

**ECM LIBRA INVESTMENT BANK BERHAD**  
(formerly known as ECM Libra Avenue Securities Berhad)

**Unaudited Condensed Balance Sheet**  
**As at 31 October 2008**

<b>ASSETS</b>	<b>Note</b>	<b>31-Oct-08</b> <b>RM'000</b>	<b>31-Jan-08</b> <b>RM'000</b>
Cash and bank balances		<b>347,940</b>	345,333
Deposits with licensed financial institutions	11	<b>22,335</b>	3,198
Securities held-for-trading	12	<b>24,317</b>	-
Securities available-for-sale ("AFS")	13	<b>228,552</b>	174,175
Securities held-to-maturity	14	<b>2,200</b>	2,200
Derivative Financial Instrument		<b>6,149</b>	-
Loan, advances and financing	15	<b>252,692</b>	146,736
Trade receivables	16	<b>177,371</b>	401,071
Statutory deposit with Bank Negara Malaysia		<b>3,581</b>	-
Other assets	17	<b>9,849</b>	11,249
Amount owing from subsidiaries		<b>12</b>	962
Amount owing from related company		-	4,093
Property, plant and equipment		<b>17,217</b>	18,673
Intangible assets		<b>53,409</b>	53,586
Deferred tax assets		<b>10,000</b>	10,000
<b>TOTAL ASSETS</b>		<b><u>1,155,624</u></b>	<b><u>1,171,276</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits from customers	18	<b>290,798</b>	-
Trade payables	19	<b>273,863</b>	518,724
Other liabilities	20	<b>40,125</b>	52,241
Amount owing to holding company		-	8,840
Amount owing to subsidiaries		-	3,955
Amount owing to related companies		<b>2,056</b>	10,278
<b>TOTAL LIABILITIES</b>		<b><u>606,842</u></b>	<b><u>594,038</u></b>
Share capital		<b>513,000</b>	513,000
Reserves		<b>35,782</b>	64,238
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>1,155,624</u></b>	<b><u>1,171,276</u></b>
Net Assets per Share (RM)		<b>1.07</b>	1.13

The Unaudited Condensed Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 January 2008 of the Bank.

Certain comparative figures have been restated arising from the application of the Revised Guidelines on Financial Reporting for Licensed Institutions issued by Bank Negara Malaysia (BNM/GP8) as well as to conform with current financial year's presentation.

**ECM LIBRA INVESTMENT BANK BERHAD**  
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**Unaudited Condensed Income Statements  
for the Third Quarter ended 31 October 2008**

	Note	Current quarter ended 31-Oct-08 RM'000	Corresponding quarter ended 31-Oct-07 RM'000	Current year-to-date 31-Oct-08 RM'000	Corresponding year-to-date 31-Oct-07 RM'000
Revenue		<b>18,026</b>	26,803	<b>49,351</b>	115,788
Gross interest income	21	<b>10,391</b>	6,107	<b>23,637</b>	17,056
Interest expense	22	<b>(3,084)</b>	(1,558)	<b>(4,665)</b>	(4,423)
Net interest income		<b>7,307</b>	4,549	<b>18,972</b>	12,633
Non-interest income	23	<b>7,635</b>	20,696	<b>25,714</b>	98,732
Other non-operating income	24	<b>443</b>	926	<b>760</b>	3,137
Net income		<b>15,385</b>	26,171	<b>45,446</b>	114,502
Operating expenses	25	<b>(12,277)</b>	(16,781)	<b>(39,655)</b>	(51,449)
Operating profit		<b>3,108</b>	9,390	<b>5,791</b>	63,053
(Allowance)/write-back for losses on loans & financing	26	<b>(2,159)</b>	344	<b>(3,868)</b>	344
Write-back/(allowance) for bad & doubtful debts	27	<b>10</b>	2,831	<b>(30)</b>	341
Writeback/(allowance) for impairment loss	28	-	-	<b>4,400</b>	(4,400)
Profit before tax		<b>959</b>	12,565	<b>6,293</b>	59,338
Taxation		-	-	<b>(817)</b>	-
Profit after tax		<b>959</b>	12,565	<b>5,476</b>	59,338
Earnings per share ("EPS"): - basic / diluted		<b>Sen 0.19</b>	Sen 3.00	<b>Sen 1.07</b>	Sen 14.14

The Unaudited Condensed Income Statements should be read in conjunction with the audited financial statements for the year ended 31 January 2008 of the Bank.

Certain comparative figures have been restated arising from the application of the Revised Guidelines on Financial Reporting for Licensed Institutions issued by Bank Negara Malaysia (BNM/GP8) as well as to conform with current financial year's presentation.

