rose by 46.9% or RM33.7 million to RM105.6 million from RM71.8 million last year. This was largely attributable to the increase in personnel related costs for salaries (RM8.5 million), bonus (RM17.2 million), Employee Share Option Scheme (RM6.9 million), dealers incentives (RM2.0 million), and staff training (RM1.4 million).

With the above factors, the Group's profit before taxation and zakat registered an increase of 21.7% or RM18.0 million to RM101.4 million. Net profit improved by 16.0% or RM10.1 million to RM73.6 million for the period ended 31 December 2011 compared to the previous corresponding period.

11. Prospects

2012 Global GDP is expected to grow at 3.0%, a decline from an estimated growth of 3.3% in 2011. The down side risk for the global economy has risen mainly from the prolonged and worsening Eurozone sovereign debt crisis and modest growth in the US economy.

Despite this challenging time globally, most of ASEAN economies are still expected to stay on the growth path - albeit at a more moderate pace - on account of strong economic fundamentals and sound banking system as well as the growing importance of domestic demand in driving growth. In Malaysia, domestic investment, led by the implementation of various projects under the Economic Transformation Programme will be the key drivers for growth.

Considering the above factors, the Group anticipates to see reasonable growth in its business for the financial year ending 31 December 2012. In addition, the Group will adopt a strategy of responsible growth with equal focus on managing asset quality, liquidity and capital through sound risk management practices.

Barring any unforeseen circumstances, the Group expects to maintain its satisfactory financial performance for the financial year ending 31 December 2012.

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12. Cash and short-term funds

	Group		Bank	
	31 December 2011 RM'000	30 June 2011 RM'000	31 December 2011 RM'000	30 June 2011 RM'000
	Cash and bank balances with a licensed bank	933,324	1,228,419	906,397
Deposit placements maturing within one month	266,941	93,923	262,941	67,094
	1,200,265	1,322,342	1,169,338	1,290,431

Included in cash and short-term funds of the Group and of the Bank are monies held in trust of RM879,367,000 (30 June 2011: RM1,195,259,000) in respect of the stockbroking business.

13. Deposits and placements with banks and other financial institutions

	Group		Bank	
	31 December 2011 RM'000	30 June 2011 RM'000	31 December 2011 RM'000	30 June 2011 RM'000
	Licensed bank	12,590	10,347	9,199

Included in deposits and placements of the Group and of the Bank are monies held in trust of RM9,199,000 (30 June 2011: RM9,163,000) in respect of the stockbroking business.

14. Securities portfolio

		Group		Bank	
		31 December 2011 RM'000	30 June 2011 RM'000	31 December 2011 RM'000	30 June 2011 RM'000
		Securities held-for-trading	14 (i)	18,238	-
Securities available-for-sale	14 (ii)	578,196	98,449	531,600	42,060
Securities held-to-maturity	14 (iii)	33	33	33	33
Total securities portfolio		596,467	98,482	549,871	42,093

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14 (i) Securities held-for-trading

At fair value	Group		Bank	
	31 December 2011 RM'000	30 June 2011 RM'000	31 December 2011 RM'000	30 June 2011 RM'000
	Quoted Securities:			
Shares in Malaysia	18,238	-	18,238	-
Total securities held-for-trading	18,238	-	18,238	-

14 (ii) Securities available-for-sale

At fair value, or cost less impairment losses for certain unquoted equity instruments	Group		Bank	
	31 December 2011 RM'000	30 June 2011 RM'000	31 December 2011 RM'000	30 June 2011 RM'000
	Quoted Securities:			
Shares in Malaysia	67,596	50	67,596	50
Shares outside Malaysia	44,547	54,372	151	183
	112,143	54,422	67,747	233
Unquoted Securities:				
Shares and loan stocks in Malaysia	37,626	37,631	35,426	35,431
Shares and loan stocks outside Malaysia	4,491	6,396	4,491	6,396
Private debt securities in Malaysia	110,495	-	110,495	-
Islamic private debt securities in Malaysia	313,441	-	313,441	-
	466,053	44,027	463,853	41,827
Total securities available-for-sale	578,196	98,449	531,600	42,060

14 (iii) Securities held-to-maturity

At Amortised Cost	Group and Bank	
	31 December 2011 RM'000	30 June 2011 RM'000
	Unquoted Securities:	
Corporate Bonds	33	33
Total securities held-to-maturity	33	33

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15. Loans and advances

	Group and Bank	
	31 December 2011 RM'000	30 June 2011 RM'000
At amortised cost		
Term loans		
- Syndicated term loan	6,209	6,209
- Other term loan	1,096	31,136
Margin accounts	191,389	166,409
Foreign currency loans	1,525	1,451
Staff loans	15,485	13,768
Gross loans and advances	<u>215,704</u>	<u>218,973</u>
Less: Allowance for impairment		
- Individual assessment allowance	(6,267)	(7,941)
Net loans and advances	<u>209,437</u>	<u>211,032</u>

(i) Loans and advances analysed by type of customers are as follows:

	Group and Bank	
	31 December 2011 RM'000	30 June 2011 RM'000
Domestic business enterprises	85,955	103,415
Individuals	128,224	114,107
Foreign entities	1,525	1,451
Gross loans and advances	<u>215,704</u>	<u>218,973</u>

(ii) Loans and advances analysed by interest/profit rate sensitivity are as follows:

	Group and Bank	
	31 December 2011 RM'000	30 June 2011 RM'000
Fixed rate		
- Housing loans	9,938	10,195
- Hire purchase receivables	5,334	3,508
- Other fixed rate loans	213	65
Variable rate		
- BLR-plus	8,830	38,796
- Cost-plus	191,389	166,409
Gross loans and advances	<u>215,704</u>	<u>218,973</u>

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15. Loans and advances (Cont'd)

(iii) Loans and advances analysed by economic purpose are as follows:

	Group and Bank	
	31 December	30 June
	2011	2011
	RM'000	RM'000
Purchase of securities	191,389	196,409
Purchase of transport vehicles	5,497	3,745
Purchase of residential landed property	10,871	11,094
Personal use	213	63
Consumer durables	-	2
Working capital	7,734	7,660
Gross loans and advances	<u>215,704</u>	<u>218,973</u>

(iv) The maturity structure of loans and advances are as follows:

	Group and Bank	
	31 December	30 June
	2011	2011
	RM'000	RM'000
Maturing within one year	199,416	205,319
One year to three years	464	555
Three years to five years	4,124	2,871
After five years	11,700	10,228
Gross loans and advances	<u>215,704</u>	<u>218,973</u>

(v) Movement in impaired loans and advances ("impaired loans") are as follows:

	Group and Bank	
	31 December	30 June
	2011	2011
	RM'000	RM'000
Gross balance at beginning of the period	8,471	9,784
Impaired during the period	2,226	683
Recovered/regularised during the period	(3,991)	(571)
Amount written off	-	(1,323)
Exchange differences	80	(102)
Gross balance at end of the period	<u>6,786</u>	<u>8,471</u>
Less:		
Individual assessment	<u>(6,267)</u>	<u>(7,941)</u>
Net balance at end of the period	<u>519</u>	<u>530</u>
Net impaired loans as % of gross loans and advances less individual assessment	<u>0.25%</u>	<u>0.25%</u>

(vi) Impaired loans and advances analysed by economic purpose are as follows:

	Group and Bank	
	31 December	30 June
	2011	2011
	RM'000	RM'000
Purchase of securities	-	118
Purchase of transport vehicles	156	156
Purchase of residential landed property	421	537
Working capital	6,209	7,660
	<u>6,786</u>	<u>8,471</u>

