

Company No.

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INDIA INTERNATIONAL BANK (MALAYSIA) BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

Company No.

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INDIA INTERNATIONAL BANK (MALAYSIA) BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPT 2015

| | <u>Note</u> | <u>30 Sept 2015</u> RM'000 | <u>31 Dec 2014</u> RM'000 |
|--|-------------|-------------------------------|------------------------------|
| ASSETS | | | |
| Cash and short-term funds | 15 | 79,194 | 142,133 |
| Deposits and placements with banks and other financial institutions | 16 | 293,236 | 240,738 |
| Financial investments available-for-sale | | - | - |
| Financial investments held-to-maturity | 17 | 20,013 | 20,152 |
| Loans, advances and financing | 18 | 46,073 | 46,622 |
| Derivative assets | 20 | 18 | 1 |
| Other assets | 21 | 1,140 | 773 |
| Statutory deposits with Bank Negara Malaysia | | 100 | 100 |
| Plant and equipment | | 2,132 | 3,100 |
| Intangible assets | | 4,638 | 6,479 |
| TOTAL ASSETS | | <u>446,544</u> | <u>460,098</u> |
| LIABILITIES AND EQUITY | | | |
| Deposits from customers | 22 | 125,509 | 134,767 |
| Bills and acceptances payable | | - | - |
| Derivative liabilities | 23 | 599 | 229 |
| Other liabilities | 24 | 1,635 | 13,597 |
| TOTAL LIABILITIES | | <u>127,743</u> | <u>148,593</u> |
| Share capital | 25 | 330,000 | 320,000 |
| Accumulated losses | | (11,199) | (8,495) |
| TOTAL EQUITY OF SHAREHOLDERS | | <u>318,801</u> | <u>311,505</u> |
| TOTAL LIABILITIES AND EQUITY | | <u>446,544</u> | <u>460,098</u> |
| COMMITMENTS AND CONTINGENCIES | 31 | <u>56,133</u> | <u>61,411</u> |

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2014.

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INDIA INTERNATIONAL BANK (MALAYSIA) BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

| | <u>Note</u> | 3rd Quarter Ended | | Nine Months Ended | |
|---|-------------|-------------------------------------|---------------------|--------------------------|---------------------|
| | | 30 Sept 2015 | 30 Sept 2014 | 30 Sept 2015 | 30 Sept 2014 |
| | | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| Interest income | 26 | 4,288 | 4,233 | 12,968 | 12,182 |
| Interest expense | 27 | (973) | (1,116) | (3,037) | (3,217) |
| Net interest income | | 3,315 | 3,117 | 9,931 | 8,965 |
| Other operating income | 28 | 38 | 95 | 681 | 813 |
| Net income | | 3,353 | 3,212 | 10,612 | 9,778 |
| Other operating expenses | 29 | (3,800) | (2,168) | (11,513) | (10,816) |
| Loan impairment charges | 30 | (1,308) | - | (1,803) | (2,282) |
| Loss before tax | | (1,755) | (1,044) | (2,704) | (3,320) |
| Taxation | | - | - | - | - |
| LOSS FOR THE FINANCIAL PERIOD | | (1,755) | (1,044) | (2,704) | (3,320) |
| Net (loss)/gain on securities available-for-sale | | - | - | - | - |
| Income tax relating to components of other comprehensive income | | - | - | - | - |
| Other comprehensive income for The financial year, Net of tax | | - | - | - | - |
| TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD | | (1,755) | (1,044) | (2,704) | (3,320) |

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2014.

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INDIA INTERNATIONAL BANK (MALAYSIA) BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

| | Share capital RM'000 | Accumulated losses RM'000 | Total RM'000 |
|--|----------------------------|---------------------------------|-----------------|
| Balance as at 1 Jan 2015 | 320,000 | (8,495) | 311,505 |
| Proceeds from shares issued | 10,000 | - | 10,000 |
| Total comprehensive loss for the financial period | - | (2,704) | (2,704) |
| Balance as at 30 Sept 2015 | <u>330,000</u> | <u>(11,199)</u> | <u>318,801</u> |
| Balance as at 1 Jan 2014 | 320,000 | (6,445) | 313,555 |
| Proceeds from shares issued | - | - | - |
| Total comprehensive loss for the financial period | - | (3,320) | (3,320) |
| Balance as at 30 Sept 2014 | <u>320,000</u> | <u>(9,765)</u> | <u>310,235</u> |

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2014.

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INDIA INTERNATIONAL BANK (MALAYSIA) BERHAD
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

| | 1 Jan 2015 To <u>30 Sept 2015</u> RM'000 | 1 Jan 2014 To <u>30 Sept 2014</u> RM'000 |
|--|---|---|
| <u>Note</u> | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (2,704) | (3,320) |
| Adjustments for: | | |
| Depreciation of plant and equipment | 986 | 977 |
| Amortisation of intangible assets | 1,840 | 1,861 |
| Interest income | (12,968) | (12,182) |
| Interest expense | 3,037 | 3,217 |
| | <hr/> | <hr/> |
| Operating loss before working capital changes | (9,809) | (9,447) |
| Decrease/(Increase) in deposits and placements with financial institution | (52,498) | (76,590) |
| Decrease in financial assets held-to-maturity | 139 | - |
| (Increase) in other assets | (367) | 23 |
| (Increase) in derivative assets | (17) | (2) |
| Decrease /(Increase) in loans, advances and financing | 549 | (3,767) |
| (Decrease) in deposits from customers | (9,258) | (10,927) |
| Increase in deposits and placements of banks and other financial institution | - | 1,309 |
| Increase in derivative liabilities | 370 | 126 |
| (Decrease)/ Increase in other liabilities | (11,962) | 577 |
| | <hr/> | <hr/> |
| Net cash generated used in operating activities | (82,853) | (98,698) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of plant and equipment | (17) | (53) |
| Purchase of intangible assets | - | (25) |
| Proceed of disposal of plant and equipment | - | 1 |
| Purchase of financial assets held-to-maturity | - | (9,806) |
| Interest received | 12,968 | 12,182 |
| | <hr/> | <hr/> |
| Net cash generated from investing activities | 12,951 | 2,299 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of share capital | 10,000 | - |
| Interest paid | (3,037) | (3,217) |
| | <hr/> | <hr/> |
| Net cash generated from/(used in) financing activities | 6,963 | (3,217) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD | | |
| | (62,939) | (99,616) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | | |
| | 142,133 | 216,096 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD | | |
| | 15 | 116,480 |
| | <hr/> <hr/> | <hr/> <hr/> |