**ECM LIBRA INVESTMENT BANK BERHAD**

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**Unaudited Condensed Consolidated Statement of Changes in Equity  
for the Financial Period ended 31 October 2008**

	<-----Non-distributable----->				Distributable		Total RM'000	
	Share capital RM'000	Preference share RM'000	Share premium RM'000	AFS revaluation reserve RM'000	Equity compensation reserve RM'000	Statutory reserve RM'000		Retained profit RM'000
Balance as at 1 February 2008								
- as previously reported	513,000	-	-	-	507	-	54,133	567,640
- prior years adjustments	-	-	-	9,434	-	27,066	(26,903)	9,597
As restated	513,000	-	-	9,434	507	27,066	27,230	577,237
Net change in securities available-for-sale	-	-	-	(33,931)	-	-	-	(33,931)
Net profit for the financial period	-	-	-	-	-	-	5,476	5,476
Balance as at 31 October 2008	<b>513,000</b>	-	-	<b>(24,497)</b>	<b>507</b>	<b>27,066</b>	<b>32,706</b>	<b>548,782</b>
Balance as at 1 February 2007								
- as previously reported	419,500	1,690	263,318	-	-	-	(281,438)	403,070
- prior years adjustments	-	-	-	1,576	-	-	2,211	3,787
As restated	419,500	1,690	263,318	1,576	-	-	(279,227)	406,857
Net change in securities available-for-sale	-	-	-	9,357	-	-	-	9,357
Net profit for the financial period	-	-	-	-	-	-	59,338	59,338
Balance as at 31 October 2007	419,500	1,690	263,318	10,933	-	-	(219,889)	475,552

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 January 2008 of the Bank.

**ECM LIBRA INVESTMENT BANK BERHAD**  
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**Unaudited Condensed Cash Flow Statement  
for the Financial Period ended 31 October 2008**

	9 months ended	
	31-Oct-08 RM'000	31-Oct-07 RM'000
<b>Cash flows from/(used in) operating activities</b>		
Profit before tax	6,293	59,338
Adjustment for non-cash items	74,400	(7,240)
Operating profit before working capital changes	80,693	52,098
Net decrease in assets	-	444,026
Net increase/(decrease) in liabilities	-	(359,477)
Cash generated from operations	80,693	136,647
Net tax paid	(817)	-
Interest received	22,812	16,746
Net cash generated from operating activities	102,688	153,393
<b>Cash flows (used in)/generated from investing activities</b>		
Net (additions)/proceeds from marketable securities	(115,370)	168,403
Net addition to property, plant and equipment	(1,287)	(5,952)
Net addition to intangible assets	(510)	(1,066)
Net cash (used in)/generated from investing activities	(117,167)	161,385
<b>Cash flows used in financing activities</b>		
Repayment of short term borrowings	-	(60,000)
Interest paid	(4,660)	(4,423)
Net cash used in financing activities	(4,660)	(64,423)
<b>Net increase in cash and cash equivalents</b>	(19,139)	250,355
<b>Cash and cash equivalents at beginning of period</b>	127,973	72,344
<b>Cash and cash equivalents at end of period</b>	108,834	322,699

Cash and cash equivalents included in the cash flow statement comprise the following Balance Sheet amounts:

	RM'000	RM'000
Cash, bank balances and deposits with financial institutions	370,275	447,065
Less: Monies held in trust	(128,031)	(124,366)
	242,244	322,699

The Unaudited Condensed Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 January 2008 of the Bank.

**Explanatory Notes to the Interim Financial Report for the Financial Period Ended 31 October 2008**

**1 Performance Review on the Results of the Bank for the Current Financial Quarter and Financial Year-to-date**

The Bank recorded a profit before tax of RM1.0 million during the quarter under review which was RM11.6 million lower than RM12.6 million of profit before tax recorded in the preceding year's corresponding quarter ended 31 October 2007. This was mainly attributed to the lower brokerage income generated during the quarter under review which was caused by the lower Bursa's turnover of RM121.6 billion as compared to the preceding year's corresponding quarter of RM263.8 billion.

For the nine months ended 31 October 2008, the Bank recorded a profit before tax of RM6.3 million, 89.4% lower than the preceding year corresponding period. This was mainly attributed to the lower brokerage income and investment loss arising mainly from revaluation of investments in current period under review.

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

	<b>Current Quarter 31-Oct-08 RM'000</b>	<b>Preceding Quarter 31-Jul-08 RM'000</b>	<b>Variance RM'000</b>
Profit/(Loss) before tax	959	(5,469)	6,428
Taxation	-	-	-
Profit/(Loss) after tax	<u>959</u>	<u>(5,469)</u>	<u>6,428</u>

For the financial quarter under review, the Bank recorded a profit before tax of RM1.0 million as compared to a loss before tax of RM5.47 million for the preceding quarter. This was mainly due to lower investment loss arising from revaluation of investments recorded for the quarter. However, lower fee income of RM5.4 million and specific allowance for losses on loans and financing of RM2.3 million have partially offset the higher profit for the quarter under review.

**3 Bank's Prospects**

The economy is expected to record a slower growth caused by the impact of the US financial crisis and resulting global economic downturn.

