

**ECM LIBRA INVESTMENT BANK BERHAD (682-X)**  
**Interim Financial Statements for the period ended 31 July 2010.**

**Unaudited Statements of Financial Position**  
**As at 31 July 2010**

	Note	Group		Bank	
		31-Jul-10 RM'000	31-Jan-10 RM'000	31-Jul-10 RM'000	31-Jan-10 RM'000
<b>ASSETS</b>					
Cash and short-term funds		364,771	588,949	364,482	588,709
Deposits with financial institutions	8	60,581	50,870	60,581	50,870
Securities held-for-trading	9	472,006	301,911	472,006	301,911
Securities available-for-sale	10	417,117	475,824	417,117	475,824
Securities held-to-maturity	11	20,000	162,200	20,000	162,200
Derivative financial instruments	12	230	339	230	339
Loan, advances and financing	13	514,047	323,485	514,047	323,485
Trade receivables	14	345,950	289,550	345,950	289,550
Statutory deposit with Bank Negara Malaysia		8,910	4,073	8,910	4,073
Other assets	15	12,663	14,759	12,651	14,758
Property, plant and equipment		18,266	17,116	18,266	17,116
Intangible assets		52,500	52,500	52,500	52,500
Deferred tax assets		24,382	27,711	24,382	27,711
<b>TOTAL ASSETS</b>		<b>2,311,423</b>	<b>2,309,287</b>	<b>2,311,122</b>	<b>2,309,046</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Deposits from customers	16	1,047,471	991,177	1,051,499	995,205
Deposits and placements of banks and other financial institutions	17	130,479	250,646	130,479	250,646
Trade payables	18	446,539	366,331	446,539	366,331
Other liabilities	19	43,695	67,980	43,702	67,926
Amount owing to related companies		229	244	229	244
<b>TOTAL LIABILITIES</b>		<b>1,668,413</b>	<b>1,676,378</b>	<b>1,672,448</b>	<b>1,680,352</b>
<b>EQUITY</b>					
Share capital		513,000	513,000	513,000	513,000
Reserves		130,010	119,909	125,674	115,694
<b>TOTAL EQUITY</b>		<b>643,010</b>	<b>632,909</b>	<b>638,674</b>	<b>628,694</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,311,423</b>	<b>2,309,287</b>	<b>2,311,122</b>	<b>2,309,046</b>
Net assets per share (RM)		1.25	1.23	1.24	1.23

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 January 2010 of the Group and the Bank.

**ECM LIBRA INVESTMENT BANK BERHAD (682-X)**  
**Interim Financial Statements for the period ended 31 July 2010.**

**Unaudited Condensed Income Statements**  
**for the Second Quarter ended 31 July 2010**

<b>Group</b>	<b>Note</b>	<b>Current quarter ended 31-Jul-10 RM'000</b>	<b>Corresponding quarter ended 31-Jul-09 RM'000</b>	<b>Current year-to-date 31-Jul-10 RM'000</b>	<b>Corresponding year-to-date 31-Jul-09 RM'000</b>
Revenue		<b>37,547</b>	48,381	<b>77,423</b>	69,104
Interest income	20	<b>16,012</b>	10,138	<b>29,925</b>	20,944
Interest expense	21	<b>(8,266)</b>	(3,776)	<b>(15,664)</b>	(7,994)
Net interest income		<b>7,746</b>	6,362	<b>14,261</b>	12,950
Non-interest income	22	<b>13,847</b>	21,746	<b>31,144</b>	31,663
Other non-operating income	23	<b>773</b>	574	<b>1,898</b>	795
Net income		<b>22,366</b>	28,682	<b>47,303</b>	45,408
Operating expenses	24	<b>(15,421)</b>	(12,216)	<b>(28,341)</b>	(23,720)
Operating profit		<b>6,945</b>	16,466	<b>18,962</b>	21,688
(Allowance)/writeback for losses on loans & financing	25	<b>(478)</b>	(239)	<b>(2,866)</b>	40
Write-back/(allowance of) bad & doubtful debts	26	<b>260</b>	(15)	<b>311</b>	62
Profit before tax		<b>6,727</b>	16,212	<b>16,407</b>	21,790
Taxation		<b>(1,662)</b>	(15)	<b>(4,073)</b>	(15)
Profit after tax		<b>5,065</b>	16,197	<b>12,334</b>	21,775
Earnings per share ("EPS"): - basic / diluted		<b>0.99</b>	3.16	<b>2.40</b>	4.24

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 January 2010 of the Group and the Bank.

**ECM LIBRA INVESTMENT BANK BERHAD (682-X)**  
**Interim Financial Statements for the period ended 31 July 2010.**

**Unaudited Condensed Income Statements**  
**for the Second Quarter ended 31 July 2010**

<b>Bank</b>	<b>Note</b>	<b>Current</b>	<b>Corresponding</b>	<b>Current</b>	<b>Corresponding</b>
		<b>quarter ended</b>	<b>quarter ended</b>	<b>year-to-date</b>	<b>year-to-date</b>
		<b>31-Jul-10</b>	<b>31-Jul-09</b>	<b>31-Jul-10</b>	<b>31-Jul-09</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue		<b>29,823</b>	31,782	<b>60,993</b>	52,505
Interest income	20	<b>16,032</b>	10,095	<b>29,923</b>	20,901
Interest expense	21	<b>(8,312)</b>	(3,776)	<b>(15,710)</b>	(7,994)
Net interest income		<b>7,720</b>	6,319	<b>14,213</b>	12,907
Non-interest income	22	<b>13,791</b>	21,687	<b>31,070</b>	31,604
Other non-operating income	23	<b>773</b>	574	<b>1,898</b>	795
Net income		<b>22,284</b>	28,580	<b>47,181</b>	45,306
Operating expenses	24	<b>(15,420)</b>	(12,216)	<b>(28,340)</b>	(23,720)
Operating profit		<b>6,864</b>	16,364	<b>18,841</b>	21,586
(Allowance)/writeback for losses on loans & financing	25	<b>(478)</b>	(239)	<b>(2,866)</b>	40
Writeback/(allowance of) bad & doubtful debts	26	<b>260</b>	(15)	<b>311</b>	62
Profit before tax		<b>6,646</b>	16,110	<b>16,286</b>	21,688
Taxation		<b>(1,661)</b>	-	<b>(4,073)</b>	-
Profit after tax		<b>4,985</b>	16,110	<b>12,213</b>	21,688
Earnings per share ("EPS"):		<b>Sen</b>	Sen	<b>Sen</b>	Sen
- basic / diluted		<b>0.97</b>	3.14	<b>2.38</b>	4.23

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 January 2010 of the Group and the Bank.