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 December 2014.

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INDIA INTERNATIONAL BANK (MALAYSIA) BERHAD
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015**

1 CORPORATE INFORMATION

INDIA INTERNATIONAL BANK (MALAYSIA) BERHAD (“the Bank”) commenced commercial banking business on 11 July 2012. The principal activities of the Bank are banking and related financial services.

The address of the registered office and principal place of operation of the Bank is at 15, Jalan Raja Chulan, Bangunan Yee Seng, 50200 Kuala Lumpur.

The Bank is a company limited by shares and is a licensed Bank, incorporated and domiciled in Malaysia.

2 BASIS OF PREPARATION

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and Bank Negara Malaysia (BNM) guidelines.

The unaudited condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements of the Bank as at and for the financial year ended 31 December 2014. The explanatory notes attached to the interim financial statements provide an explanation of the events and transactions that are significant to an understanding of the financial position and performance of the Bank for the third financial quarter ended 30 September 2015.

The unaudited interim condensed financial statements for the third financial quarter ended 30 September 2015 have been prepared under the historical cost convention unless otherwise indicated in the summary of the significant accounting policies.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2014.

The following are accounting standards and amendments of the MFRS framework that have been issued by MASB but are not yet effective:

- (i) Financial year beginning on/after 1 January 2016
 - Amendment to MFRS 11 ‘Joint arrangements’ (effective from 1 January 2016) requires an investor to apply the principles of MFRS 3 ‘Business Combination’ when it acquires an interest in a joint operation that constitutes a business.
 - Amendments to MFRS 10 and MFRS 128 regarding sale or contribution of assets between an investor and its associate or joint venture (effective from 1 January 2016) resolve a current inconsistency between MFRS 10 and MFRS 128.

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INDIA INTERNATIONAL BANK (MALAYSIA) BERHAD
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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015 (CONTINUED)**

2 BASIS OF PREPARATION (CONTINUED)

The following are accounting standards and amendments of the MFRS framework that have been issued by MASB but are not yet effective

(ii) Financial year beginning on/after 1 January 2017

- MFRS 15 'Revenue from contracts with customers' (effective from 1 January 2017) deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

(iii) Financial year beginning on/after 1 January 2018

- MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement". The complete version of MFRS 9 was issued in November 2014.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Bank in these condensed interim financial statements are the same as those applied by the Bank in its audited financial statements for the year ended 31 December 2014.

4 ESTIMATES

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Bank's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited financial statements for the year ended 31 December 2014.

5 AUDITOR'S REPORT ON PRECEDING FINANCIAL STATEMENT

The auditors' report on the financial statements for the financial year ended 31 December 2014 was not subject to any qualification.

6 SEASONAL OR CYCLICAL FACTORS

The business operations of the Bank have not been affected by any material seasonal or cyclical factors.

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INDIA INTERNATIONAL BANK (MALAYSIA) BERHAD
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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015 (CONTINUED)**

7 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE AND INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Bank for the third financial quarter ended 30 September 2015.

8 CHANGES IN ESTIMATES

There were no material changes in estimates of amounts in prior financial year that have a material effect on the financial results and position of the Bank for the third financial quarter ended 30 September 2015.

9 ISSUE OF SHARES AND DEBENTURES

Details of the increase in issued and paid up ordinary share capital is as disclosed in Note 25 of the financial statements.

10 DIVIDENDS PAID

No dividends was declared or paid during the third financial quarter ended 30 September 2015.

11 SEGMENT INFORMATION

There is no segmental information as the Bank only has one reportable segment, which is its banking operation in Malaysia.

12 SUBSEQUENT EVENTS

There were no material events subsequent to the statement of financial position date that require disclosure or adjustment.

13 REVIEW OF PERFORMANCE

For the 9 months period ended 30 September 2015, the Bank recorded an operating loss of RM901,000 which is slightly lower compared to the same period in 2014. This is mainly due to higher net interest income for the current period of RM9.931 million against the 2014 of RM8.965 million or higher by RM 966,000. On the other hand, operating expenses increased from RM10.816 million to RM11.513 or higher by RM697,000 which is mainly due to higher staff cost.

Loss after loan loss impairment up to Sept 2015 was RM2.704 million against the previous year's loss of RM3.320 million.

Deposits from customers were RM 125.51 million and loans and advances were RM 46.07 million as at end of 30 September 2015. Shareholders fund as at end of 30 September 2015 stood at RM 318.80 million.

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INDIA INTERNATIONAL BANK (MALAYSIA) BERHAD
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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015 (CONTINUED)

14 BUSINESS PROSPECTS

The Bank is optimistic on its business prospects as there are ample opportunities to provide financing and banking services to both the Malaysian domestic business enterprises and Indian based corporates and business entities operating in Malaysia. Further, the growing bi-lateral trade relationship between India and Malaysia also offers good growth opportunities for the Bank.

