

ECM LIBRA INVESTMENT BANK BERHAD (682-X)
Financial Statements for the period ended 31 July 2011.

Unaudited Statements of Financial Position
As at 31 July 2011

	Note	Group		Bank	
		31-Jul-11 RM'000	31-Jan-11 RM'000	31-Jul-11 RM'000	31-Jan-11 RM'000
ASSETS					
Cash and short-term funds		209,141	389,669	208,899	389,500
Deposits with financial institutions	7	269,466	21,489	269,466	21,489
Securities held-for-trading	8	337,708	353,818	337,708	353,818
Securities available-for-sale	9	552,583	519,479	552,583	519,479
Securities held-to-maturity	10	94,000	70,000	94,000	70,000
Derivative financial instruments	11	6,682	9,552	6,682	9,552
Loan, advances and financing	12	511,802	649,880	511,802	649,880
Trade receivables	13	339,769	482,122	339,769	482,122
Statutory deposit with Bank Negara Malaysia		36,320	8,834	36,320	8,834
Other assets	14	29,019	15,602	28,982	15,593
Property, plant and equipment		23,417	25,534	23,417	25,534
Intangible assets		52,500	52,500	52,500	52,500
Deferred tax assets		-	10,687	-	10,687
TOTAL ASSETS		<u>2,462,407</u>	<u>2,609,166</u>	<u>2,462,128</u>	<u>2,608,988</u>
LIABILITIES					
Deposits from customers	15	1,099,504	1,075,123	1,103,787	1,079,365
Deposits and placements of banks and other financial institutions	16	164,797	201,008	164,797	201,008
Trade payables	17	452,577	576,600	452,577	576,600
Other liabilities	18	50,502	103,189	50,472	103,160
Amount owing to related companies		234	234	234	234
Deferred tax liabilities		2,395	-	2,395	-
TOTAL LIABILITIES		<u>1,770,009</u>	<u>1,956,154</u>	<u>1,774,262</u>	<u>1,960,367</u>
EQUITY					
Share capital		513,000	513,000	513,000	513,000
Reserves		179,398	140,012	174,866	135,621
		<u>692,398</u>	<u>653,012</u>	<u>687,866</u>	<u>648,621</u>
		<u>2,462,407</u>	<u>2,609,166</u>	<u>2,462,128</u>	<u>2,608,988</u>
Net assets per share (RM)		1.35	1.27	1.34	1.26

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 January 2011 of the Group and the Bank.

ECM LIBRA INVESTMENT BANK BERHAD (682-X)
Financial Statements for the period ended 31 July 2011.

Unaudited Condensed Income Statements
for the Second Quarter ended 31 July 2011

<u>Group</u>	Note	Current quarter ended 31-Jul-11 RM'000	Corresponding quarter ended 31-Jul-10 RM'000	Current year-to-date 31-Jul-11 RM'000	Corresponding year-to-date 31-Jul-10 RM'000
Revenue		42,908	30,456	86,618	77,423
Interest income	19	20,264	16,012	41,447	29,925
Interest expense	20	(12,139)	(8,266)	(23,901)	(15,664)
Net interest income		8,125	7,746	17,546	14,261
Non-interest income	21	22,644	14,444	45,171	32,623
Other non-operating income	22	265	176	1,092	419
Net income		31,034	22,366	63,809	47,303
Operating expenses	23	(18,022)	(15,421)	(36,360)	(28,341)
Operating profit		13,012	6,945	27,449	18,962
Writeback/(allowance) for losses on loans & financing	24	1,194	(478)	2,160	(2,866)
Writeback bad & doubtful debts	25	4,976	260	6,761	311
Writeback provision for impairment loss	26	-	-	956	-
Profit before tax		19,182	6,727	37,326	16,407
Taxation		(4,778)	(1,662)	(9,296)	(4,073)
Profit after tax		14,404	5,065	28,030	12,334
Other comprehensive income:					
Net gain/(loss) on available-for-sale financial assets		4,315	(1,053)	15,142	(2,977)
Currency translation differences					
Income tax relating to components of other comprehensive income		(1,079)	263	(3,786)	744
Other comprehensive income for the period, net of tax		3,236	(790)	11,356	(2,233)
Total comprehensive income for the period		17,640	4,275	39,386	10,101
Earnings per share ("EPS"):					
- basic / diluted		2.81	0.99	5.46	2.40

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Unaudited Condensed Income Statements
for the Second Quarter ended 31 July 2011