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15. Loans and advances (Cont'd)

(vii) Movements in the individual assessment are as follows:

	Group and Bank	
	31 December	30 June
	2011	2011
	RM'000	RM'000
Individual assessment allowance:		
Balance at beginning of the period	7,941	7,846
Allowance made during the period	210	1,654
Amount written back in respect of recoveries	(1,884)	(237)
Amount written off	-	(1,322)
Balance at end of the period	<u>6,267</u>	<u>7,941</u>

16. Other assets

	Group		Bank	
	31 December	30 June	31 December	30 June
	2011	2011	2011	2011
	RM'000	RM'000	RM'000	RM'000
Tax recoverable	421	18,818	-	18,818
Interest and income receivables	461	2,372	456	50
Amount due from brokers and clients				
- Non-margin accounts (a)	377,286	401,770	377,286	401,770
Other debtors, deposits and prepayment	55,514	32,925	52,782	33,136
	<u>433,682</u>	<u>455,885</u>	<u>430,524</u>	<u>453,774</u>
Less: Allowance for doubtful debts	(7,420)	(5,346)	(5,294)	(3,220)
	<u>426,262</u>	<u>450,539</u>	<u>425,230</u>	<u>450,554</u>

(a) Amount due from brokers and clients relates to outstanding purchase contracts entered into on behalf of clients, contra gains and losses, clients' trust monies, other fees and charges.

The normal trade credit terms for non-margin brokers and clients is 3 market days in accordance with the Bursa Malaysia's Fixed Delivery and Settlement System ("FDSS") trading rules.

17. Other liabilities

	Group		Bank	
	31 December	30 June	31 December	30 June
	2011	2011	2011	2011
	RM'000	RM'000	RM'000	RM'000
Provisions and accruals	50,704	59,573	46,417	61,968
Amount due to brokers and clients (a)	1,187,517	1,106,776	1,187,517	1,106,776
Deposits and other creditors	110,440	515,509	281,831	684,053
Provision for taxation and zakat	4,081	2,782	4,081	-
	<u>1,352,742</u>	<u>1,684,640</u>	<u>1,519,846</u>	<u>1,852,797</u>

(a) Amount due to brokers and clients represent net amount payable to margin and non-margin clients, which include outstanding sales contracts entered into on behalf of clients, contra gain and losses, clients' trust monies and other fees and charges.

The trade credit term for trade contract payables for non-margin clients and brokers is 3 market days according to the Bursa Malaysia's Fixed Delivery and Settlement System ("FDSS") trading rules.

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18. Interest income

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	31 December	31 December	31 December	31 December
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from impaired loans	3,481	3,038	7,099	5,528
- Recoveries from impaired loans	113	20	213	45
Money at call and deposit placements with banks and other financial institutions	1,303	1,137	2,823	2,116
Securities available-for-sale	2,007	21	2,991	99
Total interest income	6,904	4,216	13,126	7,788

Bank	2nd Quarter Ended		Cumulative 6 Months Ended	
	31 December	31 December	31 December	31 December
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from impaired loans	3,481	2,963	7,099	5,529
- Recoveries from impaired loans	112	95	213	45
Money at call and deposit placements with banks and other financial institutions	1,269	963	2,690	1,777
Securities available-for-sale	1,768	21	2,752	99
Total interest income	6,630	4,042	12,754	7,450

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19. Interest expense

	Group and Bank 2nd Quarter Ended		Group and Bank Cumulative 6 Months Ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from a licensed bank	1,899	17	2,929	27

20. Non-interest income

<u>Group</u>	2nd Quarter Ended		Cumulative 6 Months Ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Corporate advisory fees	14,668	31,817	64,616	50,740
Underwriting commission	1,056	11,039	8,076	13,309
Brokerage income	22,914	31,566	51,927	58,273
Other fee income	1,033	2,097	2,240	2,621
	39,671	76,519	126,859	124,943
Investment income:				
Realised gain from sale of securities held-for-trading, net	91	-	91	-
Unrealised gain on revaluation of securities held-for-trading, net	792	-	795	-
Loss from sale of securities available-for-sale, net	438	(669)	746	(262)
Impairment loss on securities, net	-	(85)	-	(85)
Gross dividends from securities available-for-sale				
- Quoted in Malaysia	118	99	367	99
- Quoted outside Malaysia	-	-	699	-
	1,439	(655)	2,698	(248)
Other income:				
Unrealised foreign exchange gain from securities available-for-sale, net	33	184	843	174
(Loss)/gain on disposal of property, plant and equipment	(85)	2	(85)	4
Others	5,898	149	6,109	1,011
	5,846	335	6,867	1,189
Total non-interest income	46,956	76,199	136,424	125,884

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20. Non-interest income (Cont'd)

Bank	2nd Quarter Ended		Cumulative 6 Months Ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Corporate advisory fees	15,695	28,878	64,616	45,786
Underwriting commission	1,056	11,039	8,076	13,309
Brokerage income	22,914	31,565	51,927	58,273
Other fee income	1,033	2,097	2,240	2,621
	40,698	73,579	126,859	119,989
Investment income:				
Realised gain from sale of securities held-for-trading, net	91	-	91	-
Unrealised gain on revaluation of securities held-for-trading, net	792	-	795	-
Loss from sale of securities available-for-sale, net	438	(669)	746	(262)
Impairment loss on securities, net	-	(85)	-	(85)
Gross dividends from securities available-for-sale - Quoted in Malaysia	99	99	367	99
	1,420	(655)	1,999	(248)
Other income:				
Unrealised foreign exchange gain from securities available-for-sale, net	180	184	843	174
(Loss)/gain on disposal of property, plant and equipment	(85)	2	(85)	4
Others	4,626	120	4,835	361
	4,721	306	5,593	539
Total non-interest income	46,839	73,230	134,451	120,280

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21. Overhead expenses

<u>Group</u>	2nd Quarter Ended		Cumulative 6 Months Ended	
	31 December 2011 RM'000	31 December 2010 RM'000	31 December 2011 RM'000	31 December 2010 RM'000
Personnel expenses				
- Salaries, allowances and bonuses	34,233	16,956	58,343	31,506
- Pension costs - defined contribution plan	2,273	1,759	4,566	3,315
- Other staff related expenses	2,067	1,379	4,660	2,295
- Dealers' incentives	3,543	3,313	8,217	6,219
- Employee Share Scheme expenses	6,949	-	6,949	-
	<u>49,065</u>	<u>23,407</u>	<u>82,735</u>	<u>43,335</u>
Establishment costs				
- Depreciation of property, plant and equipment	876	841	1,602	1,662
- Amortisation of computer software	404	188	801	380
- Rental	1,983	1,837	3,784	3,707
- Repairs and maintenance of property, plant and equipment	1,473	1,277	2,922	1,666
- Information technology expenses	840	301	1,507	555
- Others	(3,302)	5,106	(2,584)	9,443
	<u>2,274</u>	<u>9,550</u>	<u>8,032</u>	<u>17,413</u>
Marketing costs				
- Advertisement and publicity	1,260	1,075	2,920	1,891
- Others	1,548	1,253	3,293	1,929
	<u>2,808</u>	<u>2,328</u>	<u>6,213</u>	<u>3,820</u>
Administration and general expenses				
- Fee and brokerage	2,055	3,412	4,073	5,755
- Administrative expenses	947	655	1,444	1,285
- General expenses	1,133	132	3,067	252
	<u>4,135</u>	<u>4,199</u>	<u>8,584</u>	<u>7,292</u>
Total	<u>58,282</u>	<u>39,484</u>	<u>105,564</u>	<u>71,860</u>

