



Your Choice Bank

**CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE FIRST QUARTER
ENDED 31 MARCH 2015**

**UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2015**

	Note	Group		Bank	
		31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
ASSETS					
Cash and bank balances		952,540	956,994	948,573	955,219
Deposits and placements with financial institutions		2,341,465	2,309,398	2,316,461	2,283,659
Financial assets available-for-sale	1	12,548,158	11,962,018	12,544,742	11,958,602
Financial assets held-to-maturity	2	10,933,168	11,131,717	10,933,168	11,131,717
Financing and advances	3	60,775,416	60,482,549	60,775,416	60,482,549
Trade receivables		7,834	6,484	-	-
Other assets	4	894,676	908,730	831,047	851,118
Inventories		12,659	9,484	-	-
Investment in subsidiaries		-	-	61,976	43,500
Property and equipment		776,721	765,413	746,084	739,321
Goodwill on consolidation		13,185	13,185	-	-
Investment properties		539,288	539,288	524,179	524,179
Prepaid lease payments		80,206	80,674	66,407	66,790
Deferred tax assets		139,221	139,221	140,000	140,000
TOTAL ASSETS		90,014,537	89,305,155	89,888,053	89,176,654

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2014

**UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2015 (CONTINUED)**

	Note	Group		Bank	
		31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
LIABILITIES					
Deposits from customers	5	68,509,794	68,522,973	68,509,794	68,522,973
Deposits and placements from banks and financial institutions		2,530,000	1,800,000	2,530,000	1,800,000
Trade payables		7,419	3,348	-	-
Recourse obligations on financing sold to Cagamas		1,732,231	1,777,618	1,732,231	1,777,618
Debt securities issued		3,031,057	3,020,571	3,031,057	3,020,571
Other liabilities	6	1,323,323	1,431,012	1,495,301	1,592,597
Provision for taxation		1,111	1,073	-	-
Profit equalisation reserve (Investor)		3,874	18,776	3,874	18,776
TOTAL LIABILITIES		77,138,809	76,575,371	77,302,257	76,732,535
SHAREHOLDERS' FUND					
Share capital		2,976,391	2,973,677	2,976,391	2,973,677
Share redemption fund		53,671	52,800	53,671	52,800
Reserves	7	9,840,899	9,673,442	9,550,967	9,387,777
Profit equalisation reserve (Bank)		4,767	29,865	4,767	29,865
TOTAL SHAREHOLDERS' FUND		12,875,728	12,729,784	12,585,796	12,444,119
TOTAL LIABILITIES AND SHAREHOLDERS' FUND		90,014,537	89,305,155	89,888,053	89,176,654
COMMITMENTS AND CONTINGENCIES	13	2,578,253	2,633,804	2,578,253	2,633,804

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2014

**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 2015**

Group	Note	1st Quarter Ended		Three Months Ended	
		31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Income	8	1,389,813	1,355,060	1,389,813	1,355,060
Expenditure	9	(669,784)	(472,014)	(669,784)	(472,014)
Net income		720,029	883,046	720,029	883,046
Allowance for impairment	10	(142,926)	(192,871)	(142,926)	(192,871)
Other operating income	11	161,415	84,062	161,415	84,062
Operating expenses	12	(190,832)	(234,257)	(190,832)	(234,257)
Profit before taxation and zakat		547,686	539,980	547,686	539,980
Taxation		(58,597)	(66,045)	(58,597)	(66,045)
Zakat		(5,939)	(9,128)	(5,939)	(9,128)
Profit after taxation and zakat		483,150	464,807	483,150	464,807
Net gain/(loss) on revaluation of financial assets available-for-sale		127,692	(27,312)	127,692	(27,312)
Utilisation of profit equalisation reserve (Bank)		(25,098)	(78,432)	(25,098)	(78,432)
Other comprehensive income for the period		102,594	(105,744)	102,594	(105,744)
Total comprehensive income for the period		585,744	359,063	585,744	359,063