<u>Bank</u>	Note	Current quarter ended 31-Jul-11 RM'000	Corresponding quarter ended 31-Jul-10 RM'000	Current year-to-date 31-Jul-11 RM'000	Corresponding year-to-date 31-Jul-10 RM'000
Revenue		42,834	29,823	86,498	60,993
Interest income	19	20,234	16,032	41,415	29,923
Interest expense	20	(12,140)	(8,312)	(23,932)	(15,710)
Net interest income		8,094	7,720	17,483	14,213
Non-interest income	21	22,600	14,388	45,083	32,549
Other non-operating income	22	265	176	1,092	419
Net income		30,959	22,284	63,658	47,181
Operating expenses	23	(18,018)	(15,420)	(36,351)	(28,340)
Operating profit		12,941	6,864	27,307	18,841
Writeback/(allowance) for losses on loans & financing	24	1,194	(478)	2,160	(2,866)
Writeback bad & doubtful debts	25	4,976	260	6,761	311
Writeback provision of impairment loss	26	-	-	956	-
Profit before tax		19,111	6,646	37,184	16,286
Taxation		(4,778)	(1,661)	(9,296)	(4,073)
Profit after tax		14,333	4,985	27,888	12,213
Other comprehensive income:					
Net gain/(loss) on available-for-sale financial assets		10,827	(1,055)	15,142	(2,977)
Currency translation differences		(2,707)	264	(3,786)	744
Income tax relating to components of other comprehensive income					
Other comprehensive income for the period, net of tax		8,120	(791)	11,356	(2,233)
Total comprehensive income for the period		22,453	4,194	39,244	9,980
Earnings per share ("EPS"):		Sen	Sen	Sen	Sen
- basic / diluted		2.79	0.97	5.44	2.38

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ECM LIBRA INVESTMENT BANK BERHAD (682-X)
Interim Financial Statements for the period ended 31 July 2011.

Unaudited Condensed Statement of Changes in Equity
for the Financial Year ended 31 July 2011

Group	<-----Non-distributable----->			Distributable		Total
	Share capital RM'000	Available-for- sale revaluation reserve RM'000	Equity compensation reserve RM'000	Statutory reserve RM'000	Retained profit RM'000	
Balance as at 1 February 2011	513,000	234	612	65,720	73,446	653,012
Total comprehensive income for the period	-	11,356	-	-	28,030	39,386
Balance as at 31 July 2011	513,000	11,590	612	65,720	101,476	692,398
Balance as at 1 February 2010	513,000	11,779	926	33,934	73,270	632,909
Total comprehensive income for the period	-	(2,233)	-	-	12,334	10,101
Balance as at 31 July 2010	513,000	9,546	926	33,934	85,604	643,010

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 January 2011 of the Group.

ECM LIBRA INVESTMENT BANK BERHAD (682-X)
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Unaudited Condensed Statement of Changes in Equity
for the Financial Year ended 31 July 2011

	<-----Non-distributable----->			Distributable		Total RM'000
	Share capital RM'000	Available-for- sale revaluation reserve RM'000	Equity compensation reserve RM'000	Statutory reserve RM'000	Retained profit RM'000	
Bank						
Balance as at 1 February 2011	513,000	234	612	65,720	69,055	648,621
Total comprehensive income for the period	-	11,356	-	-	27,888	39,244
Balance as at 31 July 2011	513,000	11,590	612	65,720	96,943	687,865
Balance as at 1 February 2010	513,000	11,779	926	33,934	69,055	628,694
Total comprehensive income for the period	-	(2,233)	-	-	12,213	9,980
Balance as at 31 July 2010	513,000	9,546	926	33,934	81,268	638,674

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 January 2011 of the Bank.

ECM LIBRA INVESTMENT BANK BERHAD (682-X)
Interim Financial Statements for the period ended 31 July 2011.