The Bank is regularly reviewing its business strategies to suit the changing business environment and catering to the needs of the varied business requirement with prudent risk taking to ensure sustainability of growth going forward.

The loans and advances and trade finance activities are expected to increase further, which will contribute positively towards higher operating income.

15 CASH AND SHORT-TERM FUNDS

| | <u>30 Sept 2015</u> | <u>31 Dec 2014</u> |
|--|---------------------|--------------------|
| | RM'000 | RM'000 |
| Cash and balances with banks and other financial institutions | 58,997 | 74,430 |
| Money at call and deposit placements maturing within one month | 20,197 | 71,703 |
| | <u>79,194</u> | <u>142,133</u> |

16 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

| | <u>30 Sept 2015</u> | <u>31 Dec 2014</u> |
|----------------|---------------------|--------------------|
| | RM'000 | RM'000 |
| Licensed banks | <u>293,236</u> | <u>240,738</u> |

17 FINANCIAL INVESTMENTS HELD-TO-MATURITY

| | <u>30 Sept 2015</u> | <u>31 Dec 2014</u> |
|---------------------------------|---------------------|--------------------|
| | RM'000 | RM'000 |
| <u>At amortised cost</u> | | |
| Money market instruments: | | |
| Malaysian Government Securities | 20,013 | 20,152 |
| Private debt securities | - | - |
| | <u>20,013</u> | <u>20,152</u> |

INDIA INTERNATIONAL BANK (MALAYSIA) BERHAD
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015 (CONTINUED)**

18 **LOANS, ADVANCES AND FINANCING**

| | <u>30 Sept 2015</u> RM'000 | <u>31 Dec 2014</u> RM'000 |
|--|-------------------------------|------------------------------|
| (i) By type | | |
| Overdrafts | 18,458 | 18,753 |
| Term loans/financing | | |
| - Housing loans/financing | - | - |
| - Other term loans/financing | 8,732 | 6,291 |
| Bills receivable | 14,763 | 14,439 |
| Trust receipt | 7,949 | 10,208 |
| Revolving credit | - | - |
| Staff loans | - | - |
| Less : Unearned interest and income | (82) | (67) |
| | <u>49,820</u> | <u>49,624</u> |
| Less : Allowance for impaired loans and financing | | |
| - Collective assessment allowance | (740) | (715) |
| - Individual assessment allowance | (3,007) | (2,287) |
| Net loans, advances and financing | <u>46,073</u> | <u>46,622</u> |
| (ii) By type of customer | | |
| Domestic business enterprises | | |
| - Small medium enterprises | 46,420 | 46,214 |
| - Others | 3,400 | 3,410 |
| Domestic non-bank financial institutions | - | - |
| Individuals | - | - |
| Foreign entities | - | - |
| Gross loans, advances and financing | <u>49,820</u> | <u>49,624</u> |

INDIA INTERNATIONAL BANK (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015 (CONTINUED)

18 LOANS, ADVANCES AND FINANCING (CONTINUED)

| | <u>30 Sept 2015</u> RM'000 | <u>31 Dec 2014</u> RM'000 |
|--|-------------------------------|------------------------------|
| (iii) By interest rate sensitivity | | |
| Fixed rate | - | - |
| Variable rate | | |
| - BLR plus/minus | 45,888 | 47,306 |
| - Cost plus | - | - |
| - Other variable rates | 3,932 | 2,318 |
| | <u>49,820</u> | <u>49,624</u> |
| (iv) By residual contractual maturity | | |
| Maturity within one year | 41,089 | 43,333 |
| More than one year to three years | - | - |
| More than three years to five years | - | - |
| More than five years | 8,732 | 6,291 |
| | <u>49,820</u> | <u>49,624</u> |
| (v) By geographical distribution | | |
| Malaysia | | |
| - Kuala Lumpur | 18,224 | 17,723 |
| - Selangor | 13,379 | 15,977 |
| - Kedah | 7,594 | 6,315 |
| - Terengganu | 7,963 | 9,609 |
| - Perak | 2,660 | - |
| | <u>49,820</u> | <u>49,624</u> |
| (vi) By sector | | |
| Manufacturing | 20,068 | 19,559 |
| Electricity, gas and water supply | - | - |
| Construction | 882 | 1,057 |
| Wholesale and retail trade, and restaurants and hotels | 25,377 | 25,711 |
| Transport, storage and communication | - | - |
| Finance, insurance, real estate and business activities | 2,825 | 2,896 |
| Education, health and others | 668 | 401 |
| | <u>49,820</u> | <u>49,624</u> |

INDIA INTERNATIONAL BANK (MALAYSIA) BERHAD
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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015 (CONTINUED)

19 IMPAIRED LOANS, ADVANCES AND FINANCING

| | <u>30 Sept 2015</u> RM'000 | <u>31 Dec 2014</u> RM'000 |
|---|-------------------------------|------------------------------|
| (i) Movements in impaired loans, advances and financing | | |
| At beginning of financial period | 3,130 | - |
| Classified as impaired during the financial period | 5,138 | 5,170 |
| Reclassified as non-impaired during the financial period | - | - |
| Amount recovered | (1,019) | (2,040) |
| Amount written off | (1,058) | - |
| | <hr/> | <hr/> |
| At end of financial period | 6,191 | 3,130 |
| Individual impairment provision | (3,007) | (2,287) |
| | <hr/> | <hr/> |
| Net Impaired loans and advances | 3,184 | 843 |
| | <hr/> | <hr/> |
| Ratio of net impaired loans and advances to gross loans and advances less individual impairments provisions | 6.80% | 1.78% |
| | <hr/> <hr/> | <hr/> <hr/> |
| (ii) Movements in impairment allowances for loans and advances | | |
| Individual impairments allowances | | |
| At 1 Jan | 2,287 | - |
| Allowance made during the period | 1,778 | 2,287 |
| Amount written off | (1,058) | - |
| | <hr/> | <hr/> |
| At end of the period | 3,007 | 2,287 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Collective impairments allowances | | |
| At 1 Jan | 715 | 628 |
| Allowance made during the period | 25 | 87 |
| Amount written back | - | - |
| | <hr/> | <hr/> |
| At end of the period | 740 | 715 |
| | <hr/> <hr/> | <hr/> <hr/> |
| As % of gross loans and advances less individual impairment provisions | 1.58% | 1.51% |
| | <hr/> <hr/> | <hr/> <hr/> |