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21. Overhead expenses (Cont'd)

Bank	2nd Quarter Ended		Cumulative 6 Months Ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	RM'000	RM'000	RM'000	RM'000
Personnel expenses				
- Salaries, allowances and bonuses	34,233	16,956	58,343	31,506
- Pension costs - defined contribution plan	2,273	1,759	4,566	3,315
- Other staff related expenses	2,033	1,355	4,626	2,268
- Dealers' incentives	3,543	3,313	8,217	6,219
- Employee Share Scheme expenses	6,949	-	6,949	-
	49,031	23,383	82,701	43,308
Establishment costs				
- Depreciation of property, plant and equipment	868	820	1,594	1,621
- Amortisation of computer software	404	188	801	378
- Rental	1,902	1,807	3,703	3,647
- Repairs and maintenance of property, plant and equipment	1,473	1,277	2,922	1,666
- Information technology expenses	840	301	1,507	555
- Others	(4,157)	5,181	(3,439)	10,030
	1,330	9,574	7,088	17,897
Marketing costs				
- Advertisement and publicity	1,259	1,075	2,919	1,891
- Others	1,545	1,252	3,290	1,928
	2,804	2,327	6,209	3,819
Administration and general expenses				
- Fee and brokerage	1,979	2,656	3,997	4,278
- Administrative expenses	918	645	1,415	1,272
- General expenses	1,850	80	2,218	155
	4,747	3,381	7,630	5,705
Total	57,912	38,665	103,628	70,729

22. Writeback of/(allowance) for Impairment on loans and advances and other debtors, net

	Group and Bank		Group and Bank	
	2nd Quarter Ended		Cumulative 6 Months Ended	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	RM'000	RM'000	RM'000	RM'000
Allowance for impaired loans and advances:				
Individual assessment				
- Made during the period	(157)	(219)	(210)	(233)
- Written back during the period	1,728	223	1,884	230
Bad debts recovered	437	-	648	-
Bad debts written-off	-	(355)	-	(770)
(Allowance for)/writeback of impairment on other debtors, net	(1,324)	643	(2,074)	652
	684	292	248	(121)

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23. Capital adequacy

- (l) The capital adequacy ratios of the Group consists of capital base and risk-weighted assets derived from consolidated balances of the Bank and its subsidiaries companies. The capital adequacy ratios of the Bank consist of capital base and risk-weighted assets derived from the Bank.

The capital adequacy ratio of the Group and the Bank are computed in accordance with Bank Negara Malaysia'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% (30 June 2011:8.0%) for the risk weighted capital ratio.

The capital adequacy ratios of the Group and of the Bank are as follows :

	Group		Bank	
	31 December 2011 %	30 June 2011 %	31 December 2011 %	30 June 2011 %
Capital ratios				
Core capital ratio				
Credit risk	47.97	39.76	44.62	36.27
Credit, market and operational risks	21.58	24.72	19.60	22.62
Risk-weighted capital ratio				
Credit risk	47.97	39.76	44.62	36.27
Credit, market and operational risks	21.58	24.72	19.60	22.62
Tier 1 capital				
Paid-up share capital	50,116	50,116	50,116	50,116
Share premium	172,669	172,669	172,669	172,669
Statutory reserves	50,116	50,116	50,116	50,116
Islamic banking capital fund	5,000	5,000	5,000	5,000
Other reserves	219,457	145,849	208,191	134,671
Less: Deferred tax assets ¹	(5,524)	(10,116)	(5,524)	(10,116)
Total Tier 1 capital/Total capital	491,834	413,634	480,568	402,456
Less: Investment in subsidiaries ²	-	-	(61,804)	(61,804)
Capital base	491,834	413,634	418,764	340,652

¹ Under Bank Negara Malaysia Guidelines, deferred tax is required to be excluded from Tier 1 capital.

² Excludes the cost of investment in a subsidiary, Maysec (KL) Sdn. Bhd. of RM171,475,000 as its business, assets and liabilities have been transferred to the Bank on 30 December 2006.

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23. Capital adequacy (Cont'd)

(II) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category are as follows:

<u>Group</u>	Gross exposures	Net exposures	Risk-weighted assets	Capital requirements
31 December 2011 Exposure Class	RM'000	RM'000	RM'000	RM'000
(i) Credit Risk				
On-balance sheet exposures:				
Sovereigns/Central banks	703	703	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Bank ("MDBs")	1,213,721	1,213,721	242,922	19,434
Corporates	3,932	3,932	2,749	220
Regulatory retail	576,324	576,324	542,716	43,417
Higher risk assets	96,908	96,908	145,362	11,629
Other assets	76,560	76,560	76,554	6,124
Equity exposures	58	58	58	5
Total on-balance sheet exposures	1,968,206	1,968,206	1,010,361	80,829
Off-balance sheet exposures:				
Underwriting of short-term debt securities exposures	30,000	30,000	15,000	1,200
Credit-related off-balance sheet exposures	462,141	462,141	-	-
Total off-balance sheet exposures	492,141	492,141	15,000	1,200
Total on and off-balance sheet exposures	2,460,347	2,460,347	1,025,361	82,029
(ii) Market Risk				
Interest rate risk	-	-	433,832	34,707
Equity position risk	-	-	187,493	14,999
Foreign currency risk	-	-	78,391	6,271
Options risk	-	-	13,600	1,088
Total	-	-	713,316	57,065
(iii) Operational Risk				
	-	-	540,741	43,259
Total RWA and capital requirements	2,460,347	2,460,347	2,279,418	182,353

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23. Capital adequacy (Cont'd)

<u>Group</u>	Gross exposures RM'000	Net exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
30 June 2011				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	19,058	19,058	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Bank ("MDBs")	1,333,145	1,333,145	266,806	21,345
Corporates	32,169	32,169	1,082	86
Regulatory retail	578,041	578,041	547,738	43,819
Higher risk assets	108,872	108,872	163,308	13,065
Other assets	46,236	46,236	46,231	3,699
Equity exposures	58	58	58	5
Total on-balance sheet exposures	2,117,579	2,117,579	1,025,223	82,019
Off-balance sheet exposures:				
Underwriting of short-term debt securities exposures	30,000	30,000	15,000	1,200
Credit-related off-balance sheet exposures	415,836	415,836	-	-
Total off-balance sheet exposures	445,836	445,836	15,000	1,200
Total on and off-balance sheet exposures	2,563,415	2,563,415	1,040,223	83,219
(ii) <u>Market Risk</u>				
Foreign currency risk	-	-	70,000	5,600
Options risk	-	-	86,475	6,918
Total	-	-	156,475	12,518
(iii) <u>Operational Risk</u>				
	-	-	476,309	38,105
Total RWA and capital requirements	2,563,415	2,563,415	1,673,007	133,842

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23. Capital adequacy (Cont'd)

(II) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category are as follows:

<u>Bank</u>	Gross exposures RM'000	Net exposures RM'000	Risk-weighted assets RM'000	Capital requirements RM'000
31 December 2011				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	280	280	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Bank ("MDBs")	1,179,405	1,179,405	236,059	18,885
Corporates	3,932	3,932	2,749	220
Regulatory retail	576,324	576,324	542,716	43,417
Higher risk assets	44,118	44,118	66,177	5,294
Other assets	75,777	75,777	75,772	6,062
Equity exposures	58	58	58	5
Total on-balance sheet exposures	1,879,894	1,879,894	923,531	73,883
Off-balance sheet exposures:				
Underwriting of short-term debt securities exposures	30,000	30,000	15,000	1,200
Credit-related off-balance sheet exposures	462,141	462,141	-	-
Total off-balance sheet exposures	492,141	492,141	15,000	1,200
Total on and off-balance sheet exposures	2,372,035	2,372,035	938,531	75,083
(ii) <u>Market Risk</u>				
Interest rate risk	-	-	433,832	34,707
Equity position risk	-	-	187,493	14,999
Foreign currency risk	-	-	29,926	2,394
Options risk	-	-	13,600	1,088
	-	-	664,851	53,188
(iii) <u>Operational Risk</u>	-	-	532,780	42,622
Total RWA and capital requirements	2,372,035	2,372,035	2,136,162	170,893