Unaudited Condensed Statement of Cash Flow
for the Financial Period ended 31 July 2011

	Group		Bank	
	6 months ended		6 months ended	
	31-Jul-11	31-Jul-10	31-Jul-11	31-Jul-10
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before tax	37,326	16,407	37,184	16,286
Adjustment for non-cash items	(366)	7,792	(304)	7,792
Operating profit before working capital changes	<u>36,960</u>	24,199	<u>36,880</u>	24,078
Net changes in operating assets	12,466	(411,662)	38,056	(437,446)
Net changes in operating liabilities	(188,467)	(33,761)	(214,219)	(7,904)
Net cash used in operating activities	<u>(139,041)</u>	<u>(421,224)</u>	<u>(139,283)</u>	<u>(421,272)</u>
Cash flows from investing activities				
Dividend received	455	1,383	455	1,383
Net addition to property, plant and equipment	(129)	(2,604)	(129)	(2,604)
Net proceeds from (additions)/sale of securities	(35,039)	199,399	(35,039)	199,399
Net cash (used in)/generated from investing activities	<u>(34,713)</u>	<u>198,178</u>	<u>(34,713)</u>	<u>198,178</u>
Cash flows from financing activities				
Interest paid	(23,974)	(15,235)	(23,974)	(15,235)
Net cash used in financing activities	<u>(23,974)</u>	<u>(15,235)</u>	<u>(23,974)</u>	<u>(15,235)</u>
Net decrease in cash and cash equivalents	(197,728)	(238,281)	(197,970)	(238,329)
Effects of exchange rate changes	1,700	1,479	1,700	1,479
Cash and cash equivalents at beginning of period	235,411	466,028	235,411	465,788
Cash and cash equivalents at end of period	<u>39,383</u>	<u>229,226</u>	<u>39,141</u>	<u>228,938</u>
Cash and cash equivalents comprise:				
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	209,141	364,770	208,899	364,482
Less: Monies held in trust	(169,758)	(135,544)	(169,758)	(135,544)
	<u>39,383</u>	<u>229,226</u>	<u>39,141</u>	<u>228,938</u>

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 January 2011 of the Group and the Bank.

ECM LIBRA INVESTMENT BANK BERHAD (682-X)
Interim Financial Statements for the period ended 31 July 2011.

Part A: Explanatory notes pursuant to Financial Reporting Standards ("FRS") 134

1 Basis of preparation

This unaudited quarterly financial report of the Group has been prepared on a historical cost basis, unless otherwise disclosed in the notes to the financial statements and are in accordance with the Companies Act, 1965 and FRS 134 "Interim Financial Reporting" in Malaysia as modified by Bank Negara Malaysia ("BNM")'s Guidelines.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 January 2011.

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the annual financial statements for the year ended 31 January 2011, except for the adoption of the following Financial Reporting Standards ("FRS"), Amendments to FRSS, IC Interpretations and Technical Release ("TR"):

Amendments to FRS 132	Financial Instruments: Presentation - Classification of Rights Issues
FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters and Additional Exemptions for First-time Adopters
Amendments to FRS 7	Improving Disclosures about Financial Instruments
TR i-4	Shariah Compliant Sale Contracts
Amendments to FRSS contained in the document entitled "Improvements to FRSS (2010)"	

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1 Basis of preparation (cont'd.)

The adoption of the FRSs, Amendments to FRSs, IC Interpretations and Technical Release above generally did not have any material impact on the financial results of the Group, as they mainly deal with accounting policies affecting disclosures or transactions which do not form part of the Group's normal business operations or transactions.

The Group has not adopted the following revised FRSs, IC Interpretations and Amendments to FRSs issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective.

Effective for annual periods commencing on or after 1 July 2011:

IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement

Effective for annual periods commencing on or after 1 January 2012:

FRS 124	Related Party Disclosures
IC Interpretation 15	Agreements for the Construction of Real Estate
Amendments to IC Interpretation 15	Agreements for Construction of Real Estate

2 Audit report of preceding annual financial statements

The auditors' report on the Financial Statements for the year ended 31 January 2011 of the Group and Bank was not subjected to any qualification.

3 Seasonality and cyclicity factors

The operations of the Group and Bank were not materially affected either by seasonal or cyclical factors.

4 Exceptional items/unusual events

There was no unusual item affecting assets, liabilities, equity, net income, or cash flows during the second quarter ended 31 July 2011.

5 Variation from financial estimates reported in preceding financial year

There were no changes in estimates of amounts reported in the preceding financial period that would have a material effect in the current quarter results.

6 Dividend paid

There was no dividend paid during the quarter ended 31 July 2011.