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015 (CONTINUED)**

19 **IMPAIRED LOANS, ADVANCES AND FINANCING (CONTINUED)**

| | <u>30 Sept 2015</u> | <u>31 Dec 2014</u> |
|--|---------------------|---------------------|
| | RM'000 | RM'000 |
| (iii) By geographical distribution | | |
| Malaysia | | |
| - Kuala Lumpur | 5,236 | 2,073 |
| - Selangor | 955 | 1,057 |
| - Kedah | - | - |
| - Terengganu | - | - |
| - Perak | - | - |
| | <u>6,191</u> | <u>3,130</u> |
| Gross loans, advances and financing | <u><u>6,191</u></u> | <u><u>3,130</u></u> |
| (iv) By sector | | |
| Manufacturing | 955 | - |
| Electricity, gas and water supply | - | - |
| Construction | - | 1,057 |
| Wholesale and retail trade, and restaurants and hotels | 5,236 | 2,073 |
| Transport, storage and communication | - | - |
| Finance, insurance, real estate and business activities | - | - |
| Education, health and others | - | - |
| | <u>6,191</u> | <u>3,130</u> |
| Gross loans, advances and financing | <u><u>6,191</u></u> | <u><u>3,130</u></u> |

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INDIA INTERNATIONAL BANK (MALAYSIA) BERHAD
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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015 (CONTINUED)

20 DERIVATIVE ASSETS

| | <u>30 Sept 2015</u> RM'000 | <u>31 Dec 2014</u> RM'000 |
|-------------------------------------|--|--|
| Derivative assets: | | |
| Foreign exchange forwards | 18 | 1 |
| | <u> </u> | <u> </u> |
| | <u>Contract or</u> <u>underlying</u> <u>principal amount</u> RM'000 | <u>Positive</u> <u>fair value</u> RM'000 |
| <u>30 Sept 2015</u> | | |
| Foreign exchange related contracts: | | |
| - Forwards | 4,439 | 18 |
| | <u> </u> | <u> </u> |
| <u>31 Dec 2014</u> | | |
| Foreign exchange related contracts: | | |
| - Forwards | 1,188 | 1 |
| | <u> </u> | <u> </u> |

21 OTHER ASSETS

| | <u>30 Sept 2015</u> RM'000 | <u>31 Dec 2014</u> RM'000 |
|-------------|-------------------------------|------------------------------|
| Deposits | 216 | 253 |
| Prepayments | 924 | 520 |
| | <u> </u> | <u> </u> |
| | 1,140 | 773 |
| | <u> </u> | <u> </u> |

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INDIA INTERNATIONAL BANK (MALAYSIA) BERHAD
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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015 (CONTINUED)**

22 DEPOSITS FROM CUSTOMERS

| | <u>30 Sept 2015</u> RM'000 | <u>31 Dec 2014</u> RM'000 |
|--|-------------------------------|------------------------------|
| (i) By type of deposits | | |
| Demand deposits | 10,953 | 11,870 |
| Savings deposits | 944 | 1,178 |
| Fixed deposits | 113,612 | 121,719 |
| | <u>125,509</u> | <u>134,767</u> |
| (ii) Maturity structure of fixed deposits is as follows: | | |
| Due within six months | 91,324 | 100,059 |
| Six months to one year | 15,522 | 21,571 |
| One year to three years | 6,766 | 89 |
| | <u>113,612</u> | <u>121,719</u> |
| (iii) The deposits are sourced from the following types of customers: | | |
| Business enterprises | 61,893 | 59,842 |
| Individuals | 2,985 | 3,768 |
| Foreign entities | 60,631 | 71,157 |
| | <u>125,509</u> | <u>134,767</u> |

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR
THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015 (CONTINUED)

23 DERIVATIVE LIABILITIES

| | <u>30 Sept 2015</u> RM'000 | <u>31 Dec 2014</u> RM'000 |
|-------------------------------------|--|--|
| Derivative liabilities: | | |
| Foreign exchange forwards | 599 | 229 |
| | <u> </u> | <u> </u> |
| | <u>Contract or</u> <u>underlying</u> <u>principal amount</u> RM'000 | <u>Negative</u> <u>fair value</u> RM'000 |
| <u>30 Sept 2015</u> | | |
| Foreign exchange related contracts: | | |
| - Forwards | 14,858 | 599 |
| | <u> </u> | <u> </u> |
| <u>31 Dec 2014</u> | | |
| Foreign exchange related contracts: | | |
| - Forwards | 15,552 | 229 |
| | <u> </u> | <u> </u> |

24 OTHER LIABILITIES

| | <u>30 Sept 2015</u> RM'000 | <u>31 Dec 2014</u> RM'000 |
|----------------------------|-------------------------------|------------------------------|
| Other payables | 485 | 2,222 |
| Amount due to shareholders | - | 10,000 |
| Accruals | 1,150 | 1,375 |
| | <u> </u> | <u> </u> |
| | <u>1,635</u> | <u>13,597</u> |