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2014

**UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND THREE MONTHS ENDED 31 MARCH 2015 (CONTINUED)**

Bank	Note	1st Quarter Ended		Three Months Ended	
		31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Income	8	1,375,419	1,329,827	1,375,419	1,329,827
Expenditure	9	(651,546)	(455,488)	(651,546)	(455,488)
Net income		723,873	874,339	723,873	874,339
Allowance for impairment	10	(142,926)	(192,871)	(142,926)	(192,871)
Other operating income	11	161,064	83,496	161,064	83,496
Operating expenses	12	(200,184)	(230,837)	(200,184)	(230,837)
Profit before taxation and zakat		541,827	534,127	541,827	534,127
Taxation		(57,167)	(64,960)	(57,167)	(64,960)
Zakat		(5,777)	(9,024)	(5,777)	(9,024)
Profit after taxation and zakat		478,883	460,143	478,883	460,143
Net gain/(loss) on revaluation of financial assets available-for-sale		127,692	(27,312)	127,692	(27,312)
Utilisation of profit equalisation reserve (Bank)		(25,098)	(78,432)	(25,098)	(78,432)
Other comprehensive income for the period		102,594	(105,744)	102,594	(105,744)
Total comprehensive income for the period		581,477	354,399	581,477	354,399

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2014

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2015**

Group	← Non-distributable			→ Distributable		Total RM'000
	Share capital RM'000	Share redemption fund RM'000	Profit equalisation reserve (Bank) RM'000	Other reserves RM'000	Retained profits RM'000	
At 1 January 2014	2,973,677	53,671	254,494	3,782,331	4,486,576	11,550,749
Total comprehensive income for the period	-	-	(78,432)	(27,312)	464,807	359,063
Issuance to new members	2,631	-	-	-	-	2,631
Dividends	-	-	-	-	(441,000)	(441,000)
At 31 March 2014	2,976,308	53,671	176,062	3,755,019	4,510,383	11,471,443
At 1 January 2015	2,973,677	52,800	29,865	4,471,509	5,201,933	12,729,784
Total comprehensive income for the period	-	-	(25,098)	127,692	483,150	585,744
Issuance to new members	3,585	-	-	-	-	3,585
Transfer from share capital	(871)	871	-	-	-	-
Transfer from retained profits	-	-	-	13,087	(13,087)	-
Dividends	-	-	-	-	(443,480)	(443,480)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	-	95	95
At 31 March 2015	2,976,391	53,671	4,767	4,612,288	5,228,611	12,875,728

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2014

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2015 (CONTINUED)**

Bank	← Non-distributable			→ Distributable		Total RM'000
	Share capital RM'000	Share redemption fund RM'000	Profit equalisation reserve (Bank) RM'000	Other reserves RM'000	Retained profits RM'000	
At 1 January 2014	2,973,677	53,671	254,494	3,783,073	4,218,309	11,283,224
Total comprehensive income for the period	-	-	(78,432)	(27,312)	460,143	354,399
Issuance to new members	2,631	-	-	-	-	2,631
Dividends	-	-	-	-	(441,000)	(441,000)
At 31 March 2014	2,976,308	53,671	176,062	3,755,761	4,237,452	11,199,254
At 1 January 2015	2,973,677	52,800	29,865	4,472,250	4,915,527	12,444,119
Total comprehensive income for the period	-	-	(25,098)	127,692	478,883	581,477
Issuance to new members	3,585	-	-	-	-	3,585
Transfer from share capital	(871)	871	-	-	-	-
Transfer from retained profits	-	-	-	13,087	(13,087)	-
Dividends	-	-	-	-	(443,480)	(443,480)
Overprovision in contribution to Bank Rakyat Foundation	-	-	-	-	95	95
At 31 March 2015	2,976,391	53,671	4,767	4,613,029	4,937,938	12,585,796

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2014

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2015**

	Group		Bank	
	Three Months Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit for the period	483,150	464,807	478,883	460,143
Adjustments for:				
Taxation	58,597	66,045	57,167	64,960
Zakat	5,939	9,128	5,777	9,024
Profit expense on debt securities issued	32,441	16,478	32,441	16,478
Allowance for impairment on financing and advances	142,926	192,871	142,926	192,871
Depreciation of property and equipment	20,213	19,901	19,769	19,115
Amortisation of prepaid lease payment	468	492	383	424
Property and equipment written off	38	3	7	3
Loss on financing written off	3,166	1,719	3,166	1,719
Provision for defined benefit plan	5,139	6,067	5,139	6,067
Allowance for doubtful debts	3	-	3	-
Finance cost	-	547	-	-
Allowance for doubtful debts no longer required	(18,476)	-	(18,476)	-
Net gain on disposal of financial assets available-for-sale	(6,722)	(2,695)	(6,722)	(2,695)
Net gain on disposal of financial assets held for trading	(36)	(29)	(36)	(29)
Net loss on revaluation of financial assets held for trading	-	9	-	9
Transfer to profit equalisation reserve	(40,000)	(125,000)	(40,000)	(125,000)
Profit expense on financing sold with recourse to Cagamas	17,117	14,304	17,117	14,304
Operating profit before working capital changes	703,963	664,647	697,544	657,393