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7 Deposits with financial institutions

	Group and Bank	
	31-Jul-11	31-Jan-11
	RM'000	RM'000
Licensed banks	214,466	1,489
Licensed investment banks	55,000	20,000
	<u>269,466</u>	<u>21,489</u>

8 Securities held-for-trading

	Group and Bank	
	31-Jul-11	31-Jan-11
	RM'000	RM'000
At fair value		
Bankers' acceptance	331,460	304,060
Bank Negara Malaysia Notes	-	49,758
 Quoted Securities		
- Shares	6,248	-
	<u>337,708</u>	<u>353,818</u>

9 Securities available-for-sale

	Group and Bank	
	31-Jul-10	31-Jan-11
	RM'000	RM'000
At fair value		
Malaysian Government Securities	150,359	70,973
Malaysian Government Investment Issues	21,847	-
Cagamas bonds	59,989	60,014
Bank Negara Malaysia Notes	-	149,498
 Quoted securities		
- Shares	137,265	46,247
Unquoted securities		
- Private debt securities	184,670	195,251
- Preference shares	2,200	2,200
 less: Impairment loss on securities available-for-sale	<u>(3,747)</u>	<u>(4,704)</u>
	<u>552,583</u>	<u>519,479</u>

Securities that were reclassified out from held-for-trading to available-for-sale:

Carrying value as at beginning of financial year	3,926	49,282
Disposal of securities	-	(47,215)
(Loss)/gain on revaluation		
- recognised in available-for-sale revaluation reserves	(681)	1,859
Carrying value as at end of financial year/period	<u>3,245</u>	<u>3,926</u>

10 Securities held-to-maturity

	Group and Bank	
	31-Jul-11	31-Jan-11
	RM'000	RM'000
At cost		
Negotiable instruments of deposit	94,000	70,000
	<u>94,000</u>	<u>70,000</u>

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11 Derivative financial instruments

	Group and Bank	
	31-Jul-11	31-Jan-11
	RM'000	RM'000
Equity related contract - Options		
Notional amount	64,692	55,244
Fair value	52	1,693
Embedded derivatives		
Notional amount	124,075	147,075
Fair value	6,630	7,859
Total	6,682	9,552

12 Loans, advances and financing

	Group and Bank	
	31-Jul-11	31-Jan-11
	RM'000	RM'000
Share margin financing	341,094	319,135
Term loans	168,846	276,004
Revolving credit	9,878	5,882
Bridging loans	-	59,035
Gross loans, advances and financing	519,818	660,056
Less: Collective assessment allowance	(8,016)	(10,176)
Total net loans, advances and financing	511,802	649,880
<u>By residual contractual maturity</u>		
Maturity within 1 year	483,470	519,646
More than one year to three years	36,348	140,410
Gross loans, advances and financing	519,818	660,056
<u>By economic purpose</u>		
Purchase of securities	376,024	473,531
Working capital	68,738	111,469
Others	75,056	75,056
Gross loans, advances and financing	519,818	660,056
<u>By interest rate sensitivity</u>		
Fixed rate		
- Share margin financing, term loans, revolving credit and bridging loan	519,818	660,056
Gross loans, advances and financing	519,818	660,056
<u>By type of customer</u>		
Domestic business enterprises	388,132	377,112
Domestic non-bank financial institution	15,234	42,816
Individuals	116,452	240,128
Gross loans, advances and financing	519,818	660,056
Movements in allowance for bad and doubtful debts		
Collective assessment allowance		
Balance at beginning of financial year	10,176	-
- effect of adopting FRS 139	-	5,117
Restated opening balance	10,176	5,117
Allowance made during the year	(2,160)	5,059
Balance at end of financial year	8,016	10,176
As % of gross loans, advances and financing less specific allowance	1.5%	1.5%

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12 Loans, advances and financing (continued)

	Group and Bank	
	31-Jul-11	31-Jan-11
	RM'000	RM'000
General allowance		
Balance at beginning of financial year		
- as previously stated	-	5,117
- effect of adopting FRS 139	-	(5,117)
Balance at end of financial period/year	<u>-</u>	<u>-</u>
As % of gross loans, advances and financing less specific allowance	-	0.0%

13 Trade receivables

	Group and Bank	
	31-Jul-11	31-Jan-11
	RM'000	RM'000
Amount owing by clients	159,853	217,143
Amount owing by brokers	181,074	265,989
	<u>340,927</u>	<u>483,132</u>
Less: Individual assessment allowance	<u>(1,158)</u>	<u>(1,010)</u>
	<u>339,769</u>	<u>482,122</u>