It is hoped that the recently announced stimulus package by the Government would effectively drive growth and generate more activity in segments of the economy that have wide-ranging linkages such as construction and property.

The Bank has been affected by the market downturn. However, when the market recovers, the Bank is well positioned to continue its growth.

#### **4 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 2008.

The Bank had received approval from Bank Negara Malaysia (“BNM”) to comply with the requirements of the “BNM/GP8” not later than one year from the date of inception of its investment bank status. The Bank adopted the requirements of BNM/GP8 for the current financial year ended 31 January 2009. The adoption of BNM/GP8 resulted in the reclassification/restatement as disclosed in Note 4(a)(iii).

The accounting policies and methods of computation adopted in this unaudited interim financial report are consistent with those adopted in the preparation of the Financial Statements 2008, except for the adoption of the new and revised Financial Reporting Standards (“FRS”) issued by Malaysia Accounting Standard Board (“MASB”) that are effective to the Bank’s financial year beginning on and after 1 July 2007 and the guidelines set out in BNM/GP8:

FRS 107:	Cash Flow Statements
FRS 112:	Income Taxes
FRS 118:	Revenue
FRS 134:	Interim Financial Reporting
FRS 137:	Provision, Contingent Liabilities and Contingent Assets
Amendment to FRS 121:	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation
FRS 111:	Construction Contracts
FRS 120:	Accounting for Government Grants and Disclosure of Government Assistance
FRS 126:	Accounting and Reporting by Retirement Benefit Plans
FRS 129:	Financial Reporting in Hyperinflationary Economies
IC Interpretation 1:	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2:	Members’ Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5:	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6:	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC Interpretation 7:	Applying the Restatement Approach under FRS 129 <sub>2004</sub> - Financial Report in Hyperinflationary Economies
IC Interpretation 8:	Scope of FRS 2
FRS 129 <sub>2004</sub> :	Financial Report in Hyperinflationary Economies
FRS 139:	Financial Instruments: Recognition and Measurement

These FRSs and Amendments are, however, are expected to have no significant impact to the financial statements of the Bank, with the exception of FRS 139 which is deferred to a later date. The Bank is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

**4 Basis of Preparation (continued)**

The principal effects of changes in accounting policies and estimates are as follows:

**(a) BNM/GP8:**

**(i) Presentation of Financial Statements**

The income statement and balance sheet in respect of the current quarter and financial period ended 31 October 2008 are now prepared in accordance with BNM/GP8 format requirements.

**(ii) Securities Portfolio**

Previously, securities were classified as either "Marketable securities" or "Other Investment". Marketable securities and other investment are stated at the lower of cost, adjusted for market value, determined on a total portfolio basis and allowance for diminution in value will be made for non-temporary decline in value. Any gain/loss arising from revaluation or sale of securities is recognised in the income statement.

Based on the BNM/GP8 guidelines, equity instruments and debt securities held are classified based on the following categories:

Securities held-for-trading

Securities are classified as held-for-trading if it is acquired principally for the purpose of selling or repurchasing it in the near term or it is part of a portfolio of identified securities that are managed together and for which there is evidence of recent actual pattern of short-term profit-taking. Such securities will be stated at fair value and any gain or loss arising from a change in fair value will be recognised in the income statement.

Dividends on equity instruments are recognised in the income statement when the right to receive payment is established.

Securities available-for-sale

Securities available-for-sale are securities that are not classified as held-for-trading or held-to-maturity and are measured at fair value. Equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured will be stated at cost. Any gain or loss arising from a change in fair value is recognised directly in equity through the statement of changes in equity, except for impairment loss and foreign exchange gain/loss which are recognised in income statement, until the securities are derecognised, at which time the cumulative gain or loss previously recognised in equity will be transferred to the income statement.

Interest calculated using the effective interest method is recognised in the income statement. Dividends on equity instruments are recognised in the income statement when the right to receive payment is established.

Securities held-to-maturity

Securities held-to-maturity are securities with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to maturity. These securities are measured at amortised cost using the effective interest method. Any gain or loss is recognised in the income statement when the securities are derecognised or impaired and through amortisation process.

**4 Basis of Preparation (continued)**

**(a) BNM/GP8:**

**(iii) Restatement of Comparatives**

The adoption of BNM/GP8 resulted in the restatement/reclassification of certain comparative figures as follows:-

