India International Bank Malaysia Berhad
(Company No: 911666-D)
(Incorporated in Malaysia)

Unaudited Condensed Interim Financial Statements
30th September 2012

INDIA INTERNATIONAL BANK MALAYSIA BERHAD (911666 -D)
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2012

	Note	30.09.2012 RM'000	31.12.2011 RM'000
Assets			
Cash and short-term funds	10	205,615	7,037
Deposits and placements with financial institutions	11	118,000	10,000
Securities available for sale	12	-	-
Securities held to maturity	13	-	-
Loans, advances and financing	14	-	-
Other assets	15	1,631	3,865
Statutory deposits with Bank Negara Malaysia	16	515	-
Property, plant and equipment	17	5,755	1,315
Intangible Assets	18	10,882	-
Deferred tax assets		-	-
Total Assets		342,398	22,217
Liabilities and shareholder's equity			
Deposits from customers	19	29,776	-
Deposits and placements of bank and		-	-
other financial institutions		-	-
Bills and acceptances payable		-	-
Other liabilities	20	5,864	119
Total Liabilities		35,640	119
Share Capital	21	310,000	23,401
Statutory reserve		-	-
Revaluation reserve		-	-
Retained profits/ (accumulated loss)		(3,242)	(1,303)
Shareholders' Equity		306,758	22,098
Total Liabilities and Shareholders' equity		**342,398**	**22,217**
Commitments and Contingencies		**nil**	**nil**

The unaudited condensed interim financial statements should be read in conjunction with the accompanying explanatory notes to these unaudited condensed interim financial statements

INDIA INTERNATIONAL BANK MALAYSIA BERHAD (911666 -D)
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30TH SEPTEMBER 2012

	Note	30.09.2012 RM'000	31.12.2011 RM'000
Interest income	22	2,371	-
Interest expense	23	(88)	-
Net interest income		2,283	-
Other operating income	24	1	-
Net income		2,284	-
Other operating expenses	25	(4,223)	(1,223)
Operating loss		(1,939)	(1,223)
Tax expenses		-	-
Loss for the period		**(1,939)**	**(1,223)**
Other comprehensive income			
Net (loss)/gain on securities available for sale		-	-
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income for the period		-	-
Total comprehensive loss for the period, Net of tax		**(1,939)**	**(1,223)**

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INDIA INTERNATIONAL BANK MALAYSIA BERHAD (911666- D)
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30TH SEPTEMBER 2012

	Share Capital RM'000	Accumulated Losses RM'000	Total RM'000
Balance as at 1st January 2011	1	(80)	(79)
Issued during the year 2011	23,400	-	23,400
Total comprehensive loss for the period	-	(1,223)	(1,223)
Balance as at 31st December 2011	23,401	(1,303)	22,098
Issued during the period	286,599	-	286,599
Total comprehensive loss for the period	-	(1,939)	(1,939)
Balance as at 30th September 2012	**310,000**	**(3,242)**	**306,758**

The unaudited condensed interim financial statements should be read in conjunction with the accompanying explanatory notes to these unaudited condensed interim financial statements.

INDIA INTERNATIONAL BANK MALAYSIA BERHAD (911666- D)
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF CASH FLOW FOR THE FINANCIAL PERIOD ENDED 30TH SEPTEMBER 2012

	30.09.2012 RM'000	31.12.2011 RM'000
Cash flows from operating activities		
Profit before taxation	(1,939)	(1,223)
Adjustments for:		
Depreciation	419	329
Amortisation of intangible assets	573	-
Property and equipment written off	-	-
Unrealised foreign exchange (gain)/ loss	-	-
Operating profit before working capital changes	(947)	(894)
(Increase)/decrease in loans and advances	-	-
(Increase)/decrease in deposits and placements with financial institution	-	-
(Increase)/decrease in other assets	2,234	(3,861)
(Increase)/decrease in statutory deposits with Bank Negara Malaysia	(515)	-
Increase/(decrease) in deposits from customers	29,776	-
Increase/(decrease) in deposits and placements of bank and other financial institutions	-	-
Increase /(decrease) in bills and acceptances payable	-	-
Increase/(decrease) in other liabilities	5,745	33
Net cash generated from/(used in) operating activities	36,293	(4,722)
Cash flows from investing activities		
Purchase of property and equipment	(4,859)	(1,644)
Purchase of intangible assets	(11,455)	-
Purchase of securities held-for-trading	-	-
Purchase of securities available-for-sale	-	-
Net cash(used in)/generated from investing activities	(16,314)	(1,644)
Cash flows from financing activities		
Increase in share capital	286.599	23,400
Net cash(used in)/generated from financing activities	286,599	23,400
Net increase/ (decrease) in cash and cash equivalents	306,578	17,034
Cash and cash equivalents at beginning of the financial period	17,037	3
Cash and cash equivalents at end of the financial period	**323,615**	**17,037**
Cash and cash equivalents comprise:		
Cash and short term funds	205,615	7,037
Deposits and placements with financial institutions	118,000	10,000
	323,615	**17,037**