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23. Capital adequacy (Cont'd)

<u>Bank</u>	Gross exposures	Net exposures	Risk-weighted assets	Capital requirements
30 June 2011 Exposure Class	RM'000	RM'000	RM'000	RM'000
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	19,058	19,058	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Bank ("MDBs")	1,300,050	1,300,050	260,187	20,815
Corporates	32,169	32,169	1,082	86
Regulatory retail	578,041	578,041	547,737	43,819
Higher risk assets	46,027	46,027	69,041	5,523
Other assets	46,093	46,093	46,089	3,687
Equity exposures	58	58	58	5
Total on-balance sheet exposures	2,021,496	2,021,496	924,194	73,935
Off-balance sheet exposures:				
Underwriting of short-term debt securities exposures	30,000	30,000	15,000	1,200
Credit-related off-balance sheet exposures	415,836	415,836	-	-
Total off-balance sheet exposures	445,836	445,836	15,000	1,200
Total on and off-balance sheet exposures	2,467,332	2,467,332	939,194	75,135
(ii) <u>Market Risk</u>				
Foreign currency risk	-	-	12,491	999
Options risk	-	-	86,475	6,918
Total	-	-	98,966	7,917
(iii) <u>Operational Risk</u>				
	-	-	467,770	37,422
Total RWA and capital requirements	2,467,332	2,467,332	1,505,930	120,474

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23. Capital adequacy (Cont'd)

(III) The risk-weighted assets and capital requirements for the various categories of risk:

Group	31 December 2011		30 June 2011	
	Risk-weighted assets equivalent RM'000	Capital required RM'000	Risk-weighted assets equivalent RM'000	Capital required RM'000
Interest rate risk	433,832	34,707	-	-
Equity position risk	187,493	14,999	-	-
Foreign currency risk	78,391	6,271	70,000	5,600
Options risk	13,600	1,088	86,475	6,918
Total	713,316	57,065	156,475	12,518

Bank	31 December 2011		30 June 2011	
	Risk-weighted assets equivalent RM'000	Capital required RM'000	Risk-weighted assets equivalent RM'000	Capital required RM'000
Interest rate risk	433,832	34,707	-	-
Equity position risk	187,493	14,999	-	-
Foreign currency risk	29,926	2,394	12,491	999
Options risk	13,600	1,088	86,475	6,918
Total	664,851	53,188	98,966	7,917

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23. Capital adequacy (Cont'd)

(IV) The breakdown of exposures by risk weights are as follows:

Group	Exposures after Netting and Credit Risk Mitigation								
	Sovereigns/ Central banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Total Exposures after netting and credit risk mitigation	Total risk- weighted assets
31 December 2011	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Risk weights									
0%	703	-	-	-	-	6	-	709	-
20%	-	1,213,128	-	-	-	-	-	1,213,128	242,626
50%	-	593	2,366	72	-	-	-	3,031	1,515
75%	-	-	-	135,036	-	-	-	135,036	101,277
100%	-	-	1,566	440,842	-	76,554	58	519,020	519,020
150%	-	-	-	374	96,908	-	-	97,282	145,923
Total exposures	703	1,213,721	3,932	576,324	96,908	76,560	58	1,968,206	1,010,361
Risk-weighted assets by exposures	-	242,922	2,749	542,716	145,362	76,554	58	1,010,361	
Average risk weights	0%	20%	70%	94%	150%	100%	100%	51%	

Group	Exposures after Netting and Credit Risk Mitigation								
	Sovereigns/ Central banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Total Exposures after netting and credit risk mitigation	Total risk- weighted assets
30 June 2011	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Risk weights									
0%	19,058	-	30,047	-	-	5	-	49,110	-
20%	-	1,332,552	-	-	-	-	-	1,332,552	266,510
50%	-	593	2,081	60	-	-	-	2,734	1,367
75%	-	-	-	122,051	-	-	-	122,051	91,538
100%	-	-	41	455,451	-	46,231	58	501,781	501,781
150%	-	-	-	479	108,872	-	-	109,351	164,027
Total exposures	19,058	1,333,145	47,169	578,041	108,872	46,236	58	2,117,579	1,025,223
Risk-weighted assets by exposures	-	266,806	1,082	547,738	163,308	46,231	58	1,025,223	
Average risk weights	0%	20%	3%	95%	150%	100%	100%	48%	

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23. Capital adequacy (Cont'd)

Bank	Exposures after Netting and Credit Risk Mitigation								
	Sovereigns/ Central Banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Total exposures after netting and credit risk mitigation	Total risk- weighted assets
31 December 2011									
Risk weights	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	280	-	-	-	-	5	-	285	-
20%	-	1,178,812	-	-	-	-	-	1,178,812	235,762
50%	-	593	2,366	72	-	-	-	3,031	1,516
75%	-	-	-	135,036	-	-	-	135,036	101,277
100%	-	-	1,566	440,842	-	75,772	58	518,238	518,238
150%	-	-	-	374	44,118	-	-	44,492	66,738
Total exposures	280	1,179,405	3,932	576,324	44,118	75,777	58	1,879,894	923,531
Risk-weighted assets by exposures	-	236,059	2,749	542,716	66,177	75,772	58	923,531	
Average risk weights	0%	20%	70%	94%	150%	100%	100%	49%	

Bank	Exposures after Netting and Credit Risk Mitigation								
	Sovereigns/ Central Banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Total exposures after netting and credit risk mitigation	Total risk- weighted assets
30 June 2011									
Risk weights	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	19,058	-	30,047	-	-	4	-	49,109	-
20%	-	1,299,457	-	-	-	-	-	1,299,457	259,891
50%	-	593	2,081	60	-	-	-	2,734	1,367
75%	-	-	-	122,051	-	-	-	122,051	91,538
100%	-	-	41	455,451	-	46,089	58	501,639	501,639
150%	-	-	-	479	46,027	-	-	46,506	69,759
Total exposures	19,058	1,300,050	32,169	578,041	46,027	46,093	58	2,021,496	924,194
Risk-weighted assets by exposures	-	260,187	1,082	547,737	69,041	46,089	58	924,194	
Average risk weights	0%	20%	3%	95%	150%	100%	100%	46%	

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24. Commitments and Contingencies

Group and Bank	As at 31 December 2011			As at 30 June 2011		
	Notional amount RM'000	Credit equivalent amount* RM'000	Risk- weighted amount RM'000	Notional amount RM'000	Credit equivalent amount* RM'000	Risk- weighted amount RM'000
Obligations under underwriting agreements	30,500	15,250	15,688	92,891	46,445	101,475
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	462,141	-	-	415,836	-	-
	492,641	15,250	15,688	508,727	46,445	101,475

* The credit equivalent amount is arrived at using the credit evaluation conversion factor as per Bank Negara Malaysia's guideline.

Contingent liabilities

	Group and Bank	
	31 December 2011 RM'000	30 June 2011 RM'000
Unsecured		
(i) Guarantee given to the holding company for banking facilities extended to Bursa Malaysia Securities Clearing Berhad	1,000	1,000
(ii) Claims under litigation*	10,091	10,091
	11,091	11,091

* The Group and the Bank are aggressively defending all of the claims under litigation, through their solicitors, the outcomes of which are subject matter for the Courts to eventually determine.