<b>Bank</b>	As previously reported	Adjustment	As restated
	RM'000	RM'000	RM'000
<u>Balance sheet as at 31 January 2008</u>			
Marketable securities	164,578	(164,578)	-
Other investments	2,408	(2,408)	-
Trade receivables	547,806	(547,806)	-
Loans, advances and financing	-	-	-
Cash and bank balances	213,247	(213,247)	-
Deposits with licensed financial institutions	135,284	(135,284)	-
Securities available-for-sale	-	-	-
Securities held-to-maturity	-	2,200	2,200
Other assets	10,577	(10,577)	-
Amount owing by fellow subsidiaries	4,557	(464)	4,093
Retained profit	(54,133)	26,902	(27,231)
Statutory reserve	-	(27,066)	(27,066)
AFS revaluation reserve	-	(9,434)	(9,434)
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<u>Income statement for the financial period ended 31 October 2007</u>			
Revenue	95,292	(95,292)	-
Other operating income	16,892	(16,892)	-
Gross interest income	-	17,056	17,056
Non-interest income	-	98,732	98,732
Other non-operating income	-	3,137	3,137
Writeback/(allowance) for impairment loss	2,463	(6,863)	(4,400)
Profit before tax	59,460	(122)	59,338
Profit after tax	59,460	(122)	59,338
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**4 Basis of Preparation (continued)**

**(b) BNM's Guidelines on Classification of Non-performing Loans, Advances and Financing and Provision for Substandard, Bad and Doubtful Debts (BNM/GP3):**

The Bank has adopted BNM/GP3 guidelines in respect of classification of non-performing accounts, loan loss provisioning and interest income recognition with effect from the date of completion of transformation of ECM Libra Avenue Securities Berhad into an investment bank on 6 February 2008.

When loans, advances and financing granted by the Bank become non-performing, interest accrued and recognised as income prior to the date the loans are classified as non-performing are reversed out of interest income in the income statement and taken to interest-in-suspense for set off against the accrued interest receivable in the balance sheet. Subsequent to suspension, interest earned on the non-performing loans, advances and financing ("NPLs") shall be recognised as income on cash basis.

The impact arising from the adoption of BNM/GP3 is an additional general allowances for loan losses of 0.5%.

**5 Audit Report of Preceding Annual Financial Statements**

The auditors' report on the Financial Statements for the year ended 31 January 2008 of the Bank was not subjected to any qualification.

**6 Seasonality and Cyclicity Factors**

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

**7 Exceptional Items/Unusual Events**

There was no unusual item affecting assets, liabilities, equity, net income, or cash flows during the first quarter ended 31 October 2008.

**8 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.

**9 Debt and Equity Securities**

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

**10 Dividend Paid**

There was no dividend paid during the quarter ended 31 October 2008.

**11 Deposits with licensed financial institutions**

	<b>31-Oct-08</b>	31-Jan-08
	<b>RM'000</b>	RM'000
<u>By Type of Institutions</u>		
Licensed banks	<b>22,335</b>	3,198

**12 Securities held-for-trading**

	<b>31-Oct-08</b>	31-Jan-08
	<b>RM'000</b>	RM'000
<b>At fair value</b>		
Bankers' Acceptance	<b>24,317</b>	-

**13 Securities available-for-sale**

	<b>31-Oct-08</b>	31-Jan-08
	<b>RM'000</b>	RM'000
<b>At fair value</b>		
Quoted Securities		
- Shares	<b>102,580</b>	110,957
- Warrants	-	1,400
Unquoted Securities		
- Private Debt Securities	<b>125,972</b>	66,218
	<b>228,552</b>	178,575
less: Impairment loss on securities available-for-sale	-	(4,400)
<b>Total securities available-for-sale</b>	<b>228,552</b>	174,175

During the current quarter, the following securities were reclassified out from held-for-trading to available-for-sales:

	<b>31-Oct-08</b>
	<b>RM'000</b>
Carrying value as at beginning of financial quarter	<b>40,193</b>
Purchase of securities	<b>162</b>
Gain/(loss) on revaluation	
- recognised in profit and loss	<b>105</b>
- recognised in AFS revaluation reserves	<b>(8,503)</b>
Carrying value as at end of financial quarter	<b>31,957</b>

**14 Securities held-to-maturity**

	<b>31-Oct-08</b>	31-Jan-08
	<b>RM'000</b>	RM'000
<b>At cost</b>		
Unquoted Securities		
- Shares	<b>2,200</b>	2,200