**ECM LIBRA INVESTMENT BANK BERHAD (682-X)**  
**Interim Financial Statements for the period ended 31 July 2010.**

**Unaudited Statement of Comprehensive Income**  
**for the Second Quarter ended 31 July 2010**

<b><u>Group</u></b>	<b>Current quarter ended 31-Jul-10 RM'000</b>	<b>Corresponding quarter ended 31-Jul-09 RM'000</b>	<b>Current year-to-date 31-Jul-10 RM'000</b>	<b>Corresponding year-to-date 31-Jul-09 RM'000</b>
Net profit for the period	<u>5,065</u>	<u>16,197</u>	<u>12,334</u>	<u>21,775</u>
Other comprehensive income:				
Net revaluation changes of available-for-sale securities	(1,055)	40,948	(2,977)	49,291
Income tax relating to components of other comprehensive income	<u>264</u>	<u>(10,237)</u>	<u>744</u>	<u>(12,323)</u>
Other comprehensive income for the period, net of tax	<u>(791)</u>	<u>30,711</u>	<u>(2,233)</u>	<u>36,968</u>
Total comprehensive income for the period	<u><b>4,274</b></u>	<u><b>46,908</b></u>	<u><b>10,101</b></u>	<u><b>58,743</b></u>

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 January 2010 of the Group and the Bank.

**ECM LIBRA INVESTMENT BANK BERHAD (682-X)**  
**Interim Financial Statements for the period ended 31 July 2010.**

**Unaudited Statement of Comprehensive Income**  
**for the Second Quarter ended 31 July 2010**

<b><u>Bank</u></b>	<b>Current quarter ended 31-Jul-10 RM'000</b>	<b>Corresponding quarter ended 31-Jul-09 RM'000</b>	<b>Current year-to-date 31-Jul-10 RM'000</b>	<b>Corresponding year-to-date 31-Jul-09 RM'000</b>
Net profit for the period	<b>4,985</b>	16,110	<b>12,213</b>	21,688
Other comprehensive income:				
Net revaluation changes of available-for-sale securities	<b>(1,055)</b>	40,948	<b>(2,977)</b>	49,291
Income tax relating to components of other comprehensive income	<b>264</b>	(10,237)	<b>744</b>	(12,323)
Other comprehensive income for the period, net of tax	<b>(791)</b>	30,711	<b>(2,233)</b>	36,968
Total comprehensive income for the period	<b>4,194</b>	46,821	<b>9,980</b>	58,656

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 January 2010 of the Group and the Bank.

**ECM LIBRA INVESTMENT BANK BERHAD (682-X)**  
**Interim Financial Statements for the period ended 31 July 2010.**

**Unaudited Condensed Statement of Changes in Equity**  
**for the Financial period ended 31 July 2010**

<b>Group</b>	<-----Non-distributable----->				Distributable	
	Share capital	Available-for-sale revaluation reserve	Equity compensation reserve	Statutory reserve	Retained profit	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 February 2010	513,000	11,779	926	33,934	73,270	632,909
Net profit for the financial period	-	-	-	-	12,334	12,334
Other comprehensive income net of tax for the period	-	(2,233)	-	-	-	(2,233)
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
Balance as at 1 February 2009	513,000	(21,077)	1,053	14,759	69,055	576,790
Net profit for the financial period	-	-	-	-	21,775	21,775
Other comprehensive income net of tax for the period	-	36,968	-	-	-	36,968
Total comprehensive income for the period	-	36,968	-	-	21,775	58,743
Balance as at 31 July 2009	513,000	15,891	1,053	14,759	90,830	635,533

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 January 2010 of the Group and the Bank.

**ECM LIBRA INVESTMENT BANK BERHAD (682-X)**  
**Interim Financial Statements for the period ended 31 July 2010.**

**Unaudited Condensed Statement of Changes in Equity**  
**for the Financial period ended 31 July 2010**

	<-----Non-distributable----->				Distributable	
	Share capital	Available-for- sale revaluation reserve	Equity compensation reserve	Statutory reserve	Retained profit	Total
<b><u>Bank</u></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance as at 1 February 2010	<b>513,000</b>	<b>11,779</b>	<b>926</b>	<b>33,934</b>	<b>69,055</b>	<b>628,694</b>
Net profit for the financial period	-	-	-	-	12,213	12,213
Other comprehensive income net of tax for the period	-	(2,233)	-	-	-	(2,233)
Total comprehensive income for the period	-	(2,233)	-	-	12,213	9,980
Balance as at 31 July 2010	<b>513,000</b>	<b>9,546</b>	<b>926</b>	<b>33,934</b>	<b>81,268</b>	<b>638,674</b>
Balance as at 1 February 2009	513,000	(21,077)	1,053	14,759	69,055	576,790
Net profit for the financial period	-	-	-	-	16,110	16,110
Other comprehensive income net of tax for the period	-	36,968	-	-	-	36,968
Total comprehensive income for the period	-	36,968	-	-	16,110	53,078
Balance as at 31 July 2009	513,000	15,891	1,053	14,759	85,165	629,868

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 January 2010 of the Group and the Bank.

**ECM LIBRA INVESTMENT BANK BERHAD (682-X)**  
**Interim Financial Statements for the period ended 31 July 2010.**

**Unaudited Condensed Statement of Cash Flow**  
**for the Financial period ended 31 July 2010**

	<b>Group</b>		<b>Bank</b>	
	<b>6 months ended</b>		<b>6 months ended</b>	
	<b>31-Jul-10</b>	<b>31-Jul-09</b>	<b>31-Jul-10</b>	<b>31-Jul-09</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>				
Profit before tax	<b>16,407</b>	21,790	<b>16,286</b>	21,688
Adjustment for non-cash items	<b>7,792</b>	(18,678)	<b>7,792</b>	(18,678)
Operating profit before working capital changes	<b>24,199</b>	3,112	<b>24,078</b>	3,010
Net increase in operating assets	<b>(411,662)</b>	(282,144)	<b>(437,446)</b>	(218,306)
Net (decrease)/increase in operating liabilities	<b>(33,761)</b>	59,413	<b>(7,904)</b>	39,007
Net cash used in operating activities	<b>(421,224)</b>	(219,619)	<b>(421,272)</b>	(176,289)
<b>Cash flows from investing activities</b>				
Dividend received	<b>1,383</b>	-	<b>1,383</b>	-
Net addition to property, plant and equipment	<b>(2,604)</b>	(340)	<b>(2,604)</b>	(340)
Net (additions)/proceeds from sale of securities	<b>199,399</b>	(129,854)	<b>199,399</b>	(129,854)
Net cash (used in)/generated from investing activities	<b>198,178</b>	(130,194)	<b>198,178</b>	(130,194)
<b>Cash flows from financing activities</b>				
Interest paid	<b>(15,235)</b>	(11)	<b>(15,235)</b>	(11)
Net cash used in financing activities	<b>(15,235)</b>	(11)	<b>(15,235)</b>	(11)
<b>Net decrease in cash and cash equivalents</b>	<b>(238,281)</b>	(349,824)	<b>(238,329)</b>	(306,494)
<b>Effects of exchange rate changes</b>	<b>1,479</b>	-	<b>1,479</b>	-
<b>Cash and cash equivalents at beginning of period</b>	<b>466,028</b>	635,136	<b>465,788</b>	591,715
<b>Cash and cash equivalents at end of period</b>	<b>229,226</b>	285,312	<b>228,938</b>	285,221