The unaudited condensed interim financial statements should read in conjunction with the accompanying explanatory notes to these unaudited condensed interim financial statements.

INDIA INTERNATIONAL BANK MALAYSIA BERHAD (911666 -D)
(Incorporated in Malaysia)

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30TH SEPTEMBER 2012

1. CORPORATE INFORMATION

India International Bank Malaysia Berhad (the Bank) commenced commercial banking business on the 11th of July, 2012. The principal activities of the Bank are banking and related financial services.

The Bank is a company limited by shares and a licensed Bank, incorporated and domiciled in Malaysia. The principal place of business of the Bank is located at 15, Jalan Raja Chulan, Bangunan Yee Seng, 50200 Kuala Lumpur.

2. BASIS OF PREPARATION

The unaudited interim condensed financial statements for the nine months ended 30th September 2012 of the Bank have been prepared under the historical cost convention unless otherwise indicated in this summary of the significant accounting policies.

The unaudited interim condensed financial statements have been prepared in accordance with the requirement of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"). These unaudited interim condensed financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For periods up to and including the financial period ended 30th September, 2012, the Bank prepared its financial statements in accordance with Financial Reporting Standards (FRS) as modified by Bank Negara Malaysia Guidelines.

These condensed interim financial statements are the Bank's first MFRS condensed interim financial statement for part of the period covered by the Bank's first MFRS annual financial statement for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied. The adoption of MFRS has no financial impact and has not caused any restatement of prior year figures.

These financial statements comply with Financial Reporting Standards in Malaysia, Bank Negara Malaysia Guidelines and the provisions of the Companies Act, 1965.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Recognition of interest income, expenses and fee and other income

(i) Interest income and interest expenses

Interest income and expenses are recognized in profit and loss using the effective interest method for all financial instruments. The effective interest method is a way of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant period.

The effective interest method applies the rate that exactly discounts estimated future cash receipts or payments through the effective life of the financial instruments to the net carrying amount of the financial assets or liability.

(ii) Fee and other income

Other fees and commission on a variety of services and facilities extended to customers are recognized on inception of such transactions.

(b) Financial assets

Financial assets are recognized in the statement of financial position when, and only when, the Bank has become a party to the contractual provisions of the instruments.

When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Bank determines the classification of its financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held-for-trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognized in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognized separately in profit or loss as part of other losses or other income.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, and through the amortization process.

Loans and receivables are classified as impaired where payments are in arrears for three (3) month or more from the first day of default or after maturity date, or once there is objective evidence that the customer's account is impaired whichever is sooner

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Bank has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognized in profit or loss when the held-to-maturity investments are derecognized or impaired, and through the amortization process.

(iv) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognized in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognized in profit or loss. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognized. Interest income calculated, using the effective interest method is recognized in profit or loss.

All regular purchases and sales of financial assets that require delivery within the period generally established by regulation or market convention are recognized or derecognized on the settlement date.

A financial asset is derecognized where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

(c) Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are subject to impairment review at each reporting date. Impairment loss is recognized when there is objective evidence such as significant financial difficulty of the issuer, significant or prolonged decline in market prices and adverse economic indicators that the recoverable amount of a financial asset is below its carrying amount.

Financial assets that are individually significant are assessed individually. Those not individually significant are grouped together based on similar credit risks and assessed as a portfolio.