**15 Loans, advances and financing**

	<b>31-Oct-08</b>	31-Jan-08
	<b>RM'000</b>	RM'000
<u>By Type</u>		
Share margin financing	121,999	149,278
Term loans / financing		
- Other term loans/financing	137,103	-
Gross Loans, advances and financing	<u>259,102</u>	<u>149,278</u>
less: General allowance	(4,098)	(2,542)
Specific allowance	(2,312)	-
<b>Total net loans, advances and financing</b>	<b><u>252,692</u></b>	<b><u>146,736</u></b>
<u>By Economic Purpose</u>		
Purchase of securities	229,002	149,278
Working capital	30,100	-
Gross loans, advances and financing	<u>259,102</u>	<u>149,278</u>
<u>By Interest / Profit Rate Sensitivity</u>		
Fixed rate		
- Other fixed rate loans/financing	259,102	149,278
Gross Loans, advances and financing	<u>259,102</u>	<u>149,278</u>
<u>By Type of Customer</u>		
Domestic business enterprises	106,726	72,175
Individuals	152,376	77,103
Gross Loans, advances and financing	<u>259,102</u>	<u>149,278</u>
<b>Non-performing loans, advances and Financing ("NPL")</b>		
<u>By Economic Purpose</u>		
Purchase of securities	29,204	-
<b>Movements in NPL</b>		
At beginning of year	-	-
Classified as non-performing during the year	29,204	-
At end of year	29,204	-
Specific allowance	(2,312)	-
Net non-performing loans, advances and financing	<u>26,892</u>	<u>-</u>
Ratio of net non-performing loans, advances and financing to net loans, advances and financing	<b>10.5%</b>	-
<b>Movements in allowance for bad and doubtful debts</b>		
<b>General allowance</b>		
Balance at beginning of financial period/year	2,542	1,558
Allowance made during the period/year	1,556	984
Balance at end of financial period/year	<u>4,098</u>	<u>2,542</u>
As % of gross loans, advances and financing less specific allowance	<b>1.6%</b>	1.7%
<b>Specific allowance</b>		
Balance at beginning of financial period/year	-	-
Allowance made during the period/year	2,312	-
Balance at end of financial period/year	<u>2,312</u>	<u>-</u>

**16 Trade receivables**

	<b>31-Oct-08</b>	31-Jan-08
	<b>RM'000</b>	RM'000
Amount owing by clients	<b>94,552</b>	218,453
Amount owing by brokers	<b>84,123</b>	183,847
	<b>178,675</b>	402,300
less: Allowance for bad and doubtful receivables		
General allowance	<b>(174)</b>	(233)
Specific allowance	<b>(167)</b>	(271)
Interest-in-suspense	<b>(963)</b>	(725)
	<b>177,371</b>	401,071

**17 Other assets**

	<b>31-Oct-08</b>	31-Jan-08
	<b>RM'000</b>	RM'000
Interest receivables	<b>1,369</b>	2,530
Tax recoverables	<b>1,518</b>	854
Other receivables, deposits and prepayments	<b>6,962</b>	7,865
	<b>9,849</b>	11,249

**18 Deposit from customers**

	<b>31-Oct-08</b>	31-Jan-08
	<b>RM'000</b>	RM'000
<u>By Type of Deposits:</u>		
Short-term deposits	<b>290,798</b>	-
	<b>290,798</b>	-
<u>By Type of Customers:</u>		
Business enterprises	<b>280,543</b>	-
Individuals	<b>10,255</b>	-
	<b>290,798</b>	-

**19 Trade payables**

	<b>31-Oct-08</b>	31-Jan-08
	<b>RM'000</b>	RM'000
Amount owing to clients	<b>50,153</b>	131,217
Amount owing to brokers	<b>104,390</b>	221,982
Client's trust monies	<b>119,320</b>	165,525
	<b>273,863</b>	518,724

**20 Other liabilities**

	<b>31-Oct-08</b>	31-Jan-08
	<b>RM'000</b>	RM'000
Accruals and deposits received	<b>10,638</b>	27,186
Remisiers and dealers trust accounts	<b>17,478</b>	13,817
Other payables	<b>12,009</b>	11,238
	<b><u>40,125</u></b>	<u>52,241</u>

**21 Interest income**

	<b>Current quarter ended 31-Oct-08 RM'000</b>	Corresponding quarter ended 31-Oct-07 RM'000	<b>Current year-to-date 31-Oct-08 RM'000</b>	Corresponding year-to-date 31-Oct-07 RM'000
Loans and advances:				
- Interest income from performing loans	<b>3,083</b>	-	<b>5,296</b>	-
Margin Financing	<b>2,547</b>	3,020	<b>8,278</b>	7,710
Stockbroking business	<b>144</b>	168	<b>578</b>	695
Short-term funds and deposits with financial institutions	<b>2,775</b>	2,179	<b>5,285</b>	5,632
Securities:				
- Available-for-sale	<b>1,772</b>	703	<b>4,128</b>	2,856
	<b><u>10,321</u></b>	<u>6,070</u>	<b><u>23,565</u></b>	<u>16,893</u>
Amortisation of premiums less accretion of discounts	<b>70</b>	37	<b>72</b>	163
	<b><u>10,391</u></b>	<u>6,107</u>	<b><u>23,637</u></b>	<u>17,056</u>

**22 Interest expense**

	<b>Current quarter ended 31-Oct-08 RM'000</b>	Corresponding quarter ended 31-Oct-07 RM'000	<b>Current year-to-date 31-Oct-08 RM'000</b>	Corresponding year-to-date 31-Oct-07 RM'000
Deposits from customers	<b>2,446</b>	807	<b>3,290</b>	2,437
Deposits from banks and other financial institutions	<b>621</b>	-	<b>1,067</b>	-
Others	<b>17</b>	751	<b>308</b>	1,986
	<b><u>3,084</u></b>	<u>1,558</u>	<b><u>4,665</u></b>	<u>4,423</u>