Cash and cash equivalents comprise:

	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and short-term funds	<b>364,770</b>	435,078	<b>364,482</b>	434,987
Less: Monies held in trust	<b>(135,544)</b>	(149,766)	<b>(135,544)</b>	(149,766)
	<b>229,226</b>	285,312	<b>228,938</b>	285,221

The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 January 2010 of the Group and the Bank.

## Explanatory Notes to the Interim Financial Report for the Financial Period Ended 31 July 2010

### 1 Basis of Preparation

The unaudited quarterly financial report has been prepared in accordance with FRS 134 "Interim Financial Reporting" and the Revised Guidelines on Financial Reporting for Licensed Institutions ("BNM/GP8").

The interim financial report should be read in conjunction with the audited financial statements of the Bank for the year ended 31 January 2010.

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 2010, except for the adoption of the following Financial Reporting Standards ("FRS"), amendments to FRSs, IC Interpretations and Technical Release ("TR"):

FRS 139	Financial Instruments: Recognition and Measurement
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements
IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to FRS 139	Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
TR i-3	Presentation of Financial Statements of Islamic Financial Institutions
Amendments to FRS 132	Financial Instruments: Presentation

The adoption of FRS 7, FRS 101, TR i-3 and Amendments to FRS 132 also did not impact the financial results of the Group and the Bank as the changes introduced are presentational in nature. The principal effects of the changes in accounting policies arising from the adoption of FRS 139 and its related amendments to FRSs and IC Interpretations are disclosed in Note 36.

The Amendments to FRS 139 above included an additional transitional arrangement for entities in the financial sector, whereby BNM may prescribe the use of an alternative basis for collective assessment of impairment by banking institutions. This transitional arrangement, as prescribed in BNM's guidelines on Classification and Impairment Provisions for Loans/Financing, and its principal effects is also disclosed in Note 36.

The following revised FRSs, new IC Interpretations and Amendments to FRSs have been issued by the MASB and are effective for annual period commencing on or after 1 July 2010, and have yet to be adopted by the Bank:

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 15	Agreements for the Construction of Real Estate
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 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 7	Improving Disclosures about Financial Instruments

### 2 Audit Report of Preceding Annual Financial Statements

The auditors' report on the Financial Statements for the year ended 31 January 2010 of the Group and the Bank was not subjected to any qualification.

### 3 Seasonality and Cyclicity Factors

The operations of the Group and the 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 2010.

**5 Variation from Financial Estimates Reported in Preceding Financial Period/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 Debt and Equity Securities**

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

**7 Dividend Paid**

There was no dividend paid during the quarter ended 31 July 2010

**8 Deposits with financial institutions**

	<b>Group and Bank</b>	
	<b>31-Jul-10</b>	<b>31-Jan-10</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	<b>60,581</b>	870
Bank Negara Malaysia	-	50,000
	<b><u>60,581</u></b>	<b><u>50,870</u></b>

**9 Securities held-for-trading**

	<b>Group and Bank</b>	
	<b>31-Jul-10</b>	<b>31-Jan-10</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
Bankers' acceptance	<b>467,862</b>	298,712
Quoted Securities		
- Shares	<b>4,144</b>	3,199
	<b><u>472,006</u></b>	<b><u>301,911</u></b>

**10 Securities available-for-sale**

	<b>Group and Bank</b>	
	<b>31-Jul-10</b>	<b>31-Jan-10</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
Malaysian Government Securities	<b>30,353</b>	35,160
Cagamas bonds	<b>40,157</b>	130,276
Bank Negara Malaysia Notes	<b>24,913</b>	-
Quoted securities		
- Shares	<b>126,386</b>	131,872
Unquoted securities		
- Private debt securities	<b>193,108</b>	178,516
- Preference shares	<b>2,200</b>	-
	<b><u>417,117</u></b>	<b><u>475,824</u></b>

**10 Securities available-for-sale (continued)**

	<b>Group and Bank</b>	
	<b>31-Jul-10</b>	31-Jan-10
	<b>RM'000</b>	RM'000
Securities that were reclassified out from held-for-trading to available-for-sale:		
Carrying value as at beginning of financial period/year	49,282	34,401
(Loss)/gain on revaluation		
- recognised in available-for-sale revaluation reserves, net of tax	(2,851)	14,881
Carrying value as at end of financial period/year	<u>46,431</u>	<u>49,282</u>

**11 Securities held-to-maturity**

	<b>Group and Bank</b>	
	<b>31-Jul-10</b>	31-Jan-10
	<b>RM'000</b>	RM'000
<b>At cost</b>		
Negotiable instruments of deposit	20,000	160,000
Unquoted securities		
- Shares	-	2,200
	<u>20,000</u>	<u>162,200</u>

**12 Derivative financial instruments**

	<b>Group and Bank</b>	
	<b>31-Jul-10</b>	31-Jan-10
	<b>RM'000</b>	RM'000
<b>Equity related contract - Options</b>		
Notional amount	<u>45,601</u>	<u>33,033</u>
Fair value	<u>230</u>	<u>339</u>

**13 Loans, advances and financing**

	<b>Group and Bank</b>	
	<b>31-Jul-10</b>	31-Jan-10
	<b>RM'000</b>	RM'000
Share margin financing	336,446	260,443
Term loans	185,584	68,159
Gross loans, advances and financing	<u>522,030</u>	<u>328,602</u>
Less: Collective assessment allowance	(7,983)	-
General allowance	-	(5,117)
<b>Total net loans, advances and financing</b>	<u>514,047</u>	<u>323,485</u>
<b>By residual contractual maturity</b>		
Maturity within 1 year	408,910	310,193
More than one year to three years	113,120	18,409
Gross loans, advances and financing	<u>522,030</u>	<u>328,602</u>
<b>By economic purpose</b>		
Purchase of securities	499,692	296,233
Working capital	22,338	32,369
Gross loans, advances and financing	<u>522,030</u>	<u>328,602</u>