(i) Individual impairment allowance on financial assets carried at amortised cost

For financial assets carried at amortised cost in which there are objective evidence of impairment, impairment loss is measured as the different between the assets' carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the assets' original effective interest rate. The amount of the impairment loss is recognized in profit or loss. Subsequent reversals in the impairment loss is recognized when the decrease can be objectively related to an event occurring after the impairment was recognized, to the extent that the assets' carrying amount does not exceed its amortised cost if no impairment had been recognized. The reversal is recognized in profit of loss.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Bank. If write-off is later recovered, the recovery is credited to profit or loss.

(ii) Individual impairment allowance on available-for-sale financial assets

For available-for-sale investments in which there is objective evidence of impairment, the cumulative impairment loss that had been recognized directly in equity shall be transferred from equity to profit or loss, even though the securities have not been de-recognised. The cumulative impairment loss is measured as the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in profit or loss.

Impairment losses on investments in equity instruments classified as available-for-sale recognized are not reversed in profit or loss subsequent to its recognition. Reversals of impairment losses on debt instruments classified as available-for-sale are recognised in the profit or loss if the increase in fair value can be objectively related to an event occurring after the recognition of the impairment loss in the profit or loss.

(iii) Collective impairment allowance

Collective impairment allowance is made for estimated losses inherent in but not currently identifiable to individual financial assets.

(d) Property and equipment

All items of property and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Subsequent to initial recognition, property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

(e) Depreciation

Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. Depreciation expense is recognized in the profit and loss account. The deprecation is made at the following rates:-

Office and Computer Equipment, Furniture and Fittings	20%
Motor vehicles	20%
Renovation	20%

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the different between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is derecognized.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each reporting date.

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets reassessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

Intangible assets of the Bank comprising of computer software are amortized over their finite useful lives estimated at 5 years on a straight line basis

(g) Operating Lease Payments

Leases where the Bank does not assume substantially all the risk and rewards of the ownership are classified as operating leases and the leased assets are not recognised on the Bank's financial statements.

Payments made under operating leases are recognised in profit and loss on a straight line basis over the term of the lease.

(h) Impairment of non-financial assets

At each reporting date, the Bank reviews the carrying amounts of non-financial assets to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Bank makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to that asset.

An impairment loss is recognized in profit or loss in the period in which it arises.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss being recognized for the asset in prior years. Such reversal is recognized in the profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a evaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less nay residual value, on a systematic basis over its remaining useful life.

(i) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognized in the statement of financial position when, and only when, the Bank become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held-for-trading include derivatives entered into by the Bank that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognized in profit or loss. Net gains or losses on derivatives include exchange differences.

(ii) Other financial liabilities

The Bank's other financial liabilities include deposits from customers, deposits and placements of banks and other financial institutions and other liabilities.

Other financial liabilities are recognized initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognized when the obligation under the liability is extinguished.

(j) Foreign currencies

(i) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Bank's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(ii) Foreign currency transactions

In preparing the financial statements of the Bank , transactions in currencies other than the Bank's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the transaction of monetary items, are included in profit or loss for the period.

The principal exchange rates for every unit of foreign currency ruling at reporting date used are as follows :-

	30th September 2012	31st December 2011
Indian Rupees	0.05814	0.05971
Singapore Dollars	2.4427	2.5018
United States Dollars	3.0660	3.1770
Hong Kong Dollars	0.3954	0.4089
British Pounds	4.9829	4.8962
Euro	3.3939	4.1118

(k) Employee benefits

(i) Short term benefits

Wages, salaries, allowances, bonuses and social security contributions are recognized as an expense in the period in which the associated services are rendered by employees of the Bank. Short term accumulating compensated absences such as paid annual leave are recognized when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognized when the absences occur.

(ii) Defined contribution plans

The Bank's contributions to statutory pension funds are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Bank has no further payment obligations.

(l) Provisions

Provisions are recognized when the Bank have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. When the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

(m) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents include cash and short term funds and deposit and placements with banks and financial institutions.

4. AUDITOR'S REPORT ON PRECEDING FINANCIAL STATEMENT

The auditors' report on the financial statements for the financial year ended 31 December, 2011 was not qualified.

5. SEASONAL OR CYCLICAL FACTORS

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

6. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE AND INCIDENCE

Other than an increase in paid up capital of the Bank by RM 286,599,000, there were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Bank for the financial period ended 30th September, 2012.