**23 Non-interest income**

	<b>Current quarter ended 31-Oct-08 RM'000</b>	Corresponding quarter ended 31-Oct-07 RM'000	<b>Current year-to-date 31-Oct-08 RM'000</b>	Corresponding year-to-date 31-Oct-07 RM'000
Fee income				
- Fees on loans and advances	653	526	3,439	1,095
- Corporate advisory fees	170	587	2,840	2,363
- Net brokerage fee	5,265	15,059	21,054	55,867
- Other fee income	432	1,100	3,944	11,311
	<b>6,520</b>	<b>17,272</b>	<b>31,277</b>	<b>70,636</b>
Investment and trading income				
- Gain/(loss) from sale of securities:				
held-for-trading	115	-	117	8,721
available-for-sale	-	2,823	(2,889)	11,911
held-to-maturity	240	-	240	-
- Gain/(loss) on revaluation of securities				
held-for-trading	221	-	(12,415)	6,863
- (Loss)/gain on revaluation of derivatives	(394)	-	6,149	-
	<b>182</b>	<b>2,823</b>	<b>(8,798)</b>	<b>27,495</b>
Gross dividend income				
- Securities:				
available-for-sale	933	601	3,235	601
	<b>933</b>	<b>601</b>	<b>3,235</b>	<b>601</b>
<b>Total Non-interest income</b>	<b>7,635</b>	<b>20,696</b>	<b>25,714</b>	<b>98,732</b>

**24 Other non-operating income**

	<b>Current quarter ended 31-Oct-08 RM'000</b>	Corresponding quarter ended 31-Oct-07 RM'000	<b>Current year-to-date 31-Oct-08 RM'000</b>	Corresponding year-to-date 31-Oct-07 RM'000
Rental income	(11)	273	33	815
Gain on disposal of property, plant and equipment	4	-	38	42
Gain on revaluation of foreign exchange translation	32	97	102	578
Others	418	556	587	1,702
	<b>443</b>	<b>926</b>	<b>760</b>	<b>3,137</b>

**25 Operating expenses**

	<b>Current quarter ended 31-Oct-08 RM'000</b>	Corresponding quarter ended 31-Oct-07 RM'000	<b>Current year-to-date 31-Oct-08 RM'000</b>	Corresponding year-to-date 31-Oct-07 RM'000
<u>Personnel expenses</u>				
Salaries, allowance and bonus	5,495	7,366	19,370	20,810
Contributions to defined contribution plan	639	631	2,123	2,128
Other personnel costs	881	783	1,239	2,076
	<b>7,015</b>	<b>8,780</b>	<b>22,732</b>	<b>25,014</b>
<u>Establishment costs</u>				
Depreciation of property, plant and equipment	891	1,060	2,625	3,264
Amortisation of computer software	231	214	687	633
Rental of premises	691	739	2,166	2,138
Rental of network and equipment	958	1,111	2,644	3,337
Other establishment costs	770	992	2,024	3,247
	<b>3,541</b>	<b>4,116</b>	<b>10,146</b>	<b>12,619</b>
<u>Marketing and communication expenses</u>				
Advertising expenses	-	6	116	16
Entertainment	187	423	757	1,881
Other marketing expenses	(38)	188	126	503
	<b>149</b>	<b>617</b>	<b>999</b>	<b>2,400</b>
<u>Administrative and general expenses</u>				
Audit fees	33	33	99	95
Legal and professional fees	(79)	448	288	1,782
Printing and stationery	78	187	598	839
Insurance, postages and courier	153	276	461	713
Electricity and water charges	220	335	632	995
Telecommunication expenses	24	460	532	1,145
Travelling and accomodation	(30)	47	243	234
Others	1,173	1,482	2,925	5,613
	<b>1,572</b>	<b>3,268</b>	<b>5,778</b>	<b>11,416</b>
<b>Total operating expenses</b>	<b>12,277</b>	<b>16,781</b>	<b>39,655</b>	<b>51,449</b>

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

	<b>Current quarter ended 31-Oct-08 RM'000</b>	Corresponding quarter ended 31-Oct-07 RM'000	<b>Current year-to-date 31-Oct-08 RM'000</b>	Corresponding year-to-date 31-Oct-07 RM'000
General allowance on loans and financing - (Write-back)/provided during the financial period	<b>(153)</b>	(411)	<b>1,556</b>	(411)
	<b>(153)</b>	(411)	<b>1,556</b>	(411)
Specific allowance - Provided during the financial period	<b>2,312</b>	67	<b>2,312</b>	67
	<b>2,312</b>	67	<b>2,312</b>	67
	<b>2,159</b>	(344)	<b>3,868</b>	(344)