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24. Commitments and Contingencies (Cont'd)

Contingent liabilities (cont'd)

(iii) A corporate borrower had on 12 May 2005 issued a writ of summons and statement of claim against the Bank, as agent bank for three financial institutions, claiming general, special and exemplary damages and costs arising from an alleged breach of duty owned by the Bank.

In 2006, Maybank IB and the three financial institutions filed a counterclaim against the said corporate borrower for the recovery of the relevant credit facilities. The two claims were then heard together.

Pursuant to an agreement and a court vesting order dated 21 May 2007, the Bank has transferred its exposure under this credit facilities to its holding company.

The Court on 6 May 2009 entered judgement ("The Judgement") against the Bank for, inter alia, a sum of RM115.5 million with interest at six percent (6%) per annum from date of disbursement to realisation, with the balance of the corporate borrower's claim (including general damages) ordered to be assessed at a later date. In the same Judgment, the counterclaim against the corporate borrower was also dismissed.

The Bank filed an appeal against the Judgement and an application for stay of execution of the Judgment on 8 May 2009 ("Appeal"). On 24 June 2009, the Bank successfully obtained a stay order for execution on the Judgment pending the disposal of the Appeal against the Judgment. The High Court had on 6 October 2011 produced the draft notes of proceedings, for final review of both parties.

The Court of Appeal had fixed the Appeal for Hearing on 12 December 2011. However, on 12 December 2011 the Court had adjourned the Hearing of the Appeal to 10 February 2012.

(iv) A junior noteholder, commenced an action against the Bank and another defendant claiming for the sum of RM556.5 million as damages suffered in relation to the junior serial notes issued by a corporation. The claim against the Bank is premised on the alleged breach of duties by the Bank as security agent, in exercising its right of enforcement following from an event of default declared by the relevant trustee.

The Bank does not admit any liability to this claim and will defend the suit. Trial completed on 15 August 2011 and judgment was delivered on 30 September 2011. The Court had dismissed the junior noteholder's claim against the Bank and the other defendant, with cost of RM200,000, collectively. The junior noteholder had then filed his appeal to the Court of Appeal on 6 October 2011. The appeal is scheduled for hearing before the Court of Appeal on 5 March 2012.

The Bank's solicitors are of the view that the Bank has a more than even chance of successfully defending this claim against the junior noteholder.

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25. Interest rate risk

The Group and Bank are exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on the financial position and cash flows.

The table below summarises the Group's and Bank's exposure to interest rate risk. The table indicates effective interest rates at the balance sheet date and periods in which the financial instruments reprice or mature, whichever is earlier.

<u>Group</u>	Up to 1	> 1 - 3	> 3 - 12	1 - 5	Over 5	Non-	Trading		Effective
31 December 2011	month	month	month	years	years	interest	book	Total	interest
	RM'000	RM'000	RM'000	RM'000	RM'000	sensitive	RM'000	RM'000	rate
						RM'000			%
Assets									
Cash and short-term funds	293,867	-	-	-	-	906,398	-	1,200,265	2.99
Deposits and placements with banks and other financial institutions	-	20	3,371	-	-	9,199	-	12,590	3.02
Securities held-for-trading	-	-	-	-	-	-	18,238	18,238	-
Securities available-for-sale	-	-	-	140,777	281,394	156,025	-	578,196	5.32
Securities held-to-maturity	-	-	-	-	33	-	-	33	-
Loans and advances									
- performing	191,908	1,525	2	435	10,052	4,996	-	208,918	6.70
- impaired *	-	-	-	-	-	519	-	519	-
Other assets	-	-	-	-	-	426,262	-	426,262	-
Other non-interest sensitive balances	-	-	-	-	-	35,705	-	35,705	-
Total assets	485,775	1,545	3,373	141,212	291,479	1,539,104	18,238	2,480,726	

* This is arrived at after deducting the individual allowance and interest/income-in-suspense from gross impaired loans outstanding.

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25. Interest rate risk (Cont'd)

<u>Group (cont'd)</u>	Up to 1 month RM'000	> 1 - 3 month RM'000	> 3 - 12 month RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
31 December 2011									
Liabilities and equity									
Deposits and placements of of a licensed bank	195,000	270,000	140,000	-	-	-	-	605,000	2.57
Derivative liabilities	-	-	-	-	-	-	7,508	7,508	-
Other liabilities	-	-	-	-	-	1,352,742	-	1,352,742	-
Other non-interest sensitive balances	-	-	-	-	-	773	-	773	-
Total liabilities	195,000	270,000	140,000	-	-	1,353,515	7,508	1,966,023	
Share capital	-	-	-	-	-	50,116	-	50,116	-
Reserves	-	-	-	-	-	464,587	-	464,587	-
Total equity	-	-	-	-	-	514,703	-	514,703	
Total liabilities and equity	195,000	270,000	140,000	-	-	1,868,218	7,508	2,480,726	
On-balance sheet interest sensitivity gap	290,775	(268,455)	(136,627)	141,212	291,479	(329,114)	10,730	-	
Total interest sensitivity gap	290,775	(268,455)	(136,627)	141,212	291,479	(329,114)	10,730	-	
Cumulative interest rate sensitivity gap	290,775	22,320	(114,307)	26,905	318,384	(10,730)	-	-	

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25. Interest rate risk (Cont'd)

<u>Group</u>	Up to 1 month RM'000	> 1 - 3 month RM'000	> 3 - 12 month RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
30 June 2011									
Assets									
Cash and short-term funds	93,923	-	-	-	-	1,228,419	-	1,322,342	2.76
Deposits and placements with banks and other financial institutions	-	20	1,164	-	-	9,163	-	10,347	2.85
Securities available-for-sale	-	-	-	-	-	98,449	-	98,449	-
Securities held-to-maturity	-	-	-	-	33	-	-	33	-
Loans and advances									
- performing	196,844	-	-	-	-	13,658	-	210,502	6.65
- non-performing *	-	-	-	-	-	530	-	530	-
Other assets	-	-	-	-	-	450,539	-	450,539	-
Other non-interest sensitive balances	-	-	-	-	-	35,432	-	35,432	-
Total assets	290,767	20	1,164	-	33	1,836,190	-	2,128,174	

* This is arrived at after deducting the individual allowance and interest/income-in-suspense from gross impaired loans outstanding.

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25. Interest rate risk (Cont'd)

<u>Group (cont'd)</u> 30 June 2011	Up to 1 month RM'000	> 1 - 3 month RM'000	> 3 - 12 month RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Liabilities and equity									
Other liabilities	-	-	-	-	-	1,684,640	-	1,684,640	-
Other non-interest sensitive balances	-	-	-	-	-	744	-	744	-
Total liabilities	-	-	-	-	-	1,685,384	-	1,685,384	
Share capital	-	-	-	-	-	50,116	-	50,116	-
Reserves	-	-	-	-	-	392,674	-	392,674	-
Total equity	-	-	-	-	-	442,790	-	442,790	
Total liabilities and equity	-	-	-	-	-	2,128,174	-	2,128,174	
On-balance sheet interest sensitivity gap	290,767	20	1,164	-	33	(291,984)	-	-	
Total interest sensitivity gap	290,767	20	1,164	-	33	(291,984)	-	-	
Cumulative interest rate sensitivity gap	290,767	290,787	291,951	291,951	291,984	-	-		

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25. Interest rate risk (Cont'd)

<u>Bank</u> 31 December 2011	Up to 1 month RM'000	> 1 - 3 month RM'000	> 3 - 12 month RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Assets									
Cash and short-term funds	262,940	-	-	-	-	906,398	-	1,169,338	3.03
Deposits and placements with banks and other financial institutions	-	-	-	-	-	9,199	-	9,199	-
Securities held-for-trading	-	-	-	-	-	-	18,238	18,238	-
Securities available-for-sale	-	-	-	140,777	281,394	109,429	-	531,600	5.32
Securities held-to-maturity	-	-	-	-	33	-	-	33	-
Loans and advances									
- performing	191,908	1,525	2	435	10,052	4,996	-	208,918	6.70
- impaired *	-	-	-	-	-	519	-	519	-
Other assets	-	-	-	-	-	425,230	-	425,230	-
Other non-interest sensitive balances	-	-	-	-	-	262,620	-	262,620	-
Total assets	454,848	1,525	2	141,212	291,479	1,718,391	18,238	2,625,695	

* This is arrived at after deducting the individual allowance and interest/income-in-suspense from gross impaired loans outstanding.