25 SHARE CAPITAL

| | <u>30 Sept 2015</u> RM'000 | <u>31 Dec 2014</u> RM'000 |
|---|-------------------------------|------------------------------|
| <u>Authorised:</u> | | |
| 50,000,000 ordinary shares of RM10 each | 500,000 | 500,000 |
| <u>Issued and fully paid:</u> | | |
| Balance as at beginning of the financial year | 320,000 | 320,000 |
| Issued during the financial year | 10,000 | - |
| | <u> </u> | <u> </u> |
| Balance as at end of the financial year | <u>330,000</u> | <u>320,000</u> |

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THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015 (CONTINUED)

26 INTEREST INCOME

| | 3 rd Quarter Ended | | Nine Months Ended | |
|---|-------------------------------|-----------------|-------------------|-----------------|
| | 30 Sept 2015 | 30 Sept 2014 | 30 Sept 2015 | 30 Sept 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Loans and advances | 787 | 782 | 2,362 | 2,465 |
| Money at call and deposit placements with financial institutions | 3,330 | 3,284 | 10,101 | 9,245 |
| Financial Investments – Held-for-maturity | 171 | 167 | 505 | 472 |
| Total Interest Income | 4,288 | 4,233 | 12,968 | 12,182 |

27 INTEREST EXPENSE

| | 3 rd Quarter Ended | | Nine Months Ended | |
|--|-------------------------------|-----------------|-------------------|-----------------|
| | 30 Sept 2015 | 30 Sept 2014 | 30 Sept 2015 | 30 Sept 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Deposits and placements of banks and other financial institutions | 1 | 5 | 2 | 12 |
| Deposits from customers | 972 | 1,111 | 3,035 | 3,205 |
| | 973 | 1,116 | 3,037 | 3,217 |

28 OTHER OPERATING INCOME

| | 3 rd Quarter Ended | | Nine Months Ended | |
|--|-------------------------------|-----------------|-------------------|-----------------|
| | 30 Sept 2015 | 30 Sept 2014 | 30 Sept 2015 | 30 Sept 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Commission and fee income:</u> | | | | |
| Commission | 56 | 96 | 211 | 256 |
| Service charges and fees | 44 | 65 | 144 | 130 |
| Other income | 12 | - | 29 | - |
| | 112 | 161 | 384 | 386 |
| <u>Other income:</u> | | | | |
| Foreign exchange gain/(loss) | 325 | 199 | 649 | 552 |
| Unrealised gain (loss) on revaluation of derivative instruments | (399) | (265) | (352) | (125) |
| | 38 | 95 | 681 | 813 |

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29 OTHER OPERATING EXPENSES

| | 3 rd Quarter Ended | | Nine Months Ended | |
|---|-------------------------------|-----------------|-------------------|-----------------|
| | 30 Sept 2015 | 30 Sept 2014 | 30 Sept 2015 | 30 Sept 2014 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Personnel costs (Note a) | 1,143 | 934 | 3,628 | 2,913 |
| Marketing expenses (Note b) | 20 | (19) | 67 | 61 |
| Establishments costs (Note c) | 2,132 | 2,084 | 6,368 | 6,440 |
| Administration and general expenses (Note d) | 505 | (831) | 1,450 | 1,402 |
| | <u>3,800</u> | <u>2,168</u> | <u>11,513</u> | <u>10,816</u> |
| (a) <u>Personnel costs:</u> | | | | |
| - Salaries and allowances | 831 | 691 | 2,533 | 2,094 |
| - Pension fund contributions | 118 | 69 | 321 | 192 |
| - Other staff costs | 194 | 174 | 744 | 627 |
| | <u>1,143</u> | <u>934</u> | <u>3,628</u> | <u>2,913</u> |
| b) <u>Marketing expenses:</u> | | | | |
| - Advertising and promotion | 20 | (19) | 67 | 61 |
| | <u>20</u> | <u>(19)</u> | <u>67</u> | <u>61</u> |
| (c) <u>Establishments costs:</u> | | | | |
| - Depreciation of plant and equipment | 329 | 327 | 986 | 977 |
| - Amortisation of intangible assets | 613 | 621 | 1,840 | 1,861 |
| - Rental | 157 | 163 | 496 | 487 |
| - Repair and maintenance | 12 | 11 | 31 | 74 |
| - Information technology expenses | 846 | 766 | 2,483 | 2,480 |
| - Telecommunication charges | 142 | 163 | 449 | 476 |
| - Others | 33 | 33 | 83 | 85 |
| | <u>2,132</u> | <u>2,084</u> | <u>6,368</u> | <u>6,440</u> |
| (d) <u>Administration and general expenses:</u> | | | | |
| - Legal and professional fees | 39 | 62 | 208 | 210 |
| - Auditor's fees | 40 | 30 | 119 | 90 |
| - Directors' fees | 43 | 19 | 94 | 61 |
| - Subscriptions | 81 | 111 | 288 | 307 |
| - Transport and travelling | 8 | 2 | 18 | 39 |
| - Others | 294 | (1,055) | 723 | 695 |
| | <u>505</u> | <u>(831)</u> | <u>1,450</u> | <u>1,402</u> |

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30 LOAN IMPAIRMENT CHARGES

| | <u>30 Sept 2015</u> RM'000 | <u>30 Sept 2014</u> RM'000 |
|--|-------------------------------|-------------------------------|
| Allowance for losses on loans and advances | | |
| Individual assessment allowance: | | |
| - Made during the financial year | 1,778 | 2,110 |
| - Written back during the financial year | | - |
| Collective assessment allowance: | | |
| - Made during the financial year | 25 | 172 |
| - Written back during the financial year | - | - |
| | <u>1,803</u> | <u>2,282</u> |