**27 (Write-back)/allowance for bad and doubtful debts on trade receivables**

	<b>Current quarter ended 31-Oct-08 RM'000</b>	Corresponding quarter ended 31-Oct-07 RM'000	<b>Current year-to-date 31-Oct-08 RM'000</b>	Corresponding year-to-date 31-Oct-07 RM'000
General allowance - (Written back)/provided during the financial period	<b>(15)</b>	(3,097)	<b>(59)</b>	(2,849)
	<b>(15)</b>	(3,097)	<b>(59)</b>	(2,849)
Specific allowance - Provided during the financial period	<b>37</b>	477	<b>405</b>	2,966
- Written back	<b>(31)</b>	(211)	<b>(296)</b>	(382)
	<b>6</b>	266	<b>109</b>	2,584
Bad debts: - Recovered	<b>(3)</b>	-	<b>(22)</b>	(76)
- Written off	<b>2</b>	-	<b>2</b>	-
	<b>(1)</b>	-	<b>(20)</b>	(76)
	<b>(10)</b>	(2,831)	<b>30</b>	(341)

**28 (Write-back)/allowance for impairment loss**

	<b>Current quarter ended 31-Oct-08 RM'000</b>	Corresponding quarter ended 31-Oct-07 RM'000	<b>Current year-to-date 31-Oct-08 RM'000</b>	Corresponding year-to-date 31-Oct-07 RM'000
(Write-back of)/allowance for impairment loss on securities: - Available-for-sale	<b>-</b>	-	<b>(4,400)</b>	4,400
	<b>-</b>	-	<b>(4,400)</b>	4,400

## 29 Capital adequacy

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

	<b>31-Oct-08</b>	31-Jan-08
	<b>RM'000</b>	RM'000
<b><u>Tier 1 Capital</u></b>		
Paid-up share capital	<b>513,000</b>	513,000
Retained profit/loss	<b>54,133</b>	54,133
Other reserves	<b>507</b>	507
	<b><u>567,640</u></b>	<u>567,640</u>
less: Goodwill	-	-
Deferred tax assets	<b>(10,000)</b>	(10,000)
<b>Total Tier 1 capital (a)</b>	<b><u>557,640</u></b>	<u>557,640</u>
<b><u>Tier 2 Capital</u></b>		
General allowance for bad and doubtful debts and financing	<b>4,098</b>	2,542
<b>Total Tier 2 capital (b)</b>	<b><u>4,098</u></b>	<u>2,542</u>
<b>Total capital (a) + (b)</b>	<b><u>561,738</u></b>	<u>560,182</u>
<b>Capital base</b>	<b><u>561,738</u></b>	<u>560,182</u>
<b>Total risk-weighted assets</b>	<b><u>702,855</u></b>	<u>949,394</u>
Proposed Dividend (RM'000)	-	-
<b>%</b>		
<b><u>Before deducting proposed dividend</u></b>		
Core capital ratio	<b>79.34%</b>	58.73%
Risk weighted capital ratio	<b>79.92%</b>	59.00%
<b><u>After deducting proposed dividend</u></b>		
Core capital ratio	<b>79.34%</b>	58.73%
Risk weighted capital ratio	<b>79.92%</b>	59.00%

With effect from 1 January 2008, the capital adequacy ratio is computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework: Standardised Approach for Credit Risk and Market Risk, and Basic Indicator Approach for Operational Risk (Basel II).

**ECM LIBRA INVESTMENT BANK BERHAD**  
(formerly known as ECM Libra Avenue Securities Berhad)

**30 Interest rate risk**

As at 31 October 2008	-----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	310,795	-	-	-	-	37,145	-	<b>347,940</b>	3.49
Deposits with licensed financial institutions	-	22,335	-	-	-	-	-	<b>22,335</b>	3.62
Securities held-for-trading	-	-	-	-	-	-	24,317	<b>24,317</b>	
Securities available-for-sale	-	4,999	15,141	88,994	16,838	-	102,580	<b>228,552</b>	5.47
Securities held-to-maturity	-	-	-	-	-	2,200	-	<b>2,200</b>	
Derivative financial instrument	-	-	-	-	-	-	6,149	<b>6,149</b>	
Loan, advances and financing									
- Performing	133,584	125,518	-	-	-	(6,410) *	-	<b>252,692</b>	8.84
Statutory deposits with BNM	-	-	-	-	-	3,581	-	<b>3,581</b>	
Other assets ^	-	-	-	-	-	267,858	-	<b>267,858</b>	
<b>TOTAL ASSETS</b>	<b>444,379</b>	<b>152,852</b>	<b>15,141</b>	<b>88,994</b>	<b>16,838</b>	<b>304,374</b>	<b>133,046</b>	<b>1,155,624</b>	
<b>LIABILITIES AND EQUITY</b>									
<b>Liabilities</b>									
Deposits from customers	243,533	23,806	23,459	-	-	-	-	<b>290,798</b>	3.54
Other liabilities #	-	-	-	-	-	316,044	-	<b>316,044</b>	-
<b>TOTAL LIABILITIES</b>	<b>243,533</b>	<b>23,806</b>	<b>23,459</b>	<b>-</b>	<b>-</b>	<b>316,044</b>	<b>-</b>	<b>606,842</b>	
Shareholders' funds	-	-	-	-	-	548,782	-	<b>548,782</b>	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>243,533</b>	<b>23,806</b>	<b>23,459</b>	<b>-</b>	<b>-</b>	<b>864,826</b>	<b>-</b>	<b>1,155,624</b>	
On-balance sheet interest sensitivity gap	200,846	129,046	(8,318)	88,994	16,838	(560,452)	133,046	-	
Total interest sensitivity gap	200,846	129,046	(8,318)	88,994	16,838	(560,452)	133,046	-	