13 Loans, advances and financing (continued)

	Group and Bank	
	31-Jul-10 RM'000	31-Jan-10 RM'000
<u>By interest rate sensitivity</u>		
Fixed rate loans/financing	522,030	328,602
Gross Loans, advances and financing	<u>522,030</u>	<u>328,602</u>
<u>By type of customer</u>		
Domestic business enterprises	369,678	250,384
Domestic non-bank financial institution	14,860	-
Individuals	137,492	78,218
Gross loans, advances and financing	<u>522,030</u>	<u>328,602</u>
<b>Non-performing loans, advances and financing ("NPL")</b>		
<b>Movements in NPL</b>		
At beginning of financial period/year	-	-
Classified as non-performing during the period/year	-	53,394
Recovered/regularised during the period/year	-	(53,394)
At end of financial period/year	<u>-</u>	<u>-</u>
<b>Movements in allowance for bad and doubtful debts</b>		
<b>Collective assessment allowance</b>		
Balance at beginning of financial period/year	-	-
- effect of adopting FRS 139	5,117	-
Restated opening balance	5,117	-
Allowance made during the period/year	2,866	-
Balance at end of financial period/year	<u>7,983</u>	<u>-</u>
As % of gross loans, advances and financing less specific allowance	1.5%	-
<b>General allowance</b>		
Balance at beginning of financial period/year	-	4,040
- as previously stated	-	-
- effect of adopting FRS 139	-	-
Restated opening balance	-	4,040
Allowance made during the period/year	-	1,077
Balance at end of financial period/year	<u>-</u>	<u>5,117</u>
As % of gross loans, advances and financing less specific allowance	-	1.6%
<b>Specific allowance</b>		
Balance at beginning of financial period/year	-	-
Allowance made during the period/year	-	5,425
Amount written back during the period/year	-	(5,425)
Balance at end of financial period/year	<u>-</u>	<u>-</u>

**14 Trade receivables**

	<b>Group and Bank</b>	
	<b>31-Jul-10</b>	<b>31-Jan-10</b>
	<b>RM'000</b>	<b>RM'000</b>
Amount owing by clients	138,066	154,732
Amount owing by brokers	208,808	136,008
	<u>346,874</u>	<u>290,740</u>
Less: Allowance for bad and doubtful receivables		
General allowance	-	(259)
Specific allowance	(61)	(82)
Interest-in-suspense	(863)	(849)
	<u>345,950</u>	<u>289,550</u>

**15 Other assets**

	<b>Group</b>		<b>Bank</b>	
	<b>31-Jul-10</b>	31-Jan-10	<b>31-Jul-10</b>	31-Jan-10
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest receivables	3,908	4,813	3,908	4,813
Tax recoverable	1,958	1,905	1,946	1,904
Other receivables, deposits and prepayments	6,797	8,041	6,797	8,041
	<u>12,663</u>	<u>14,759</u>	<u>12,651</u>	<u>14,758</u>

**16 Deposits from customers**

	<b>Group</b>		<b>Bank</b>	
	<b>31-Jul-10</b>	31-Jan-10	<b>31-Jul-10</b>	31-Jan-10
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>By type of deposits</u>				
Short-term deposits	1,045,116	988,177	1,049,144	992,205
Negotiable instruments of deposit	2,355	3,000	2,355	3,000
	<u>1,047,471</u>	<u>991,177</u>	<u>1,051,499</u>	<u>995,205</u>
<u>By type of customers</u>				
Government and statutory bodies	40,000	53,000	40,000	53,000
Business enterprises	248,095	174,525	252,123	178,553
Individuals	12,021	10,676	12,021	10,676
Non-bank financial institutions	747,355	752,976	747,355	752,976
	<u>1,047,471</u>	<u>991,177</u>	<u>1,051,499</u>	<u>995,205</u>

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

Due within 6 months	1,045,371	892,975	1,049,399	897,003
More than 6 months to 1 year	2,100	98,202	2,100	98,202
	<u>1,047,471</u>	<u>991,177</u>	<u>1,051,499</u>	<u>995,205</u>

**17 Deposits and placements of banks and other financial institutions**

	<b>Group and Bank</b>	
	<b>31-Jul-10</b>	31-Jan-10
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	130,479	180,646
Licensed investment banks	-	70,000
	<u>130,479</u>	<u>250,646</u>

18 Trade payables

	Group and Bank	
	31-Jul-10 RM'000	31-Jan-10 RM'000
Amount owing to clients	152,352	92,680
Amount owing to brokers	177,739	172,840
Client's trust monies	116,448	100,811
	<b>446,539</b>	<b>366,331</b>

19 Other liabilities

	Group		Bank	
	31-Jul-10 RM'000	31-Jan-10 RM'000	31-Jul-10 RM'000	31-Jan-10 RM'000
Accruals and deposits received	11,259	16,162	7,812	16,133
Remisiers and dealers trust accounts	15,688	14,691	15,688	14,691
Other payables	16,748	37,127	20,202	37,102
	<b>43,695</b>	<b>67,980</b>	<b>43,702</b>	<b>67,926</b>

20 Interest income

<u>Group</u>	Current quarter ended 31-Jul-10 RM'000	Corresponding quarter ended 31-Jul-09 RM'000	Current year-to-date 31-Jul-10 RM'000	Corresponding year-to-date 31-Jul-09 RM'000
	Loans and advances	10,257	5,048	17,512
Stockbroking clients	76	220	325	319
Short-term funds and deposits with financial institutions	2,546	2,532	5,348	5,751
Securities:				
- Available-for-sale	2,921	1,877	6,025	3,909
- Held-to-maturity	38	418	444	824
Others	1	1	2	2
Amortisation of premiums less accretion of discounts	173	42	269	74
	<b>16,012</b>	<b>10,138</b>	<b>29,925</b>	<b>20,944</b>

Bank

Loans and advances	10,257	5,049	17,512	10,066
Stockbroking clients	76	220	325	319
Short-term funds and deposits with financial institutions	2,566	2,488	5,346	5,707
Securities:				
- Available-for-sale	2,921	1,877	6,025	3,909
- Held-to-maturity	38	418	444	824
Others	1	1	2	2
Amortisation of premiums less accretion of discounts	173	42	269	74
	<b>16,032</b>	<b>10,095</b>	<b>29,923</b>	<b>20,901</b>

21 Interest expense

<u>Group</u>	Current quarter ended 31-Jul-10 RM'000	Corresponding quarter ended 31-Jul-09 RM'000	Current year-to-date 31-Jul-10 RM'000	Corresponding year-to-date 31-Jul-09 RM'000
	Deposits from customers	7,449	3,774	13,980
Deposits from banks and other financial institutions	817	2	1,684	13
Others	-	-	-	10
	<b>8,266</b>	<b>3,776</b>	<b>15,664</b>	<b>7,994</b>