14 Other assets

	Group		Bank	
	31-Jul-11	31-Jan-11	31-Jul-11	31-Jan-11
	RM'000	RM'000	RM'000	RM'000
Interest receivables	5,072	3,810	5,072	3,810
Deposits	5,867	4,691	5,867	4,691
Tax recoverable	3,823	3,682	3,786	3,673
Other receivables, deposits and prepayments	16,760	5,850	16,761	5,850
	<u>31,522</u>	<u>18,033</u>	<u>31,486</u>	<u>18,024</u>
Less: Individual assessment allowance	<u>(2,503)</u>	<u>(2,431)</u>	<u>(2,504)</u>	<u>(2,431)</u>
	<u>29,019</u>	<u>15,602</u>	<u>28,982</u>	<u>15,593</u>

15 Deposits from customers

	Group		Bank	
	31-Jul-11	31-Jan-11	31-Jul-11	31-Jan-11
	RM'000	RM'000	RM'000	RM'000
<u>By type of deposits</u>				
Short-term deposits	1,098,267	1,071,457	1,102,400	1,075,698
Negotiable instruments of deposit	1,237	3,666	1,387	3,667
	<u>1,099,504</u>	<u>1,075,123</u>	<u>1,103,787</u>	<u>1,079,365</u>
<u>By type of customers</u>				
Government and statutory bodies	126,100	70,000	126,100	70,000
Business enterprises	187,510	202,230	191,793	206,472
Individuals	25,605	22,133	25,605	22,133
Non-bank financial institutions	760,289	780,760	760,289	780,760
	<u>1,099,504</u>	<u>1,075,123</u>	<u>1,103,787</u>	<u>1,079,365</u>

Maturity structure of short term deposits and negotiable instruments of deposit are as follows:

Due within 6 months	1,099,404	976,921	1,103,687	956,349
More than 6 months to 1 year	100	98,202	100	123,016
	<u>1,099,504</u>	<u>1,075,123</u>	<u>1,103,787</u>	<u>1,079,365</u>

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16 Deposits and placements of banks and other financial institutions

	Group and Bank	
	31-Jul-11	31-Jan-11
	RM'000	RM'000
Licensed banks	90,000	201,008
Licensed investment banks	74,797	-
	164,797	201,008

17 Trade payables

	Group and Bank	
	31-Jul-11	31-Jan-11
	RM'000	RM'000
Amount owing to clients	99,067	178,563
Amount owing to brokers	200,514	248,295
Client's trust monies	152,996	149,742
	452,577	576,600

18 Other liabilities

	Group		Bank	
	31-Jul-10	31-Jan-11	31-Jul-11	31-Jan-11
	RM'000	RM'000	RM'000	RM'000
Accruals and deposits received	12,022	12,213	12,001	12,184
Remisiers and dealers trust accounts	21,038	19,531	21,038	19,531
Other payables	17,442	71,445	17,433	71,445
	50,502	103,189	50,472	103,160

19 Interest income

	Current quarter ended	Corresponding quarter ended	Current year-to-date	Corresponding year-to-date
	31-Jul-11	31-Jul-10	31-Jul-11	31-Jul-10
	RM'000	RM'000	RM'000	RM'000
Group				
Loans and advances	10,618	10,257	23,149	17,512
Stockbroking clients	77	76	164	325
Short-term funds and deposits with financial institutions	3,215	2,546	6,133	5,348
Securities:				
- Available-for-sale	4,083	2,921	7,416	6,025
- Held-to-maturity	1,354	38	2,159	444
Others	41	1	56	2
	19,388	15,839	39,077	29,656
Accretion of discounts less amortisation of premiums	876	173	2,370	269
	20,264	16,012	41,447	29,925
Bank				
Loans and advances	10,618	10,257	23,148	17,512
Stockbroking clients	77	76	164	325
Short-term funds and deposits with financial institutions	3,184	2,566	6,102	5,346
Securities:				
- Available-for-sale	4,083	2,921	7,416	6,025
- Held-to-maturity	1,355	38	2,159	444
Others	41	1	56	2
	19,358	15,859	39,045	29,654
Accretion of discounts less amortisation of premiums	876	173	2,370	269
	20,234	16,032	41,415	29,923

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20 Interest expense

	Current quarter ended 31-Jul-11 RM'000	Corresponding quarter ended 31-Jul-10 RM'000	Current year-to-date 31-Jul-11 RM'000	Corresponding year-to-date 31-Jul-10 RM'000
Group				
Deposits from customers	11,367	7,449	22,091	13,980
Deposits from banks and other financial institutions	743	817	1,773	1,684
Others	29	-	37	-
	12,139	8,266	23,901	15,664