7. 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 financial quarter ended 30th September, 2012.

8. ISSUE OF SHARES AND DEBENTURES

There were additional new shares of 286,599 of RM 10 each issued during the 3rd quarter of 2012. With the increase, the paid up capital of the Bank as at 30th September, 2012 was RM 310,000,000.

9. DIVIDENDS PAID

No dividends was declared or paid during the financial period ended 30th September, 2012.

10. CASH AND SHORT-TERM FUNDS

	30.09.2012 RM'000	31.12.2011 RM'000
Cash and balances with banks and other financial institutions	205,615	7,037
Money at call and deposit placements maturing Within one month	-	-
	205,615	**7,037**

11. DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	30.09.2012 RM'000	31.12.2011 RM'000
Licensed banks	**118,000**	**10,000**

12. SECURITIES AVAILABLE FOR SALE

	30.09.2012 RM'000	31.12.2011 RM'000
At Fair Value		
Money market instruments:		
Malaysian Government Securities	-	-
Unquoted securities:		
Private debt securities	-	-
	-	-

13. SECURITIES HELD TO MATURITY

	30.09.2012 RM'000	31.12.2011 RM'000
At Amortised Cost		
Money market instruments:		
Malaysian Government Securities	-	-
Unquoted securities:		
Private debt securities	-	-
	-	-

14. LOANS, ADVANCES AND FINANCING

	30.09.2012 RM'000	31.12.2011 RM'000
(i) By type		
Overdrafts	-	-
Term loans / financing		
Housing loans / financing	-	-
Other term loans / financing	-	-
Bills receivable	-	-
Claims on customers under acceptance credits	-	-
Staff loans	-	-
Revolving credit	-	-
Less : Unearned interest and income	-	-
	-	-
Less : Allowance for impaired loans and financing;	-	-
- Collective assessment allowance	-	-
- Individual assessment allowance	-	-
Net loans, advance and financing	**-**	**-**

	30.09.2012 RM'000	31.12.2011 RM'000
(ii) By type of customer		
Domestic business enterprises		
Small medium enterprises	-	-
Others	-	-
Domestic Non-bank Financial Institutions	-	-
Individuals	-	-
Other domestic entities	-	-
Foreign entities	-	-
	-	**-**

	30.09.2012 RM'000	31.12.2011 RM'000
(iii) By interest/profit rate sensitivity		
Fixed rate		
Housing loans / financing	-	-
Other fixed rate loan / financing	-	-
Variable rate		
BLR plus	-	-
Cost plus	-	-
	-	**-**

		30.09.2012 RM'000	31.12.2011 RM'000
(iv)	**By residual contractual maturity**		
	Maturity within one year	-	-
	More than one year to three years	-	-
	More than three years to five years	-	-
	More than five years	-	-
		-	-
(v)	**By geographical distribution**		
	Malaysia		
	Kuala Lumpur	-	-
	Penang	-	-
	Johor	-	-
	Perak	-	-
		-	**-**
(vi)	**By Sector**		
	Electricity, Gas & Water	-	-
	Manufacturing	-	-
	Construction	-	-
	Wholesale and retail	-	-
	Finance, insurance and business services	-	-
	Mining and quarrying	-	-
	Consumption credit	-	-
	Transport, storage and communication	-	-
	Purchase of transport vehicles	-	-
	Agriculture, hunting, forestry & fishing	-	-
	Real estate	-	-
		-	-

15. OTHER ASSETS

	30.09.2012 RM'000	31.12.2011 RM'000
Interest receivable	915	-
Other receivables, deposits and prepayments	716	3,865
	1,631	**3,865**

16. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia in compliance with Section 37(1) (c) of the Central Bank of Malaysia Act,1958 (revised 1994), the amounts of which are determined at set percentages of total eligible liabilities.

17. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment RM '000	Computers RM'000	Motor Vehicles RM '000	Office Renovations RM'000	Total RM'000
At 30 September 2012					
Cost					
At 1 Jan 2012	191	10	170	1,272	1,644
Additions	61	4,774	-	24	4,859
Disposal	-	-	-	-	-
Write – off	-	-	-	-	-
At 30 Sept 2012	252	4,784	170	1,296	6,503
Accumulated Depreciation					
At 1 Jan 2012	38	2	34	254	328
Charge for the period	35	165	25	194	420
Disposals	-	-	-	-	-
Write - off	-	-	-	-	-
At 30 Sept 2012	73	167	60	448	748
Net book value	**179**	**4,617**	**111**	**848**	**5,755**

	Office Equipment RM '000	Computers RM'000	Motor Vehicles RM '000	Office Renovations RM'000	Total RM'000
At 31 December 2011					
Cost					
At 1 Jan 2011	-	-	-	-	-
Additions	191	10	171	1,272	1,644
Disposal	-	-	-	-	-
Write – off	-	-	-	-	-
At 31 Dec 2011	191	10	171	1,272	1,644
Accumulated Depreciation					
At 1 Jan 2011	-	-	-	-	-
Charge for the period	38	2	35	254	329
Disposals	-	-	-	-	-
Write - off	-	-	-	-	-
At 31 Dec 2011	38	2	35	254	329
Net book value	**153**	**8**	**136**	**1018**	**1315**

18. INTANGIBLE ASSETS

	30.09.2012 RM'000	31.12.2011 RM'000
Computer Software:		
Cost		
At 1 Jan	-	-
Additions	11,455	-
Write – off	-	-
At 30 Sept	11,455	-
Accumulated Depreciation		
At 1 Jan	-	-
Amortisation for the period	573	-
Write - off	-	-
At 30 Sept	573	-
Net	**10,882**	**-**

19. DEPOSITS FROM CUSTOMERS

	30.09.2012 RM'000	31.12.2012 RM'000
(i) By type of deposits		
Demand deposits	1,824	-
Savings deposits	134	-
Fixed deposits	27,818	-
Other deposits	-	-
Negotiable instruments of deposits	-	-
	29,776	**-**
(ii) Maturity structure of fixed deposits and negotiable instruments of deposits is as follows:		
Due within six months	22,818	-
Six months to one year	5,000	-
One year to three years	-	-
More than three year	-	-
	27,818	**-**
(iii) The deposits are sourced from the following types of customers:		
Government and statutory bodies	-	-
Business enterprise	27,000	-
Individuals	818	-
Others	-	-
	27,818	**-**

20. OTHER LIABILITIES

	30.09.2012 RM'000	31.12.2011 RM'000
Interest receivable	88	-
Other payables and accruals	5,776	119
	5,864	**119**

21. SHARE CAPITAL

	30.09.2012 RM'000	31.12.2011 RM'000
Authorised :		
50,000,000 ordinary shares of RM 10 each	**500,000**	**500,000**
Issued and fully paid:		
Balance as at 30 Sept	**310,000**	**23,401**

22. INTEREST INCOME

	30.09.2012 RM'000	31.12.2011 RM'000
Loans, advances and financing	-	-
Money at call and deposit placements with financial institutions	2,371	-
Securities – Available for sale	-	-
Securities – Held to maturity	-	-
Total Interest Income	**2,371**	**-**

23. INTEREST EXPENSES

	30.09.2012 RM'000	31.12.2011 RM'000
Deposits from customers	88	-
Deposits and placements of bank and other financial institutions	-	-
Others	-	-
	88	-

24. OTHER OPERATING INCOME

	30.09.2012 RM'000	31.12.2011 RM'000
Fee income:		
Commission	-	-
Service charges and fees	-	-
Guarantee fees	-	-
Advisory fees	-	-
Other fee income	-	-
	-	-
Net gain/(loss) arising from sale of securities:		
Securities available for sales	-	-
Securities held to maturity	-	-
	-	-
Other income:		
Foreign exchange gain/(loss)		
Unrealised	-	-
Realised	1	-
(Loss)/gain on derivatives trading		
Unrealised	-	-
Realised	-	-
Others	-	-
	1	-
Total	**1**	**-**

25. OTHER OPERATING EXPENSES

	30.09.2012 RM'000	31.12.2011 RM'000
Personnel costs (Note a)	1,110	271
Marketing expenses (Note b)	135	-
Establishments costs (Note c)	2,153	590
Administration and general expenses (Note d)	825	362
	4,223	**1,223**