Bank

Deposits from customers	7,495	3,774	14,026	7,971
Deposits from banks and other financial institutions	817	2	1,684	13
Others	-	-	-	10
	<b>8,312</b>	<b>3,776</b>	<b>15,710</b>	<b>7,994</b>

22 Non-interest income

<u>Group</u>	<b>Current quarter ended 31-Jul-10 RM'000</b>	Corresponding quarter ended 31-Jul-09 RM'000	<b>Current year-to-date 31-Jul-10 RM'000</b>	Corresponding year-to-date 31-Jul-09 RM'000
Fee income				
- Fees on loans and advances	662	1,121	2,531	2,046
- Corporate advisory fees	80	89	220	177
- Net brokerage fee	7,716	13,897	17,059	21,013
- Other fee income	132	120	1,361	529
	<u>8,590</u>	<u>15,227</u>	<u>21,171</u>	<u>23,765</u>
Net gain arising from securities held -for-trading				
- net gain on disposal	4,394	457	6,574	606
- unrealised revaluation (loss)/gain	(29)	429	656	304
	<u>4,365</u>	<u>886</u>	<u>7,230</u>	<u>910</u>
Net gain arising from securities available-for-sale				
- net gain on disposal	154	5,500	1,469	5,993
- gross dividend income	865	133	1,383	995
	<u>1,019</u>	<u>5,633</u>	<u>2,852</u>	<u>6,988</u>
Loss on revaluation of derivatives	(127)	-	(109)	-
	<u>(127)</u>	<u>-</u>	<u>(109)</u>	<u>-</u>
<b>Total non-interest income</b>	<u>13,847</u>	<u>21,746</u>	<u>31,144</u>	<u>31,663</u>
<b><u>Bank</u></b>				
Fee income				
- Fees on loans and advances	662	1,121	2,531	2,046
- Corporate advisory fees	80	89	220	177
- Net brokerage fee	8,325	13,897	17,668	21,013
- Other fee income	76	61	1,287	470
	<u>9,143</u>	<u>15,168</u>	<u>21,706</u>	<u>23,706</u>
Net gain arising from securities held -for-trading				
- net gain on disposal	3,785	457	5,965	606
- unrealised revaluation (loss)/gain	(29)	429	656	304
	<u>3,756</u>	<u>886</u>	<u>6,621</u>	<u>910</u>
Net gain arising from securities available-for-sale				
- net gain on disposal	154	5,500	1,469	5,993
- gross dividend income	865	133	1,383	995
	<u>1,019</u>	<u>5,633</u>	<u>2,852</u>	<u>6,988</u>
Loss on revaluation of derivatives	(127)	-	(109)	-
	<u>(127)</u>	<u>-</u>	<u>(109)</u>	<u>-</u>
<b>Total non-interest income</b>	<u>13,791</u>	<u>21,687</u>	<u>31,070</u>	<u>31,604</u>

23 Other non-operating income

	Group and Bank			
	Current	Corresponding	Current	Corresponding
	quarter ended	quarter ended	year-to-date	year-to-date
31-Jul-10	31-Jul-09	31-Jul-10	31-Jul-09	
	RM'000	RM'000	RM'000	RM'000
Rental income	56	82	110	122
Gain/(loss) on disposal of assets	1	-	(35)	10
Gain on revaluation of foreign exchange translation	597	240	1,479	252
Others	119	252	344	411
	<b>773</b>	<b>574</b>	<b>1,898</b>	<b>795</b>

24 Operating expenses

	Current	Corresponding	Current	Corresponding
	quarter ended	quarter ended	year-to-date	year-to-date
	31-Jul-10	31-Jul-09	31-Jul-10	31-Jul-09
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
<u>Personnel expenses</u>				
Salaries, allowance and bonus	6,679	5,001	12,336	10,234
Contributions to defined contribution plan	922	612	1,705	1,258
Other personnel costs	1,105	543	1,644	990
	<b>8,706</b>	<b>6,156</b>	<b>15,685</b>	<b>12,482</b>
<u>Establishment costs</u>				
Depreciation of property, plant and equipment	805	916	1,638	1,831
Amortisation of computer software	112	84	200	203
Rental of premises	916	839	1,791	1,696
Rental of network and equipment	1,002	804	1,818	1,455
Other establishment costs	693	613	1,384	1,239
Property plant and equipment written off	-	-	275	-
	<b>3,528</b>	<b>3,256</b>	<b>7,106</b>	<b>6,424</b>
<u>Marketing and communication expenses</u>				
Advertising expenses	373	-	373	-
Entertainment	173	196	278	309
	<b>546</b>	<b>196</b>	<b>651</b>	<b>309</b>
<u>Administrative and general expenses</u>				
Audit fees	33	33	66	66
Legal and professional fees	205	63	230	116
Printing and stationery	136	134	267	193
Insurance, postages and courier	221	158	355	295
Electricity and water charges	245	223	467	428
Telecommunication expenses	157	123	271	233
Travelling and accommodation	101	130	158	197
Others	1,543	1,744	3,085	2,977
	<b>2,641</b>	<b>2,608</b>	<b>4,899</b>	<b>4,505</b>
<b>Total operating expenses</b>	<b>15,421</b>	<b>12,216</b>	<b>28,341</b>	<b>23,720</b>
<b>Bank</b>				
<u>Personnel expenses</u>				
Salaries, allowance and bonus	6,679	5,001	12,336	10,234
Contributions to defined contribution plan	922	612	1,705	1,258
Other personnel costs	1,105	543	1,644	990
	<b>8,706</b>	<b>6,156</b>	<b>15,685</b>	<b>12,482</b>

24 Operating expenses (continued)

	<b>Current quarter ended 31-Jul-10 RM'000</b>	Corresponding quarter ended 31-Jul-09 RM'000	<b>Current year-to-date 31-Jul-10 RM'000</b>	Corresponding year-to-date 31-Jul-09 RM'000
<b>Bank</b>				
<u>Establishment costs</u>				
Depreciation of property, plant and equipment	805	916	1,638	1,831
Amortisation of computer software	112	84	200	203
Rental of premises	916	839	1,791	1,696
Rental of network and equipment	1,002	804	1,818	1,455
Other establishment costs	693	613	1,384	1,239
Property plant and equipment written off	-	-	275	-
	<b>3,528</b>	3,256	<b>7,106</b>	6,424
<u>Marketing and communication expenses</u>				
Advertising expenses	373	-	373	-
Entertainment	173	196	278	309
	<b>546</b>	196	<b>651</b>	309
<u>Administrative and general expenses</u>				
Audit fees	33	33	66	66
Legal and professional fees	205	63	230	116
Printing and stationery	136	134	267	193
Insurance, postages and courier	221	158	355	295
Electricity and water charges	245	223	467	428
Telecommunication expenses	157	123	271	233
Travelling and accomodation	101	130	158	197
Others	1,542	1,744	3,084	2,977
	<b>2,640</b>	2,608	<b>4,898</b>	4,505
<b>Total operating expenses</b>	<b>15,420</b>	12,216	<b>28,340</b>	23,720