31 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 commitments and contingencies constitute the following:

| | <u>Principal amount</u> RM'000 | <u>Positive fair value of derivate contracts</u> RM'000 | <u>Credit equivalent amount</u> RM'000 | <u>Risk-weighted assets</u> RM'000 |
|---|-----------------------------------|--|---|---------------------------------------|
| <u>30 Sept 2015</u> | | | | |
| Direct credit substitutes | 13,969 | - | 13,969 | 12,000 |
| Transaction-related contingent items | - | - | - | - |
| Short-term self-liquidating trade-related contingencies | 544 | - | 109 | 109 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of:- | | | | |
| - Exceeding one year | - | - | - | - |
| - Not exceeding one year | 22,323 | - | 4,465 | 4,465 |
| <u>Derivate financial contracts</u> | | | | |
| Foreign exchange related contracts: | | | | |
| - Less than one year | 19,297 | 18 | 155 | 31 |
| Interest rate related contracts: | | | | |
| - Less than one year | - | - | - | - |
| - One year or less than five years | - | - | - | - |
| Total | <u>56,133</u> | <u>18</u> | <u>18,698</u> | <u>16,605</u> |

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31 COMMITMENTS AND CONTINGENCIES (CONTINUED)

| | <u>Principal amount</u> RM'000 | <u>Positive fair value of derivate contracts</u> RM'000 | <u>Credit equivalent amount</u> RM'000 | <u>Risk- weighted assets</u> RM'000 |
|--|---------------------------------------|--|---|--|
| <u>31 Dec 2014</u> | | | | |
| Direct credit substitutes | | | | |
| Transaction-related contingent items | 13,757 | - | 13,757 | 12,046 |
| Short-term self-liquidating trade-related contingencies | 1,386 | - | 277 | 277 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of:- | | | | |
| - Exceeding one year | 10,000 | - | 5,000 | 5,000 |
| - Not exceeding one year | 19,529 | - | 3,906 | 3,906 |
| <u>Derivate financial contracts</u> | | | | |
| Foreign exchange related contracts: | | | | |
| - Less than one year | 16,739 | 1 | 111 | 22 |
| Interest rate related contracts: | | | | |
| - Less than one year | - | - | - | - |
| - One year or less than five years | - | - | - | - |
| Total | <u>61,411</u> | <u>1</u> | <u>23,051</u> | <u>21,251</u> |

32 SIGNIFICANT RELATED PARTY DISCLOSURES

Significant related party balances

| | <u>30 Sept 2015</u> RM'000 | <u>31 Dec 2014</u> RM'000 |
|--|-------------------------------|------------------------------|
| <u>Amounts due from:</u> | | |
| Bank balances and short-term funds with: | | |
| - Bank of Baroda | 4,067 | 2,461 |
| - Indian Overseas Bank | 6 | 6 |
| - Andhra Bank | 1 | 1 |
| Total | <u>4,074</u> | <u>2,468</u> |

All the transactions above have been entered at agreed terms between the two parties.

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33 CAPITAL ADEQUACY

The capital adequacy ratio of the Bank are as follows:

| | <u>30 Sept 2015</u> RM'000 | <u>31 Dec 2014</u> RM'000 |
|---------------------------------------|-------------------------------|------------------------------|
| <u>Common Equity Tier 1 Capital</u> | | |
| Paid-up share capital | 330,000 | 320,000 |
| Accumulated losses | (11,199) | (8,495) |
| Less: Deferred tax assets | - | - |
| | <hr/> | <hr/> |
| Total Common Equity Tier 1 Capital | 318,801 | 311,505 |
| | <hr/> | <hr/> |
| <u>Tier 1 capital</u> | | |
| Additional Tier 1 Capital Instruments | - | - |
| Share Premium | - | - |
| | <hr/> | <hr/> |
| Total Tier 1 capital | - | - |
| | <hr/> | <hr/> |
| <u>Tier 2 capital</u> | | |
| Collective impairment allowance | 740 | 715 |
| | <hr/> | <hr/> |
| Total Tier 2 capital | 740 | 715 |
| | <hr/> | <hr/> |
| Total capital base | 319,541 | 312,220 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Capital ratios | | |
| Core capital ratio | 205.0% | 192.7% |
| Risk-weighted capital ratio | 205.5% | 193.1% |

The Bank does not have any innovative, non-innovative, complex or hybrid capital instruments.
The breakdown of risk-weighted assets by major category is as follows:

| | <u>30 Sept 2015</u> RM'000 | <u>31 Dec 2014</u> RM'000 |
|----------------------------|-------------------------------|------------------------------|
| Credit risk | 129,370 | 141,902 |
| Market risk | 2,825 | 367 |
| Operational risk | 23,322 | 19,392 |
| | <hr/> | <hr/> |
| Total risk-weighted assets | 155,517 | 161,661 |
| | <hr/> <hr/> | <hr/> <hr/> |

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34 CAPITAL ADEQUACY (CONTINUED)

Total risk weighted assets and capital requirements as at 30 Sept 2015:

| <u>Exposure Class</u> | <u>Gross exposures</u> RM'000 | <u>Net exposures</u> RM'000 | <u>Risk weighted assets</u> RM'000 | <u>Capital requirements</u> RM'000 |
|--|----------------------------------|--------------------------------|---------------------------------------|---------------------------------------|
| (a) Credit Risk | | | | |
| <i><u>On-balance sheet exposures</u></i> | | | | |
| Sovereigns/central banks | 21,484 | 21,484 | - | - |
| Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs") | 370,187 | 370,187 | 74,037 | 5,922 |
| Corporates | 42,889 | 28,280 | 28,260 | 2,261 |
| Residential mortgages | - | - | - | - |
| Higher risk assets | - | - | - | - |
| Other assets | 8,800 | 8,800 | 7,910 | 633 |
| Defaulted exposures | 3,184 | 2,959 | 2,558 | 205 |
| Total on-balance sheet exposures | 446,544 | 431,710 | 112,765 | 9,021 |
| <i><u>Off-balance sheet exposures</u></i> | | | | |
| Over-the-counter ("OTC") | | | | |
| Derivatives | 155 | 155 | 31 | 3 |
| Credit derivatives | - | - | - | - |
| Off balance sheet exposures other than OTC derivatives or credit derivatives | 19,211 | 16,574 | 16,574 | 1,326 |
| Total off-balance sheet exposures | 19,366 | 16,729 | 16,605 | 1,329 |
| Total on and off-balance sheet exposures | 465,910 | 448,439 | 129,370 | 10,350 |
| | <u>Long position</u> | <u>Short position</u> | | |
| (b) Market risk | | | | |
| Interest rate risk | - | - | - | - |
| Foreign currency risk | 2,825 | - | 2,825 | 226 |
| (c) Operational risk | | | 23,322 | 1,866 |
| Total risk weighted assets and capital requirements | | | 155,517 | 12,442 |

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34 CAPITAL ADEQUACY (CONTINUED)

The breakdown of the Bank's credit risk exposures by risk weights is as follows:

| | Exposures after netting and credit risk mitigation (RM'000) | | | | | | | | Total exposures after netting and credit risk mitigation | Total risk weighted assets |
|----------------------------------|---|------------------------------|--|------------|--------------------------|-----------------------|-----------------|--------|--|----------------------------|
| | Sovereigns/ Central banks | Public sector entities | Banks, Development Financial Institutions and MDBs | Corporates | Residential mortgages | Higher risk assets | Other assets | Equity | | |
| <u>30 Sept 2015</u> | | | | | | | | | | |
| <u>Risk weighted</u> | | | | | | | | | | |
| 0% | 21,484 | - | - | - | - | - | 890 | - | 22,374 | - |
| 20% | - | - | 370,342 | - | - | - | - | - | 370,342 | 74,068 |
| 50% | - | - | - | 842 | - | - | - | - | 842 | 421 |
| 100% | - | - | - | 46,971 | - | - | 7,910 | - | 54,881 | 54,881 |
| Total exposures | 21,484 | - | 370,342 | 47,813 | - | - | 8,800 | - | 448,439 | 129,370 |
| Risk weighted assets by exposure | - | - | 74,068 | 47,392 | - | - | 7,910 | - | - | 129,370 |
| Average risk weight | 0.00% | 0.00% | 20.00% | 99.12% | 0.00% | 0.00% | 90.00% | 0.00% | - | - |
| Deduction from capital base | - | - | - | - | - | - | - | - | - | - |

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34 CAPITAL ADEQUACY (CONTINUED)

Total risk weighted assets and capital requirements as at 31 December 2014:

| <u>Exposure Class</u> | <u>Gross exposures</u> RM'000 | <u>Net exposures</u> RM'000 | <u>Risk weighted assets</u> RM'000 | <u>Capital requirements</u> RM'000 |
|--|----------------------------------|--------------------------------|---------------------------------------|---------------------------------------|
| (a) Credit Risk | | | | |
| <u>On-balance sheet exposures</u> | | | | |
| Sovereigns/central banks | 22,099 | 22,099 | - | - |
| Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs") | 380,272 | 380,272 | 76,054 | 6,084 |
| Corporates | 45,779 | 33,823 | 33,823 | 2,706 |
| Residential mortgages | - | - | - | - |
| Higher risk assets | - | - | - | - |
| Other assets | 11,105 | 11,105 | 10,352 | 828 |
| Defaulted exposures | 843 | 843 | 422 | 34 |
| Total on-balance sheet exposures | 460,098 | 448,142 | 120,651 | 9,652 |
| <u>Off-balance sheet exposures</u> | | | | |
| Over-the-counter ("OTC") | | | | |
| Derivatives | 111 | 111 | 22 | 2 |
| Credit derivatives | - | - | - | - |
| Off balance sheet exposures other than OTC derivatives or credit derivatives | 22,940 | 21,229 | 21,229 | 1,698 |
| Total off-balance sheet exposures | 23,051 | 21,340 | 21,251 | 1,700 |
| Total on and off-balance sheet exposures | 483,149 | 469,482 | 141,902 | 11,352 |
| | <u>Long position</u> | <u>Short position</u> | | |
| (b) Market risk | | | | |
| Interest rate risk | - | - | - | - |
| Foreign currency risk | 367 | - | 367 | 29 |
| (c) Operational risk | | | 19,392 | 1,552 |
| Total risk weighted assets and capital requirements | | | 161,661 | 12,933 |

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34 CAPITAL ADEQUACY (CONTINUED)

The breakdown of the Bank's credit risk exposures by risk weights is as follows:

| | Exposures after netting and credit risk mitigation (RM'000) | | | | | | | | | |
|-------------------------------------|---|------------------------------|--|------------|--------------------------|-----------------------|-----------------|--------|---|----------------------------------|
| | Sovereigns/ Central banks | Public sector entities | Banks, Development Financial Institutions and MDBs | Corporates | Residential mortgages | Higher risk assets | Other assets | Equity | Total exposures after netting and credit risk mitigation | Total risk weighted assets |
| <u>31 Dec 2014</u> | | | | | | | | | | |
| <u>Risk weighted</u> | | | | | | | | | | |
| 0% | 22,099 | - | - | - | - | - | 753 | - | 22,852 | - |
| 20% | - | - | 380,383 | - | - | - | - | - | 380,383 | 76,076 |
| 50% | - | - | - | 843 | - | - | - | - | 843 | 422 |
| 100% | - | - | - | 55,052 | - | - | 10,352 | - | 65,404 | 65,404 |
| Total exposures | 22,099 | - | 380,383 | 55,895 | - | - | 11,105 | - | 469,482 | 141,902 |
| Risk weighted assets by exposure | - | - | 76,076 | 55,474 | - | - | 10,352 | - | - | 141,902 |
| Average risk weight | 0.00% | 0.00% | 20.00% | 99.25% | 0.00% | 0.00% | 93.22% | 0.00% | | |
| Deduction from capital base | - | - | - | - | - | - | - | - | | |