Bank

Deposits from customers	11,367	7,495	22,090	14,026
Deposits from banks and other financial institutions	744	817	1,805	1,684
Others	29	-	37	-
	12,140	8,312	23,932	15,710

21 Non-interest income

	Current quarter ended 31-Jul-11 RM'000	Corresponding quarter ended 31-Jul-10 RM'000	Current year-to-date 31-Jul-11 RM'000	Corresponding year-to-date 31-Jul-10 RM'000
Group				
Fee income				
- Fees on loans and advances	1,433	662	3,604	2,531
- Corporate advisory fees	484	80	994	220
- Net brokerage fee	10,509	7,716	24,868	17,059
- Other fee income	845	132	930	1,361
	13,271	8,590	30,396	21,171
Net gain arising from securities held -for-trading				
- net gain on disposal	3,335	4,394	6,435	6,574
- unrealised revaluation (loss)/gain	(78)	(29)	179	656
- gross dividend income	-	-	5	-
	3,257	4,365	6,619	7,230
Net gain arising from securities available-for-sale				
- net gain on disposal	5,723	154	5,966	1,469
- gross dividend income	-	865	450	1,383
	5,723	1,019	6,416	2,852
Net loss arising from derivatives				
- net gain on disposal	409	-	1,551	-
- unrealised revaluation loss	(972)	(127)	(1,641)	(109)
	(563)	(127)	(90)	(109)
Gain on foreign exchange transactions	956	597	1,830	1,479
Total non-interest income	22,644	14,444	45,171	32,623

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21 Non-interest income (continue)

	Current quarter ended 31-Jul-11 RM'000	Corresponding quarter ended 31-Jul-10 RM'000	Current year-to-date 31-Jul-11 RM'000	Corresponding year-to-date 31-Jul-10 RM'000
Bank				
Fee income				
- Fees on loans and advances	1,433	662	3,604	2,531
- Corporate advisory fees	484	80	994	220
- Net brokerage fee	10,509	8,325	24,868	17,668
- Other fee income	801	76	842	1,287
	<u>13,227</u>	<u>9,143</u>	<u>30,308</u>	<u>21,706</u>
Net gain arising from securities held -for-trading				
- net gain on disposal - securities	3,335	3,785	6,435	5,965
- unrealised revaluation (loss)/gain	(78)	(29)	179	656
- gross dividend income	-	-	5	-
	<u>3,257</u>	<u>3,756</u>	<u>6,619</u>	<u>6,621</u>
Net gain arising from securities available-for-sale				
- net gain on disposal	5,723	154	5,966	1,469
- gross dividend income	-	865	450	1,383
	<u>5,723</u>	<u>1,019</u>	<u>6,416</u>	<u>2,852</u>
Net loss arising from derivatives				
- net gain on disposal	409	-	1,551	-
- unrealised revaluation loss	(972)	(127)	(1,641)	(109)
	<u>(563)</u>	<u>(127)</u>	<u>(90)</u>	<u>(109)</u>
Gain on foreign exchange transactions	956	597	1,830	1,479
Total non-interest income	<u>22,600</u>	<u>14,388</u>	<u>45,083</u>	<u>32,549</u>

22 Other non-operating income

	Group and Bank			
	Current quarter ended 31-Jul-11 RM'000	Corresponding quarter ended 31-Jul-10 RM'000	Current year-to-date 31-Jul-11 RM'000	Corresponding year-to-date 31-Jul-10 RM'000
Rental income	48	56	111	110
Gain/(loss) on disposal of assets	-	1	1	(35)
Others	217	119	980	344
	<u>265</u>	<u>176</u>	<u>1,092</u>	<u>419</u>