25 Allowance/(write-back) for losses on  
loans and financing

	<b>Current quarter ended 31-Jul-10 RM'000</b>	Corresponding quarter ended 31-Jul-09 RM'000	<b>Current year-to-date 31-Jul-10 RM'000</b>	Corresponding year-to-date 31-Jul-09 RM'000
<b>Group and Bank</b>				
Collective assessment allowance				
- Provided during the financial period	478	-	2,866	-
General allowance				
- Write-back during the financial period	-	239	-	(40)
	<b>478</b>	239	<b>2,866</b>	(40)

26 (Writeback)/allowance 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-10 RM'000	31-Jul-09 RM'000	31-Jul-10 RM'000	31-Jul-09 RM'000
General allowance				
- (Written back)/provided during the financial period	(200)	20	(259)	92
Specific allowance				
- (Written back)/provided during the financial period	(32)	10	(21)	(73)
Bad debts:				
- Recovered	(28)	(15)	(31)	(81)
	<u>(260)</u>	<u>15</u>	<u>(311)</u>	<u>(62)</u>

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-10 RM'000	31-Jan-10 RM'000
<b>Tier 1 Capital</b>		
Paid-up share capital	513,000	513,000
Retained profit	69,055	69,055
Statutory reserve	33,934	33,934
Other reserves	926	926
	<u>616,915</u>	<u>616,915</u>
Less: Deferred tax assets	(31,637)	(31,637)
<b>Total Tier 1 capital (a)</b>	<u>585,278</u>	<u>585,278</u>
<b>Tier 2 Capital</b>		
Collective assessment	7,983	-
General allowance for bad and doubtful debts and financing	-	5,117
<b>Total Tier 2 capital (b)</b>	<u>7,983</u>	<u>5,117</u>
<b>Total capital base (a) + (b)</b>	<u>593,261</u>	<u>590,395</u>
<b>Total risk-weighted assets</b>	<u>880,042</u>	<u>1,013,343</u>
<b>%</b>		
Core capital ratio	66.51%	57.76%
Risk weighted capital ratio	67.41%	58.26%

The capital adequacy ratios of the Bank are computed in accordance with BNM's revised Risk-Weighted Capital Adequacy Framework (RWCAF-Basel II). 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% (2009 - 8%) for the risk-weighted capital ratio.

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

	31-Jul-10 RM'000	31-Jan-10 RM'000
Credit risk	363,757	464,471
Market risk	366,676	366,302
Operational risk	149,609	182,570
	<u>880,042</u>	<u>1,013,343</u>

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

27 Capital adequacy (continued)

(b) Risk weighted assets and capital requirements for credit risk, market risk, operational risk and large exposures risk

As at 31 July 2010

Risk type	Gross Exposures RM'000	Net Exposures RM'000	Risk Weighted Assets RM'000	Capital Requirements RM'000
<b>(i) Credit risk</b>				
<i>On-Balance Sheet Exposures</i>				
Banks, Development Financial Institutions ('DFIs') & Multilateral Development Banks ('MDBs')				
Banks ('MDBs')	453,939	453,939	88,994	7,120
Corporates	681,477	221,522	84,838	6,788
Regulatory Retail	62,058	-	-	-
Other Assets	294,670	294,670	125,644	10,051
<b>Total On-Balance Sheet Exposures</b>	<b>1,492,144</b>	<b>970,131</b>	<b>299,476</b>	<b>23,959</b>
<i>Off-Balance Sheet Exposures</i>				
Credit-related off-balance sheet exposures				
	70,940	70,940	64,281	5,142
<b>Total Off-Balance Sheet Exposures</b>	<b>70,940</b>	<b>70,940</b>	<b>64,281</b>	<b>5,142</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>1,563,084</b>	<b>1,041,071</b>	<b>363,757</b>	<b>29,101</b>
<b>(ii) Market risk</b>				
	<b>Long Position RM'000</b>	<b>Short Position RM'000</b>		
Interest Rate Risk	531,989	-	33,975	2,718
Equity Risk	130,762	-	332,701	26,616
<b>Total</b>	<b>662,751</b>	<b>-</b>	<b>366,676</b>	<b>29,334</b>
<b>(iii) Operational risk</b>			<b>149,609</b>	<b>11,969</b>
<b>Total RWA and capital requirements</b>			<b>880,042</b>	<b>70,404</b>

27 Capital adequacy (continued)

(b) Risk weighted assets and capital requirements for credit risk, market risk, operational risk and large exposures risk

As at 31 January 2010

Risk type	Gross Exposures RM'000	Net Exposures RM'000	Risk Weighted Assets RM'000	Capital Requirements RM'000
<b>(i) Credit risk</b>				
<i>On-Balance Sheet Exposures</i>				
Banks, Development Financial Institutions ('DFIs') & Multilateral Development Banks ('MDBs')				
Banks ('MDBs')	803,630	803,630	159,901	12,792
Corporates	587,545	321,185	113,124	9,050
Regulatory Retail	62,225	16	12	1
Other Assets	222,814	222,814	112,082	8,967
<b>Total On-Balance Sheet Exposures</b>	<b>1,676,214</b>	<b>1,347,645</b>	<b>385,119</b>	<b>30,810</b>
<i>Off-Balance Sheet Exposures</i>				
Credit-related off-balance sheet exposures				
	85,578	85,578	79,352	6,348
<b>Total Off-Balance Sheet Exposures</b>	<b>85,578</b>	<b>85,578</b>	<b>79,352</b>	<b>6,348</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>1,761,792</b>	<b>1,433,223</b>	<b>464,471</b>	<b>37,158</b>
<b>(ii) Market risk</b>				
	<b>Long Position RM'000</b>	<b>Short Position RM'000</b>		
Interest Rate Risk	323,696	-	21,401	1,712
Equity Risk	135,410	-	344,901	27,592
<b>Total</b>	<b>459,106</b>	<b>-</b>	<b>366,302</b>	<b>29,304</b>
<b>(iii) Operational risk</b>			<b>182,570</b>	<b>14,606</b>
<b>Total RWA and capital requirements</b>			<b>1,013,343</b>	<b>81,068</b>