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35 INTEREST RATE RISK

The following table represents the Bank's carrying assets and liabilities at carrying amounts as at 30 Sept 2015:

| | 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 | | | |
| <u>30 Sept 2015</u> | | | | | | | | | |
| <u>Assets</u> | | | | | | | | | |
| Cash and balances with banks and other financial institutions | - | - | - | - | - | 58,997 | - | 58,997 | 3.25 |
| Money at call and deposit placements maturing within one month | 20,000 | - | - | - | - | 197 | - | 20,197 | 3.70 |
| Deposits and placements with banks and other financial institutions | - | 155,000 | 136,786 | - | - | 1,450 | - | 293,236 | 3.70 |
| Financial investments available-for-sale | - | - | - | - | - | - | - | - | - |
| Financial investments held-to-maturity | - | - | - | 20,013 | - | - | - | 20,013 | 3.37 |
| Loans, advances and financing | 26,663 | 11,068 | 3,357 | - | 8,732 | (3,747) | - | 46,073 | 7.15 |
| Derivatives assets | - | - | - | - | - | - | 18 | 18 | - |
| Other assets | - | - | - | - | - | 1,140 | - | 1,140 | - |
| Statutory deposits with Bank Negara Malaysia | - | - | - | - | - | 100 | - | 100 | - |
| Plant and equipment | - | - | - | - | - | 2,132 | - | 2,132 | - |
| Intangible assets | - | - | - | - | - | 4,638 | - | 4,638 | - |
| Total assets | 46,663 | 166,068 | 140,143 | 20,013 | 8,732 | 64,907 | 18 | 446,544 | |

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35 INTEREST RATE RISK (CONTINUED)

| | 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 | | | |
| <u>30 Sept 2015</u> | | | | | | | | | |
| <u>Liabilities</u> | | | | | | | | | |
| Deposits from customers | 44,634 | 40,943 | 33,166 | 6,766 | - | - | - | 125,509 | 3.31 |
| Deposits and placements of banks and other financial institutions | - | - | - | - | - | - | - | - | - |
| Bills and acceptances payable | - | - | - | - | - | - | - | - | - |
| Derivative liabilities | - | - | - | - | - | - | 599 | 599 | - |
| Other liabilities | - | - | - | - | - | 1,635 | - | 1,635 | - |
| Total liabilities | 44,634 | 40,943 | 33,166 | 6,766 | - | 1,635 | 599 | 127,743 | |
| On balance sheet-interest rate gap | 2,029 | 125,125 | 106,977 | 13,247 | 8,732 | 63,272 | (581) | 318,801 | |

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35 INTEREST RATE RISK (CONTINUED)

The following table represents the Bank's carrying assets and liabilities at carrying amounts as at 31 December 2014:

| | 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 | | | |
| <u>31 December 2014</u> | | | | | | | | | |
| <u>Assets</u> | | | | | | | | | |
| Cash and balances with banks and other financial institutions | - | - | - | - | - | 70,430 | - | 70,430 | 3.25 |
| Money at call and deposit placements maturing within one month | 71,101 | - | - | - | - | 602 | - | 71,703 | 3.73 |
| Deposits and placements with banks and other financial institutions | - | 85,407 | 155,331 | - | - | - | - | 240,738 | 3.83 |
| Financial investments available-for-sale | - | - | - | - | - | - | - | - | - |
| Financial investments held-to-maturity | - | - | - | 20,152 | - | - | - | 20,152 | 3.22 |
| Loans, advances and financing | 20,697 | 9,875 | 12,762 | - | 6,290 | (3,002) | - | 46,622 | 7.33 |
| Derivative assets | - | - | - | - | - | - | 1 | 1 | - |
| Other assets | - | - | - | - | - | 773 | - | 773 | - |
| Statutory deposits with Bank Negara Malaysia | - | - | - | - | - | 100 | - | 100 | - |
| Plant and equipment | - | - | - | - | - | 3,100 | - | 3,100 | - |
| Intangible assets | - | - | - | - | - | 6,479 | - | 6,479 | - |
| Total assets | 91,798 | 95,282 | 168,093 | 20,152 | 6,290 | 78,482 | 1 | 460,098 | |

Company No.

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INDIA INTERNATIONAL BANK (MALAYSIA) BERHAD
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015 (CONTINUED)

35 INTEREST RATE RISK (CONTINUED)

| | 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 | | | |
| <u>31 December 2014</u> | | | | | | | | | |
| <u>Liabilities</u> | | | | | | | | | |
| Deposits from customers | 47,529 | 50,583 | 36,566 | 89 | - | - | - | 134,767 | 3.25 |
| Deposits and placements of banks and other financial institutions | - | - | - | - | - | - | - | - | - |
| Bills and acceptances payable | - | - | - | - | - | - | - | - | - |
| Derivative liabilities | - | - | - | - | - | - | 229 | 229 | - |
| Other liabilities | - | - | - | - | - | 13,597 | - | 13,597 | - |
| Total liabilities | 47,529 | 50,583 | 36,566 | 89 | - | 13,597 | 229 | 148,593 | |
| On balance sheet-interest rate gap | 44,269 | 44,699 | 131,527 | 20,063 | 6,290 | 64,885 | (228) | 311,505 | |