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23 Operating expenses

<u>Group</u>	Current quarter ended 31-Jul-11 RM'000	Corresponding quarter ended 31-Jul-10 RM'000	Current year-to-date 31-Jul-11 RM'000	Corresponding year-to-date 31-Jul-10 RM'000
<u>Personnel expenses</u>				
Salaries, allowance and bonus	7,624	6,679	14,783	12,336
Contributions to defined contribution plan	1,126	922	2,203	1,705
Other personnel costs	726	1,105	1,155	1,644
	<u>9,476</u>	<u>8,706</u>	<u>18,141</u>	<u>15,685</u>
<u>Establishment costs</u>				
Depreciation of property, plant and equipment	1,018	805	1,969	1,638
Amortisation of computer software	141	112	278	200
Rental of premises	1,306	916	2,604	1,791
Rental of network and equipment	982	1,002	2,057	1,818
Other establishment costs	747	693	1,506	1,384
Property plant and equipment written off	-	-	-	275
	<u>4,194</u>	<u>3,528</u>	<u>8,414</u>	<u>7,106</u>
<u>Marketing and communication expenses</u>				
Advertising expenses	145	373	152	373
Entertainment	267	173	469	278
Other marketing expenses	228	-	231	-
	<u>640</u>	<u>546</u>	<u>852</u>	<u>651</u>
<u>Administrative and general expenses</u>				
Audit fees	34	33	61	66
Legal and professional fees	258	205	2,013	230
Printing and stationery	213	136	428	267
Insurance, postages and courier	253	221	531	355
Electricity and water charges	302	245	553	467
Telecommunication expenses	153	157	285	271
Travelling and accomodation	19	101	205	158
Others	2,480	1,543	4,877	3,085
	<u>3,712</u>	<u>2,641</u>	<u>8,953</u>	<u>4,899</u>
Total operating expenses	<u>18,022</u>	<u>15,421</u>	<u>36,360</u>	<u>28,341</u>

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23 Operating expenses (continued)

	Current	Corresponding	Current	Corresponding
	quarter ended	quarter ended	year-to-date	year-to-date
	31-Jul-11	31-Jul-10	31-Jul-11	31-Jul-10
Bank	RM'000	RM'000	RM'000	RM'000
<u>Personnel expenses</u>				
Salaries, allowance and bonus	7,624	6,679	14,783	12,336
Contributions to defined contribution plan	1,126	922	2,203	1,705
Other personnel costs	726	1,105	1,155	1,644
	<u>9,476</u>	<u>8,706</u>	<u>18,141</u>	<u>15,685</u>
<u>Establishment costs</u>				
Depreciation of property, plant and equipment	1,018	805	1,969	1,638
Amortisation of computer software	140	112	278	200
Rental of premises	1,306	916	2,604	1,791
Rental of network and equipment	982	1,002	2,057	1,818
Other establishment costs	747	693	1,506	1,384
Property plant and equipment written off	-	-	-	275
	<u>4,193</u>	<u>3,528</u>	<u>8,414</u>	<u>7,106</u>
<u>Marketing and communication expenses</u>				
Advertising expenses	144	373	152	373
Entertainment	267	173	469	278
Other marketing expenses	7	-	231	-
	<u>418</u>	<u>546</u>	<u>852</u>	<u>651</u>
<u>Administrative and general expenses</u>				
Audit fees	33	33	58	66
Legal and professional fees	256	205	2,009	230
Printing and stationery	216	136	428	267
Insurance, postages and courier	253	221	531	355
Electricity and water charges	302	245	553	467
Telecommunication expenses	153	157	285	271
Travelling and accommodation	240	101	205	158
Others	2,478	1,542	4,875	3,084
	<u>3,931</u>	<u>2,640</u>	<u>8,944</u>	<u>4,898</u>
Total operating expenses	<u>18,018</u>	<u>15,420</u>	<u>36,351</u>	<u>28,340</u>

24 (Write-back)/allowance for losses on loans and financing

	Group and Bank			
	Current	Corresponding	Current	Corresponding
	quarter ended	quarter ended	year-to-date	year-to-date
	31-Jul-11	31-Jul-10	31-Jul-11	31-Jul-10
	RM'000	RM'000	RM'000	RM'000
Collective assessment allowance				
- (Write back)/Provided during the financial year	<u>(1,194)</u>	<u>478</u>	<u>(2,160)</u>	<u>2,866</u>

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**25 Writeback of bad and doubtful debts
on trade receivables**

	Group and Bank			
	Current quarter ended	Corresponding quarter ended	Current year-to-date	Corresponding year-to-date
	31-Jul-11 RM'000	31-Jul-10 RM'000	31-Jul-11 RM'000	31-Jul-10 RM'000
Individual assessment allowance				
- Provided during the financial year	223	-	315	-
- Written back during the financial year	(87)	-	(163)	-
General allowance				
- Provided during the financial year	-	(200)	-	(259)
Specific allowance				
- Written back during the financial year	-	(32)	-	(21)
Bad debts:				
- Recovered	(5,112)	(28)	(6,913)	(31)
	<u>(4,976)</u>	<u>(260)</u>	<u>(6,761)</u>	<u>(311)</u>