27 Capital adequacy (continued)

(c) Credit risk exposures by risk weights

As at 31 July 2010

Risk Weights	Exposures after Netting and Credit Risk Mitigation					Total Risk Weighted Assets
	Banks, DFIs and MDBs	Corporates	Regulatory Retail	Other Assets	Total Exposures	
0%	8,969	10,018	-	1,980	20,967	-
20%	444,970	73,407	-	208,808	727,185	145,437
50%	-	135,880	-	-	135,880	67,940
75%	-	-	26,637	-	26,637	19,978
100%	-	46,520	-	83,882	130,402	130,402
<b>Total</b>	<b>453,939</b>	<b>265,825</b>	<b>26,637</b>	<b>294,670</b>	<b>1,041,071</b>	<b>363,757</b>
<b>Risk-weighted assets by exposures</b>	88,994	129,141	19,978	125,644	363,757	
<b>Average risk weight</b>	20%	49%	75%	43%	35%	
<b>Deduction from Capital Base</b>	-	-	-	-	-	

As at 31 January 2010

Risk Weights	Exposures after Netting and Credit Risk Mitigation					Total Risk Weighted Assets
	Banks, DFIs and MDBs	Corporates	Regulatory Retail	Other Assets	Total Exposures	
0%	4,125	35,160	-	1,926	41,211	-
20%	799,505	103,322	-	136,008	1,038,835	207,767
50%	-	180,486	-	-	180,486	90,243
75%	-	-	24,921	-	24,921	18,691
100%	-	62,890	-	84,880	147,770	147,770
<b>Total</b>	<b>803,630</b>	<b>381,858</b>	<b>24,921</b>	<b>222,814</b>	<b>1,433,223</b>	<b>464,471</b>
<b>Risk-weighted assets by exposures</b>	159,901	173,797	18,691	112,082	464,471	
<b>Average risk weight</b>	20%	46%	75%	50%	32%	
<b>Deduction from Capital Base</b>	-	-	-	-	-	

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28 Interest rate risk

As at 31 July 2010	-----Non-trading book----->						Trading book RM '000	Total RM '000	Effective interest rate %
	Up to 1 month RM '000	>1 - 3 months RM '000	> 3 - 12 months RM '000	1 - 5 years RM '000	Over 5 years RM '000	Non-interest sensitive RM '000			
<b>ASSETS</b>									
Cash and bank balances	334,785	-	-	-	-	29,697	-	<b>364,482</b>	2.74
Deposits with licensed financial institutions	-	60,163	418	-	-	-	-	<b>60,581</b>	2.87
Securities held-for-trading	-	-	-	-	-	-	472,006	<b>472,006</b>	-
Securities available-for-sale	53,897	90,007	5,039	95,944	43,644	2,200	126,386	<b>417,117</b>	3.69
Securities held-to-maturity	-	20,000	-	-	-	-	-	<b>20,000</b>	2.88
Derivative financial instrument	-	-	-	-	-	-	230	<b>230</b>	-
Loan, advances and financing									
- Performing	336,463	22,427	50,020	113,120	-	(7,983) *	-	<b>514,047</b>	8.24
Statutory deposits with BNM	-	-	-	-	-	8,910	-	<b>8,910</b>	-
Trade receivables	4,604	-	-	-	-	341,346	-	<b>345,950</b>	9.00
Other assets ^	-	-	-	-	-	107,799	-	<b>107,799</b>	-
<b>TOTAL ASSETS</b>	<b>729,749</b>	<b>192,597</b>	<b>55,477</b>	<b>209,064</b>	<b>43,644</b>	<b>481,969</b>	<b>598,622</b>	<b>2,311,122</b>	
<b>LIABILITIES AND EQUITY</b>									
<b>LIABILITIES</b>									
Deposits from customers	765,088	269,188	17,223	-	-	-	-	<b>1,051,499</b>	2.79
Deposits and placements of banks and other financial institutions	30,479	100,000	-	-	-	-	-	<b>130,479</b>	2.95
Trade payables	-	-	-	-	-	446,539	-	<b>446,539</b>	-
Other liabilities #	-	-	-	-	-	43,931	-	<b>43,931</b>	-
<b>TOTAL LIABILITIES</b>	<b>795,567</b>	<b>369,188</b>	<b>17,223</b>	-	-	<b>490,470</b>	-	<b>1,672,448</b>	
Shareholders' funds	-	-	-	-	-	638,674	-	<b>638,674</b>	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>795,567</b>	<b>369,188</b>	<b>17,223</b>	-	-	<b>1,129,144</b>	-	<b>2,311,122</b>	
On-balance sheet interest sensitivity gap	(65,818)	(176,591)	38,254	209,064	43,644	(647,175)	598,622	-	
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	-	
Total interest sensitivity gap	(65,818)	(176,591)	38,254	209,064	43,644	(647,175)	598,622	-	

^ Other assets include other assets, property, plant and equipment, intangible assets and deferred tax assets as disclosed in the Statement of Financial Position.

# Other liabilities include other liabilities and amount owing to related companies as disclosed in the Statement of Financial Position.

\* The negative balance represents collective assessment allowance for loans, advances and financing.

ECM LIBRA INVESTMENT BANK BERHAD (682-X)

Interim Financial Statements for the period ended 31 January 2010.