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2014

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2015 (CONTINUED)**

	Group		Bank	
	Three Months Ended 31 March 2015 RM'000	31 March 2014 RM'000	Three Months Ended 31 March 2015 RM'000	31 March 2014 RM'000
(Increase)/Decrease in assets:				
Deposits and placements with financial institutions	(32,067)	(167,749)	(32,802)	(168,889)
Financing and advances	(438,959)	(654,182)	(438,959)	(654,182)
Trade receivables	(1,349)	(1,742)	-	-
Other assets	(29,597)	10,832	(42,238)	14,734
Inventories	(3,175)	7,767	-	-
Asset classified as held-for-sale	-	428	-	-
Increase/(Decrease) in liabilities:				
Deposits from customers	(13,179)	420,810	(13,179)	420,810
Deposits and placements from banks and financial institutions	730,000	(570,000)	730,000	(570,000)
Trade payables	4,072	(1,032)	-	-
Recourse obligations on financing sold to Cagamas	(62,505)	(44,782)	(62,505)	(44,782)
Other liabilities	(106,837)	32,482	(96,281)	39,915
Cash generated from operations	750,367	(302,521)	741,580	(305,001)
Income tax paid	(1,575)	(29,284)	-	(27,939)
Zakat paid	(10,384)	(2,486)	(10,384)	(2,615)
Net cash from/(used in) operating activities	738,408	(334,291)	731,196	(335,555)

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2014

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2015 (CONTINUED)**

	Group		Bank	
	Three Months Ended 31 March 2015 RM'000	31 March 2014 RM'000	Three Months Ended 31 March 2015 RM'000	31 March 2014 RM'000
CASH FLOWS FROM/(USED IN)				
INVESTING ACTIVITIES				
Purchases of financial assets held-for-trading	(57,500)	(30,000)	(57,500)	(30,000)
Proceeds from disposal of financial assets held-for-trading	57,536	20,258	57,536	20,258
Purchases of financial assets available-for-sale	(745,000)	(645,000)	(745,000)	(645,000)
Proceeds from disposal of financial assets available-for-sale	293,274	458,146	293,274	458,022
Purchases of financial assets held-to-maturity	(58,270)	(129,470)	(58,270)	(129,470)
Proceeds from disposal of financial assets held-to-maturity	256,819	51,601	256,819	51,601
Purchases of property and equipment	(31,558)	(41,745)	(26,538)	(39,952)
Proceeds from disposal of investment properties	-	48	-	-
Net cash used in investing activities	(284,699)	(316,162)	(279,679)	(314,541)
CASH FLOWS FROM/(USED IN)				
FINANCING ACTIVITIES				
Proceeds from issue of shares to members	3,585	2,631	3,585	2,631
Dividend paid	(443,480)	(441,000)	(443,480)	(441,000)
Fund received from government	3,688	24,250	3,688	24,250
Proceeds from debt securities issued	-	999,989	-	999,989
Payment of profit expenses on debt securities issued	(21,956)	-	(21,956)	-
Addition in financing from other financial institutions	-	582	-	-
Net cash (used in)/from financing activities	(458,163)	586,452	(458,163)	585,870
Net decrease in cash and cash equivalents	(4,454)	(64,001)	(6,646)	(64,226)
Cash and cash equivalents at beginning of period	956,994	746,196	955,219	744,018
Cash and cash equivalents at end of period	952,540	682,195	948,573	679,792

These interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2014

EXPLANATORY NOTES PURSUANT TO MALAYSIAN REPORTING STANDARD 134 (“MFRS 134”)

Basis of Preparation

The unaudited interim financial statements for the first quarter and three months ended 31 March 2015 have been prepared under historical cost convention except for the following assets and liabilities which are stated at fair values, i.e. financial assets held-for-trading, financial assets available-for-sale, and investment properties.

The unaudited interim financial statements have been prepared in accordance with MFRS 134; Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”). The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2014. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 31 December 2014.

Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the audited financial statements for the financial year ended 31 December 2014 was not qualified.

Comments on Seasonal or Cyclical Factors

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the first quarter and three months ended 31 March 2015.

Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank in the first quarter and three months ended 31 March 2015.

Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the first quarter and three months ended 31 March 2015.

Debt and Equity Securities

There were no new issuance of debt securities by the Bank during the period.