	30.09.2012 RM'000	31.12.2011 RM'000
(a) Personnel costs:		
- Salaries and allowances	794	156
- Pension fund contributions	60	5
- Other staff costs	256	110
	1,110	**271**
(b) Marketing expenses:		
- Advertising and promotion	135	**-**
- Others	**-**	**-**
	135	**-**

		30.09.2012 RM'000	31.12.2011 RM'000
c)	**Establishments costs:**		
	- Depreciation of property, plant and equipment	419	329
	- Amortization of intangible assets	573	-
	- Rental – Office Premises	210	261
	- Rental – Data Centre & Data Recovery Sites	200	-
	- Repair and Maintenance	77	-
	- Information Technology Expenses	167	-
	- Telecommunication Charges	471	-
	- Others	36	-
		2,153	**590**
(d)	**Administration and general expenses**		
	- Legal and Professional fees	306	7
	- Transport and Travelling	84	-
	- Others	435	355
		825	**362**

26. CAPITAL ADEQUACY

The capital adequacy ratios of the Bank are computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework: Standardised Approach for Credit and Market Risk, and Basic Indicator Approach for Operational Risk (Basel II)

The capital adequacy ratio of the Bank are as follows:

	30.09.2012 RM'000	31.12.2011 RM'000
Tier 1 capital		
Paid-up share capital	310,000	23,401
Share premium	-	-
Retained earnings	(3,242)	(1,303)
Reserves	-	-
Less: Deferred tax assets	-	-
Total Tier 1 capital	**306,758**	**22,098**
Tier 2 capital		
Collective assessment allowance	-	-
Subordinated debt capital	-	-
Total Tier 2 capital	**-**	**-**
Total capital	306,758	22,098
Less: Investment in subsidiaries	-	-
Capital base	**306,758**	**22,098**

Capital Ratios

Core capital ratio	362.5%	-
Risk-weighted capital ratio	362.5%	-

The breakdown of risk-weighted assets by major category is as follows:

	30.09.2012 RM'000	31.12.2011 RM'000
Credit Risk	82,616	-
Market Risk	-	-
Operational Risk	2,005	-
Total risk-weighted assets	**84,621**	**-**

27. INTEREST RATE RISK

The following table represents the Bank's carrying assets and liabilities at carrying amounts as at 30th September 2012

	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	Allowances RM'000	Total RM'000
Assets								
Cash and short-term funds	205,615	-	-	-	-	-	-	205,615
Deposits and placements with financial institutions	-	-	118,000	-	-	-	-	118,000
Securities available for sale	-	-	-	-	-	-	-	-
Securities held to maturity	-	-	-	-	-	-	-	-
Loans, advances and financing	-	-	-	-	-	-	-	-
Other assets	1,631	-	-	-	-	-	-	1,631
Statutory deposits with Bank Negara Malaysia	515	-	-	-	-	-	-	515
Total Assets	**207,761**	**-**	**118,000**	**-**	**-**	**-**	**-**	**325,761**
Liabilities								
Deposits from customers	6	24,770	-	5,000	-	-	-	29,776
Deposits and placements of bank and other financial institutions	-	-	-	-	-	-	-	-
Bills and acceptances payable	-	-	-	-	-	-	-	-
Other liabilities	5,864	-	-	-	-	-	-	5,864
Total Liabilities	**5,870**	**24,770**	**-**	**5,000**	**-**	**-**	**-**	**35,640**
Interest rate gap	**201,891**	**(24,770)**	**118,000**	**(5,000)**	**-**	**-**	**-**	

28. SEGMENT INFORMATION

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

29. SUBSEQUENT EVENTS

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

30. REVIEW OF PERFORMANCE

The Bank officially commenced banking business on the 11th of July, 2012. The quarter ending 30th September, 2012 is the first quarterly reporting period for the Bank after having commenced business operations as a commercial Bank.

For the financial quarter ending 30th September, 2012, the Bank recorded a loss of RM 1.939 million mainly due to pre-operational expenses incurred by the Bank. Major contributions to interest income were from cash and short-term funds, placements with banks and other financial institutions. Deposits from customers amounted to RM 29.8 million and loans and advances was nil during the same period.

31. BUSINESS PROSPECTS

The Bank commenced business operations on the 11th of July, 2012. As a new commercial bank, the Bank's primary focus is to increase its business volume by expanding its customer base. 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 growth opportunities for the Bank.