^ Other assets include Trade receivables, Other assets, Property, Plant and equipment, Intangible assets, Deferred tax assets and Amount owing from holding company/ subsidiaries/related companies as disclosed in the Balance Sheet.

# Other liabilities include Trade payables, Other liabilities and Amount owing to holding company/subsidiaries/related companies as disclosed in the Balance Sheet.

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

**ECM LIBRA INVESTMENT BANK BERHAD**  
(formerly known as ECM Libra Avenue Securities Berhad)

**30 Interest rate risk**

As at 31 July 2008	-----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	296,350	-	-	-	-	28,486	-	<b>324,836</b>	3.50
Deposits with licensed financial institutions	-	-	1,451	-	-	-	-	<b>1,451</b>	3.66
Securities held-for-trading	-	-	-	-	-	-	40,193	<b>40,193</b>	-
Securities available-for-sale	-	-	5,000	83,376	21,374	-	80,509	<b>190,259</b>	5.45
Securities held-to-maturity	-	-	-	-	-	2,200	-	<b>2,200</b>	-
Derivative financial instrument	-	-	-	-	-	-	6,543	<b>6,543</b>	-
Loan, advances and financing									
- Performing	145,209	25,554	95,805	-	-	(4,251) *	-	<b>262,317</b>	8.87
Other assets ^	-	-	-	-	-	261,857	-	<b>261,857</b>	-
<b>TOTAL ASSETS</b>	<b>441,559</b>	<b>25,554</b>	<b>102,256</b>	<b>83,376</b>	<b>21,374</b>	<b>288,292</b>	<b>127,245</b>	<b>1,089,656</b>	
<b>LIABILITIES AND EQUITY</b>									
<b>Liabilities</b>									
Deposits from customers	60,995	-	-	-	-	-	-	<b>60,995</b>	3.45
Deposits and placements of banks and other financial institutions	50,000	100,000	-	-	-	-	-	<b>150,000</b>	3.61
Other liabilities #	-	-	-	-	-	311,997	-	<b>311,997</b>	-
<b>TOTAL LIABILITIES</b>	<b>110,995</b>	<b>100,000</b>	-	-	-	<b>311,997</b>	-	<b>522,992</b>	
Shareholders' funds	-	-	-	-	-	566,664	-	<b>566,664</b>	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>110,995</b>	<b>100,000</b>	-	-	-	<b>878,661</b>	-	<b>1,089,656</b>	
On-balance sheet interest sensitivity gap	330,564	(74,446)	102,256	83,376	21,374	(590,369)	127,245	-	
Total interest sensitivity gap	330,564	(74,446)	102,256	83,376	21,374	(590,369)	127,245	-	

^ Other assets include Trade receivables, Other assets, Property, Plant and equipment, Intangible assets, Deferred tax assets, Statutory deposit with Bank Negara Malaysia and Amount owing from holding company/ subsidiaries/related companies as disclosed in the Balance Sheet.

# Other liabilities include Trade payables, Other liabilities and Amount owing to holding company/subsidiaries/related companies as disclosed in the Balance Sheet.

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

**31 Valuation of Property, Plant and Equipment**

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

**32 Material Subsequent Event**

There were no material events subsequent to 31 October 2008.

**33 Changes in the Composition of the Bank**

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

**34 Changes in Contingent Liabilities/Assets**

There were no material changes in contingent liabilities or assets since the last audited balance sheet date.

**35 Commitments and Contingencies**

**(a) Capital Commitments**

As at 31 October 2008, the Bank has commitments in respect of capital expenditure as follows: -

	RM'000
Authorised but not contracted for	1,999
	<hr/>

**(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:

	Notional Amount RM'000	Credit Equivalent Amount * RM'000	Risk Weighted Amount RM'000
<u>As at 31 October 2008</u>			
Undrawn margin facilities	190,856	38,171	38,171
Undrawn term loan facilities	6,486	1,297	1,297
	<hr/>	<hr/>	<hr/>
<u>As at 31 January 2008</u>			
Undrawn margin facilities	163,198	32,640	32,640
	<hr/>	<hr/>	<hr/>

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