26 Writeback for impairment loss

	Group and Bank			
	Current quarter ended	Corresponding quarter ended	Current year-to-date	Corresponding year-to-date
	31-Jul-11 RM'000	31-Jul-10 RM'000	31-Jul-11 RM'000	31-Jul-10 RM'000
Writeback for impairment loss on securities:				
- Available-for-sale	-	-	(956)	-
	<u>-</u>	<u>-</u>	<u>(956)</u>	<u>-</u>

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27 Capital adequacy

The following is the computation of the capital adequacy ratio of the Bank:

(a) Risk weighted capital ratios and Tier I and Tier II capital

	31-Jul-11	31-Jan-11
	RM'000	RM'000
<u>Tier 1 Capital</u>		
Paid-up share capital	513,000	513,000
Retained profit	69,055	69,055
Statutory reserve	65,720	65,720
Other reserves	612	612
	648,387	648,387
Less: Deferred tax assets	(10,765)	(10,765)
Total Tier 1 capital (a)	637,622	637,622
<u>Tier 2 Capital</u>		
Collective assessment	8,016	10,176
Total Tier 2 capital (b)	8,016	10,176
Total capital base (a) + (b)	645,638	647,798
Total risk-weighted assets	1,131,194	779,192
%		
Core capital ratio	56.37%	81.83%
Risk weighted capital ratio	57.08%	83.14%

The breakdown of risk-weighted assets (RWA) by each major risk category is as follows:

Credit risk	480,332	401,250
Market risk	417,012	182,207
Operational risk	233,850	195,735
	1,131,194	779,192

Detailed information on the risk exposures above, as prescribed under BNM's Risk Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirement (Pillar 3) is presented in the Pillar 3 disclosures and is published in the Bank's website, http://www.ecmlibra.com/Investor_Relations_FinResults.asp

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28 Debt & equity securities

There was no issuance, cancellation, repurchase, resale and repayment of either debt or equity securities during the quarter under review.

29 Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment of the Group and the Bank in the quarter under review.

30 Material Subsequent Event

There were no material events subsequent to 31 July 2011.

31 Changes in the Composition of the Bank

There are no changes in the composition of the Group and the Bank during the quarter under review.

32 Commitments and Contingencies

(a) Capital Commitments

As at 31 July 2011, the Group and Bank has commitments in respect of capital expenditure as follows: -

	RM'000
Authorised and contracted for	<u>2,933</u>

(b) Other Commitments and Contingencies

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

The risk-weighted exposures of the Bank are as follows:

	Nominal Amount RM'000	Credit Equivalent Amount * RM'000	Risk Weighted Amount RM'000
<u>As at 31 July 2011</u>			
Commitments to extend credits with maturity of less than 1 year:			
- margin facilities	437,184	87,437	71,091
- term loan facilities	95,153	19,031	26,532
Foreign exchange related contracts	242	-	-
	<u>532,579</u>	<u>106,468</u>	<u>97,623</u>
<u>As at 31 January 2011</u>			
Commitments to extend credits with maturity of less than 1 year:			
- margin facilities	269,365	53,873	46,872
- term loan facilities	47,828	9,566	9,566
	<u>317,193</u>	<u>63,439</u>	<u>56,438</u>

* The credit equivalent amount is arrived at using the credit conversion factors as specified by Bank Negara Malaysia.

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33 Performance Review on the Results of the Bank

For the current quarter under review, the Group recorded a profit before tax of RM19.2 million. This is largely contributed by net brokerage income of RM10.5 million, fee income of RM2.8 million, net gain from trading and investment securities of RM8.4 million, net interest income of RM8.1 million as well as write back of impairment allowance of RM5.0 million from a legacy pre-merger account; partially offset by operating expenses of RM18.0 million.

34 Review of Performance of Current Financial Quarter against Preceding Financial Quarter

For the financial quarter under review, the Group achieved a profit before tax of RM19.2 million as compared to the RM18.1 million registered for the immediate preceding quarter.

For the current quarter, the Group reported a writeback of impairment allowance for bad and doubtful debts of RM5.0 million as compared to RM1.8 million in the last quarter. This increase was partially offset by a lower net interest income of RM8.1 million in the current quarter compared to RM9.4 million in the previous quarter.

35 Bank's Prospects

With the Bank's strong fundamentals and balance sheet position, the Bank is expected to record a satisfactory performance in the current financial year.