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25. Interest rate risk (Cont'd)

Bank (cont'd)	Up to 1 month	> 1 - 3 month	> 3 - 12 month	1 - 5 years	Over 5 years	Non- interest sensitive	Trading book	Total	Effective interest rate
31 December 2011	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Liabilities and equity									
Deposits and placements of a licensed bank	195,000	270,000	140,000	-	-	-	-	605,000	2.57
Derivative liabilities	-	-	-	-	-	-	7,508	7,508	-
Other liabilities	-	-	-	-	-	1,519,846	-	1,519,846	-
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	-
Total liabilities	195,000	270,000	140,000	-	-	1,519,846	7,508	2,132,354	-
Share capital	-	-	-	-	-	50,116	-	50,116	-
Reserves	-	-	-	-	-	443,225	-	443,225	-
Total equity	-	-	-	-	-	493,341	-	493,341	-
Total liabilities and equity	195,000	270,000	140,000	-	-	2,013,187	7,508	2,625,695	-
On-balance sheet interest sensitivity gap	259,848	(268,475)	(139,998)	141,212	291,479	(294,796)	10,730	-	-
Total interest sensitivity gap	259,848	(268,475)	(139,998)	141,212	291,479	(294,796)	10,730	-	-
Cumulative interest rate sensitivity gap	259,848	(8,627)	(148,625)	(7,413)	284,066	(10,730)	-	-	-

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25. Interest rate risk (Cont'd)

Bank	Up to 1	> 1 - 3	> 3 - 12	1 - 5	Over 5	Non-	Trading	Total	Effective
30 June 2011	month	month	month	years	years	interest	book	RM'000	interest
	RM'000	RM'000	RM'000	RM'000	RM'000	sensitive	RM'000	RM'000	rate
						RM'000			%
Assets									
Cash and short-term funds	67,094	-	-	-	-	1,223,337	-	1,290,431	2.86
Deposits and placements with banks and other financial institutions	-	-	-	-	-	9,163	-	9,163	-
Securities available-for-sale	-	-	-	-	-	42,060	-	42,060	-
Securities held-to-maturity	-	-	-	-	33	-	-	33	-
Loans and advances									
- performing	196,844	-	-	-	-	13,658	-	210,502	6.65
- non-performing *	-	-	-	-	-	530	-	530	-
Other assets	-	-	-	-	-	450,554	-	450,554	-
Other non-interest sensitive balances	-	-	-	-	-	262,096	-	262,096	-
Total assets	263,938	-	-	-	33	2,001,398	-	2,265,369	

* This is arrived at after deducting the individual assessment allowance from gross impaired loans outstanding.

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25. Interest rate risk (Cont'd)

Bank (cont'd)	Up to 1	> 1 - 3	> 3 - 12	1 - 5	Over 5	Non-	Trading	Total	Effective
30 June 2011	month	month	month	years	years	interest	book	RM'000	interest
	RM'000	RM'000	RM'000	RM'000	RM'000	sensitive	RM'000	RM'000	rate
						RM'000			%
Liabilities and equity									
Other liabilities	-	-	-	-	-	1,852,797	-	1,852,797	-
Total liabilities	-	-	-	-	-	1,852,797	-	1,852,797	
Share capital	-	-	-	-	-	50,116	-	50,116	
Reserves	-	-	-	-	-	362,456	-	362,456	
Total equity	-	-	-	-	-	412,572	-	412,572	
Total liabilities and equity	-	-	-	-	-	2,265,369	-	2,265,369	
On-balance sheet interest sensitivity gap	263,938	-	-	-	33	(263,971)	-	-	
Total interest sensitivity gap	263,938	-	-	-	33	(263,971)	-	-	
Cumulative interest rate sensitivity gap	263,938	263,938	263,938	263,938	263,971	-	-		

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26. The Operations of Islamic Banking Scheme
Audited Statements of Financial Position as at 31 December 2011

	Notes	Group and Bank	
		31 December 2011 RM'000	30 June 2011 RM'000
ASSETS			
Cash and short-term funds		10,258	16,013
Other assets	(a)	53,893	57,163
Securities portfolio - available-for-sale		30,000	-
Total assets		94,151	73,176
LIABILITIES			
Other liabilities	(b)	5	19,198
Provision for taxation and zakat		22,632	10,781
Total liabilities		22,637	29,979
ISLAMIC BANKING FUND			
Islamic banking capital fund		5,000	5,000
Reserves		66,514	38,197
		71,514	43,197
Total Liabilities and Islamic Banking Fund		94,151	73,176

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26. The Operations of Islamic Banking Scheme (Cont'd)

Condensed Financial Statements
Audited Statements of Comprehensive Income
For the Quarter and Financial Period Ended 31 December 2011

Group and Bank	Notes	2nd Quarter Ended		Cumulative 6 Months Ended	
		31 December 2011	31 December 2010	31 December 2011	31 December 2010
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of Islamic banking capital funds	(c)	24,420	21,188	62,397	21,188
Income attributable to the Group and the Bank		24,420	21,188	62,397	21,188
Overhead expenses	(d)	(14,961)	(4,973)	(22,229)	(4,973)
Profit before taxation and zakat		9,459	16,215	40,168	16,215
Taxation		(3,771)	(4,054)	(11,449)	(4,054)
Zakat		(140)	(138)	(402)	(138)
Profit for the period		5,548	12,023	28,317	12,023
Profit for the period		5,548	12,023	28,317	12,023
Total comprehensive income for the period		5,548	12,023	28,317	12,023

(The consolidated statements of comprehensive income for the quarter and cumulative 6 months ended 31 December 2010 have not been audited)

Audited Consolidated Statements of Changes in Equity

Group and Bank	Islamic banking capital fund	Non-distributable unrealised holdings reserves	Distributable retained profits	Total
	RM'000	RM'000	RM'000	RM'000
At 1 July 2011	5,000	-	38,197	43,197
Profit for the period	-	-	28,317	28,317
Total comprehensive income for the period	-	-	28,317	28,317
At 31 December 2011	5,000	-	66,514	71,514
At 1 July 2010	5,000	-	9,295	14,295
Profit for the period	-	-	12,023	12,023
Total comprehensive income for the year	-	-	12,023	12,023
At 31 December 2010	5,000	-	21,318	26,318

(The consolidated statement of changes in equity for the cumulative six months ended 31 December 2010 has not been audited)

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26. The Operations of Islamic Banking Scheme (Cont'd)

Condensed Financial Statements
Audited Condensed Cash Flow Statements
For the Quarter and Financial Period Ended 31 December 2011