28 Interest rate risk

As at 31 January 2010	-----Non-trading book----->						Trading book RM '000	Total RM '000	Effective interest rate %
	Up to 1 month RM '000	>1 - 3 months RM '000	> 3 - 12 months RM '000	1 - 5 years RM '000	Over 5 years RM '000	Non-interest sensitive RM '000			
<b>ASSETS</b>									
Cash and bank balances	555,643	-	-	-	-	33,066	-	<b>588,709</b>	2.02
Deposits with licensed financial institutions	-	50,167	660	43	-	-	-	<b>50,870</b>	2.07
Securities held-for-trading	-	-	-	-	-	-	301,911	<b>301,911</b>	-
Securities available-for-sale	70,000	9,972	130,118	91,154	42,708	-	131,872	<b>475,824</b>	3.60
Securities held-to-maturity	30,000	130,000	-	-	-	2,200	-	<b>162,200</b>	2.20
Derivative financial instrument	-	-	-	-	-	-	339	<b>339</b>	-
Loan, advances and financing									
- Performing	260,626	116	49,451	18,409	-	(5,117) *	-	<b>323,485</b>	8.06
Statutory deposits with BNM	-	-	-	-	-	4,073	-	<b>4,073</b>	-
Trade receivables	7,296	-	-	-	-	282,254	-	<b>289,550</b>	9.00
Other assets ^	-	-	-	-	-	112,085	-	<b>112,085</b>	-
<b>TOTAL ASSETS</b>	<b>923,565</b>	<b>190,255</b>	<b>180,229</b>	<b>109,606</b>	<b>42,708</b>	<b>428,561</b>	<b>434,122</b>	<b>2,309,046</b>	
<b>LIABILITIES AND EQUITY</b>									
<b>LIABILITIES</b>									
Deposits from customers	647,446	197,311	150,448	-	-	-	-	<b>995,205</b>	2.19
Deposits and placements of banks and other financial institutions	130,000	100,646	20,000	-	-	-	-	<b>250,646</b>	2.19
Trade payables	-	-	-	-	-	366,331	-	<b>366,331</b>	-
Other liabilities #	-	-	-	-	-	68,170	-	<b>68,170</b>	-
<b>TOTAL LIABILITIES</b>	<b>777,446</b>	<b>297,957</b>	<b>170,448</b>	-	-	<b>434,501</b>	-	<b>1,680,352</b>	
Shareholders' funds	-	-	-	-	-	628,694	-	<b>628,694</b>	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>777,446</b>	<b>297,957</b>	<b>170,448</b>	-	-	<b>1,063,195</b>	-	<b>2,309,046</b>	
On-balance sheet interest sensitivity gap	146,119	(107,702)	9,781	109,606	42,708	(634,634)	434,122	-	
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	-	
Total interest sensitivity gap	146,119	(107,702)	9,781	109,606	42,708	(634,634)	434,122	-	

^ Other assets include other assets, property, plant and equipment, intangible assets and deferred tax assets as disclosed in the Statement of Financial Position.

# Other liabilities include other liabilities and amount owing to related companies as disclosed in the Statement of Financial Position.

\* The negative balance represents general allowance for loans, advances and financing.

**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 2010.

**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 2010, the Group and Bank has commitments in respect of capital expenditure as follows: -

	RM'000
Authorised and contracted for	<u>5,591</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 2010</u>			
Commitments to extend credits with maturity of less than 1 year:			
- margin facilities	278,839	55,768	49,109
- term loan facilities	<u>75,862</u>	<u>15,172</u>	<u>15,172</u>
	<u>354,701</u>	<u>70,940</u>	<u>64,281</u>
<u>As at 31 January 2010</u>			
Commitments to extend credits with maturity of less than 1 year:			
- margin facilities	310,037	62,007	55,781
- term loan facilities	<u>117,852</u>	<u>23,571</u>	<u>23,571</u>
	<u>427,889</u>	<u>85,578</u>	<u>79,352</u>

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

**33 Performance Review on the Results of the Bank**

For the current quarter under review, the Bank recorded a profit before tax of RM6.6 million. This is mainly contributed by net brokerage income of RM8.3 million as well as net interest income of RM7.7 million. In addition, investment and trading income of RM4.6 million was achieved during the financial quarter whereas operating expenses of RM15.4 million was recorded for the quarter.

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

For the financial quarter under review, the Bank recorded a profit before tax of RM6.6 million as compared to RM9.6 million profit before tax for the immediate preceding quarter. Net brokerage income was lower at RM8.3 million in the second quarter as compared to RM9.3 million in the preceding financial quarter. In addition, operating expenses increased by RM2.5 million from RM12.9 million in the preceding quarter to RM15.4 million in the current quarter. This was partially offset by higher investment and trading income of RM4.6 million in current quarter as compared to RM4.7 million in the preceding 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.

**36 Change in accounting policies and prior year adjustments**

(a) The adoption of new FRSs, amendments to FRSs, IC Interpretations and TR during the financial period have resulted in the following changes in accounting policies:

- i) FRS 139 Financial Instruments: Recognition and Measurement
- ii) IC Interpretation 9 Reassessment of Embedded Derivatives
- iii) Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
- iv) Amendments to FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes the principles for the recognition, derecognition and measurement of an entity's financial instruments and for hedge accounting. However, since the adoption of BNM's revised BNM/GP8 - Guidelines on Financial Reporting for Licensed Institutions on 1 January 2005, certain principles in connection with the recognition, derecognition and measurement of financial instruments, including derivative instruments, and hedge accounting which are similar to those prescribed by FRS 139 have already been adopted by the Bank. Therefore, the full adoption of FRS 139 on 1 January 2010 has resulted in the following material changes in accounting policies as follows:

1) Impairment of loans and advances

The adoption of FRS 139 has resulted in a change in the accounting policy relating to the assessment for impairment of financial assets, particularly loans and advances. The existing accounting policies relating to the assessment of impairment of other financial assets of the Bank are already largely in line with those of FRS 139. Prior to the adoption of FRS 139, allowances for impaired loans and advances (previously referred to as non-performing loans) were computed in conformity with the BNM/GP3 Guidelines on Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts. Upon the adoption of FRS 139, the Bank assesses at the end of each reporting period whether there is any objective evidence that a loan or group of loans is impaired. The loan or group of loans is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the loan (an incurred "loss event") and that the loss event has an impact on future estimated cash flows of the loan or group of loans that can be reliably estimated.

**36 Change in accounting policies and prior year adjustments (continued)**

1) Impairment of loans and advances (continued)

The Bank first assesses individually whether objective evidence of impairment exists individually for loans which are individually significant, and collectively for loans which are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed loan, the loan is included in a group of loans with similar credit risk characteristics and collectively assessed for impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the loan's carrying amount and the present value of the estimated future cash flows. The carrying amount of the loan is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

In the Amendments to FRS 139 listed above, MASB has included an additional transitional arrangement for entities in the financial sector, whereby BNM may prescribe an alternative basis for collective assessment of impairment by banking institutions. This transitional arrangement is prescribed in BNM's guidelines on Classification and Impairment Provisions for Loans/Financing issued on 8 January 2010, whereby banking institutions are required to maintain collective assessment impairment allowances of at least 1.5% of total outstanding loans/financing, net of individual impairment allowance. Subject to the written approval by BNM, banking institutions are allowed to maintain a lower collective assessment impairment allowance. The collective assessment impairment allowance of the Bank as at the reporting date have been arrived at based on this transitional arrangement issued by BNM.

**(b) Comparative Figures**

(i) FRS 101 Presentation of Financial Statements

As a result of the adoption of the revised FRS 101, income statements of the Bank for the comparative financial period ended 31 July 2009 have been re-presented as two separate statements, i.e. an income statement displaying components of profit or loss and a statement of comprehensive income. All non-owner changes in equity which were previously presented in the statement of changes in equity are now included in the statement of comprehensive income as other comprehensive income. Consequently, components of comprehensive income are not presented in the statement of changes in equity. Since these changes only affect presentation aspects, there is no impact on earnings per ordinary share.