	Group and Bank	
	31 December 2011 RM'000	31 December 2010 RM'000
Cash flows from operating activities		
Profit before taxation and zakat	40,168	16,215
Increase in securities	(30,000)	-
Decrease/(increase) in receivables	3,270	(16,410)
(Decrease)/increase in payables	(19,193)	194
Net cash used in operating activities	<u>(5,755)</u>	<u>(1)</u>
Net decrease in cash and cash equivalents	(5,755)	(1)
Cash and cash equivalents at beginning of the year	16,013	79
Cash and cash equivalents at end of the period	<u>10,258</u>	<u>78</u>

(The condensed cash flow statements for the cumulative six months ended 31 December 2010 have not been audited)

(a) Other assets

	Group and Bank	
	31 December 2011 RM'000	30 June 2011 RM'000
Profit receivable	18	1
Debtors and prepayments	53,875	57,162
	<u>53,893</u>	<u>57,163</u>

(b) Other liabilities

	Group and Bank	
	31 December 2011 RM'000	30 June 2011 RM'000
Provisions and accruals	5	19,198
	<u>5</u>	<u>19,198</u>

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26. The Operations of Islamic Banking Scheme (Cont'd)

(c) Income derived from investment of Islamic banking capital funds

	Group and Bank		Group and Bank	
	2nd Quarter Ended		Cumulative 6 Months Ended	
	31 December 2011 RM'000	31 December 2010 RM'000	31 December 2011 RM'000	31 December 2010 RM'000
Gross income from:				
- Securities-available-for-sale	154	-	154	-
- Deposit and placement with financial institutions	130	-	563	-
- Gain from sale of investment securities	17,859	-	19,226	-
Fee income from:				
- Corporate advisory fee	5,651	18,600	40,691	18,600
- Brokerage income	626	2,588	1,763	2,588
	24,420	21,188	62,397	21,188

(d) Overhead expenses

	Group and Bank		Group and Bank	
	2nd Quarter Ended		Cumulative 6 Months Ended	
	31 December 2011 RM'000	31 December 2010 RM'000	31 December 2011 RM'000	31 December 2010 RM'000
Personnel expenses	17,022	3,555	22,147	3,555
Establishment costs	(3,447)	1,183	(2,256)	1,183
Marketing costs	832	156	1,498	156
Administration and general expenses	554	79	840	79
	14,961	4,973	22,229	4,973

(e) Capital adequacy

Group and Bank	
31 December 2011 %	30 June 2011 %

(l) Capital ratios

Core capital ratios:

Credit risk	127.85	71.58
Credit, market and operational risks	53.62	42.58

Tier 1 capital

	Group and Bank	
	31 December 2011 RM'000	30 June 2011 RM'000
	Islamic banking capital fund	5,000
Retained profits	66,514	38,197
Total tier 1 capital	71,514	43,197
Capital base	71,514	43,197

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26. The Operations of Islamic Banking Scheme (Cont'd)

(e) Capital adequacy (cont'd)

(II) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category are as follows:

Group and Bank	Gross	Net	Risk-	Capital
31 December 2011	exposures	exposures	weighted	requirements
Exposure Class	RM'000	RM'000	assets	RM'000
			RM'000	
(i) Credit Risk				
On-balance sheet exposures:				
Sovereigns/Central banks	58	58	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Bank ("MDBs")	10,206	10,206	2,041	163
Other assets	53,893	53,893	53,893	4,311
Total on-balance sheet exposures	64,157	64,157	55,934	4,474
Total off-balance sheet exposures	-	-	-	-
Total on and off-balance sheet exposures	64,157	64,157	55,934	4,474
(ii) Operational Risk	-	-	77,429	6,194
Total RWA and capital requirements	64,157	64,157	133,363	10,668
Group and Bank	Gross	Net	Risk-	Capital
30 June 2011	exposures	exposures	weighted	requirements
Exposure Class	RM'000	RM'000	assets	RM'000
			RM'000	
(i) Credit Risk				
On-balance sheet exposures:				
Sovereigns/Central banks	62	62	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Bank ("MDBs")	15,951	15,951	3,190	255
Other assets	57,162	57,162	57,162	4,573
Total on-balance sheet exposures	73,175	73,175	60,352	4,828
Total off-balance sheet exposures	-	-	-	-
Total on and off-balance sheet exposures	73,175	73,175	60,352	4,828
(ii) Operational Risk	-	-	41,088	3,287
Total RWA and capital requirements	73,175	73,175	101,440	8,115

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26. The Operations of Islamic Banking Scheme (Cont'd)

(e) Capital adequacy (cont'd)

(III) The breakdown of exposures by risk weights are as follows:

Group and Bank	Exposures after Netting and Credit Risk Mitigation								
	Sovereigns/ Central banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Total Exposures after netting and credit risk mitigation	Total risk- weighted assets
Risk weights	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	58	-	-	-	-	-	-	58	-
20%	-	10,206	-	-	-	-	-	10,206	2,041
100%	-	-	-	-	-	53,893	-	53,893	53,893
Total exposures	58	10,206	-	-	-	53,893	-	128,644	55,934
Risk-weighted assets by exposures	-	2,041	-	-	-	53,893	-	55,934	
Average risk weights	0%	20%	0%	0%	0%	100%	0%	100%	

Group and Bank	Exposures after Netting and Credit Risk Mitigation								
	Sovereigns/ Central banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Total Exposures after netting and credit risk mitigation	Total risk- weighted assets
Risk weights	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	62	-	-	-	-	-	-	62	-
20%	-	15,951	-	-	-	-	-	15,951	3,190
100%	-	-	-	-	-	57,162	-	57,162	57,162
Total exposures	62	15,951	-	-	-	57,162	-	73,175	60,352
Risk-weighted assets by exposures	-	3,190	-	-	-	57,162	-	60,352	
Average risk weights	0%	20%	0%	0%	0%	100%	0%	100%	

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26. The Operations of Islamic Banking Scheme (Cont'd)

(f) Yield/profit rate risk on IBS portfolio

The Group and the Bank are exposed to various risks associated with the effects of fluctuations in the prevailing levels of yield/profit rate on the financial position and cash flows of the IBS portfolio. The fluctuations in yield/profit rate can be influenced by changes in interest rates that affect the value of financial instruments under the IBS portfolio. Yield/profit rate risk is monitored and managed by the Group and the Bank to protect the income from IBS operations.

The table below summarises the Group's and the Bank's exposure to yield/profit rate risk for the IBS operations. The table indicates effective yield/profit rates at the balance sheet date and the periods in which the financial instruments reprice or mature, whichever is earlier.

Group and Bank	Up to 1	> 1 - 3	> 3 - 12	1 - 5	Over 5	Non-yield/ profit rate	Trading	Total	Effective
31 December 2011	month	month	month	years	years	sensitive	book	RM'000	yield/profit
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	rate
									%
Assets									
Cash and short-term funds	10,200	-	-	-	-	58	-	10,258	3.00
Securities available-for-sale	-	-	-	-	-	30,000	-	30,000	4.10
Other assets	-	-	-	-	-	53,893	-	53,893	-
Total assets	10,200	-	-	-	-	83,951	-	94,151	
Liabilities and Islamic banking fund									
Provision for taxation and zakat	-	-	-	-	-	22,632	-	22,632	-
Other liabilities	-	-	-	-	-	5	-	5	-
Total liabilities	-	-	-	-	-	22,637	-	22,637	
Reserves	-	-	-	-	-	71,514	-	71,514	-
Total Islamic banking fund	-	-	-	-	-	71,514	-	71,514	-
Total liabilities and Islamic banking fund	-	-	-	-	-	94,151	-	94,151	
Total yield/profit rate sensitivity gap	10,200	-	-	-	-	(10,200)	-	-	
Cumulative yield/profit rate sensitivity gap	10,200	10,200	10,200	10,200	10,200	-	-	-	

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26. The Operations of Islamic Banking Scheme (Cont'd)

(f) Yield/profit rate risk on IBS portfolio (cont'd)

<u>Group and Bank</u> 30 June 2011	Up to 1 month RM'000	> 1 - 3 month RM'000	> 3 - 12 month RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-yield/ profit rate sensitive RM'000	Trading book RM'000	Total RM'000	Effective yield/profit rate %
Assets									
Cash and short-term funds	15,950	-	-	-	-	63	-	16,013	3.00
Other assets	-	-	-	-	-	57,163	-	57,163	-
Total assets	15,950	-	-	-	-	57,226	-	73,176	
Liabilities and Islamic banking fund									
Other non-yield/profit rate sensitive balances	-	-	-	-	-	29,979	-	29,979	-
Total liabilities	-	-	-	-	-	29,979	-	29,979	
Reserves	-	-	-	-	-	43,197	-	43,197	-
Total Islamic banking fund	-	-	-	-	-	43,197	-	43,197	-
Total liabilities and Islamic banking fund	-	-	-	-	-	73,176	-	73,176	
Total yield/profit rate sensitivity gap	15,950	-	-	-	-	(15,950)	-	-	
Cumulative yield/profit rate sensitivity gap	15,950	15,950	15,950	15,950	15,950	-	-	-	

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26. The operations of Islamic Banking Scheme (Cont'd)

(g) Fair values of financial assets and liabilities

The estimated fair values of those on-balance sheet financial assets and financial liabilities as at the balance sheet date, which are considered short term in maturity, approximate their carrying amounts as shown in balance sheet.

(h) Allocation of income

The policy of allocation of income to the various types of deposits and investments is subject to "The Framework of Rate of Return" issued by Bank Negara Malaysia in October 2001. The objective is to set the minimum standard and terms of reference for the Islamic banking institution in calculating and deriving the rate of return for the depositors.

(i) Shariah committee

The operation of IBS is governed by Section 124(3) of the Banking and Financial Institution Act, 1989 ("the Act"), which stipulates that "any licensed institution carrying on Islamic financial business, in addition to its existing licensed business may, from time to time seek the advise of the Shariah Advisory Council ("SAC") established under subsection (7) of the Act, on the operations of its business in order to ensure that it does not involve any element which is not approved by the Religion of Islam" and Section IV of BNM's "Guidelines on the Governance of Shariah Committee for the Islamic Financial Institutions" known as BNM/GPS 1, stipulates that "Every Islamic institution is required to establish a Shariah Committee".

Based on the above, the duties and responsibilities of the Group's and the Bank's Shariah Committee are to advise on the overall Islamic Banking operations of the Group's and the Bank's business in order to ensure compliance with the Shariah requirements.

The roles of the Shariah Committee in monitoring the Group's and the Bank's activities include:

- (i) To advise the Board on Shariah matters in its business operations
- (ii) To endorse Shariah Compliance Manuals
- (iii) To endorse and validate relevant documentations
- (iv) To assist related parties on Shariah matters for advice upon request
- (v) To advise on matters to be referred to the SAC
- (vi) Provide written Shariah opinion:
 - When the Group and the Bank make references to SAC of BNM for advice on unresolved Shariah issues.
 - When the Group and the Bank submit application to BNM for new product approval
- (vii) Assist in providing explanation on matters referred to BNM or SAC of BNM at their requests
- (viii) Participate in the in-house training programmes of the Group and the Bank

The Group and the Bank presently have five Shariah consultants.

Banking Institution : **Maybank Investment Bank Berhad (15938-H)**
Bank Holding Company : **Malayan Banking Berhad**
Financial Quarter Ended : **31 December 2011**

Overall assessment of the group financial performance

Name of Company	Total Assets		PBT						PAT					
	31-Dec-11		31-Dec-11		31-Dec-10		Change Dec 2011/ Dec 2010		31-Dec-11		31-Dec-10		Change Dec 2011/ Dec 2010	
	RM'm	%	RM'm	% of Group	RM'm	% of Group	RM'm	%	RM'm	% of Group	RM'm	% of Group	RM'm	%
Maybank Investment Bank Berhad	2,696.6	105.7	101.2	99.9	78.0	93.6	23.2	0.3	73.5	99.9	59.2	93.2	14.3	142.2
Subsidiary companies														
Aseam Malaysia Nominees (Tempatan) Sdn Bhd	0.1	0.0	(0.0)	(0.0)	-	-	(0.0)	-	(0.0)	(0.0)	-	-	(0.0)	(0.2)
Aseam Malaysia Nominees (Asing) Sdn Bhd	0.0	0.0	-	-	(0.0)	(0.0)	0.0	(1.0)	-	-	(0.0)	(0.0)	0.0	0.1
Maysec Sdn Bhd	161.9	6.3	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	3.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Maysec Ipoh Sdn Bhd	0.0	0.0	-	-	(130.0)	(156.0)	130.0	(1.0)	-	-	(130.0)	(204.8)	130.0	1,289.2
Maysec (KL) Sdn Bhd	177.1	6.9	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.1	0.0	0.1	0.0	0.0
Maysec Nominees (T) Sdn Bhd	0.5	0.0	-	-	-	-	-	-	-	-	-	-	-	-
Maysec Nominees (A) Sdn Bhd	0.1	0.0	-	-	-	-	-	-	-	-	-	-	-	-
Mayban Futures Sdn Bhd	5.6	0.2	0.0	0.0	0.0	0.1	(0.0)	(0.5)	0.0	0.0	0.0	0.0	(0.0)	(0.1)
Mayban Securities (Jersey) Sdn Bhd	12.8	0.5	0.1	0.1	(0.1)	(0.2)	0.3	(1.8)	0.1	0.2	(0.1)	(0.2)	0.3	2.6
Mayban Securities (HK) Ltd	58.9	2.3	0.0	0.0	1.5	1.8	(1.5)	(1.0)	0.0	0.1	1.5	2.4	(1.5)	(14.7)
Phileo Allied Securities (Phil) Inc.	3.6	0.1	(0.0)	(0.0)	(0.0)	(0.0)	0.0	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	0.0
Budaya Tegas Sdn Bhd	0.0	0.0	-	-	-	-	-	-	-	-	-	-	-	-
Binafikir Sdn Bhd	4.8	0.2	0.2	0.2	3.3	4.0	(3.2)	(0.9)	0.1	0.2	2.5	3.9	(2.4)	(23.4)
Subtotal	3,121.9	122.4	101.6	100.3	(47.1)	(56.6)	148.8	(3.2)	73.9	100.4	(66.9)	(105.3)	140.7	1,395.7
Share of post-acquisition profits														
From associated companies														
Maydis Berhad	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mayban Ventures Sdn Berhad	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less : Inter Company Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minority interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other consolidation adjustments:	(570.7)	(22.4)	-	-	130.5	156.6	(130.5)	(725.0)	(0.3)	(0.4)	130.3	205.3	(130.6)	(1,295.7)
Subtotal	(570.7)	(22.4)	(0.3)	(0.3)	130.5	156.6	(130.8)	(726.7)	(0.3)	(0.4)	130.3	205.3	(130.6)	(1,295.7)
TOTAL GROUP	2,551.2	100.0	101.3	100.0	83.3	100.0	18.0	100.0	73.6	100.0	63.5	100.0	10.1	100.0