Dividends Paid and Distributed

During the three months ended 31 March 2015, final dividend for the year ended 31 December 2014 was paid amounting to RM443,480,260 comprising of 15% cash dividend.

NOTE 1: FINANCIAL ASSETS AVAILABLE-FOR-SALE

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
At fair value				
Islamic debt securities	2,728,821	2,652,177	2,728,821	2,652,177
Government investment issues	6,926,295	6,793,223	6,926,295	6,793,223
Government bonds	2,503,905	2,162,419	2,503,905	2,162,419
Khazanah bonds	90,562	85,259	90,562	85,259
Cagamas bonds	69,608	53,627	69,608	53,627
Quoted shares	216,911	203,347	216,911	203,347
Unit trust shares	1,807	1,717	1,807	1,717
At cost, net of impairment loss				
Unquoted shares	10,249	10,249	6,833	6,833
Net carrying amount	12,548,158	11,962,018	12,544,742	11,958,602

NOTE 2: FINANCIAL ASSETS HELD-TO-MATURITY

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
At amortised cost		
Islamic debt securities	764,004	767,814
Government investment issues	8,675,300	8,673,072
Government bonds	1,076,713	1,078,786
Khazanah bonds	454,021	449,742
Cagamas bonds	122,685	122,835
Negotiable Islamic debt certificates	49,696	248,719
Islamic commercial papers	57,036	57,036
	11,199,455	11,398,004
Less: accumulated impairment losses		
Islamic debt securities	(209,251)	(209,251)
Islamic commercial papers	(57,036)	(57,036)
	(266,287)	(266,287)
Net carrying amount	10,933,168	11,131,717

NOTE 3: FINANCING AND ADVANCES

(i) By type of financing

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
At amortised cost		
Term financing	4,696,505	4,739,780
Personal financing	51,013,357	50,551,046
Revolving credit	515,193	525,226
House financing	2,659,207	2,637,902
Hire-purchase receivables	551,498	536,556
Pawn broking	1,586,456	1,662,191
Bridging	539,220	557,446
Syndicated financing	149,473	134,526
Credit card	455,528	468,833
Staff financing	287,160	286,115
Gross financing and advances, net of unearned income	62,453,597	62,099,621
Allowance for impairment on financing and advances		
Individual assessment impairment	(549,312)	(492,436)
Collective assessment impairment	(1,128,869)	(1,124,636)
	(1,678,181)	(1,617,072)
Net financing and advances	60,775,416	60,482,549

NOTE 3: FINANCING AND ADVANCES (CONTINUED)

(ii) By type of customer

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Individuals	57,145,460	56,724,284
Business enterprises	3,301,173	3,366,931
Non-bank financial institutions:		
Co-operatives	1,860,500	1,869,353
Others	50,312	51,279
Foreign entities	35,323	36,566
Other entities	60,797	51,174
Banking institutions	32	34
	62,453,597	62,099,621

(iii) By economic sector

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Purchase of securities	76,661	67,180
Purchase of property	2,049,098	2,370,866
Consumption credit	55,382,048	54,339,439
Agriculture	435,607	437,215
Mining and quarrying	88,858	87,259
Manufacturing	293,574	598,011
Electricity, gas and water	100,337	100,074
Construction	1,371,311	1,399,162
Wholesale and retail trade	159,171	165,101
Transportation and communication	290,057	297,254
Financial, insurance and business services	2,166,900	2,197,824
Community, social and personal services	39,975	40,236
	62,453,597	62,099,621

NOTE 3: FINANCING AND ADVANCES (CONTINUED)

(iv) Impaired financing and advances by economic sector

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Purchase of securities	1,240	345
Purchase of property	96,356	127,240
Consumption credit	464,570	344,204
Agriculture	72,028	71,532
Mining and quarrying	88,858	87,259
Manufacturing	73,759	137,078
Electricity, gas and water	14	9
Construction	294,399	348,588
Wholesale and retail trade	36,853	37,858
Transportation and communication	26,262	322
Financial, insurance, property and business services	90,978	109,676
Community, social and personal services	3,518	3,196
	1,248,835	1,267,307

(v) Movement in impaired financing and advances

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
As of 1 January	1,267,307	1,305,119
Classified as impaired during the period	388,948	1,794,281
Amount written back in respect of recoveries	(325,669)	(1,256,871)
Amount written off during the period	(81,751)	(575,222)
	(18,472)	(37,812)
Closing balance	1,248,835	1,267,307
Gross impaired financing and advances as a percentage of gross financing and advances	2.00%	2.04%

NOTE 3: FINANCING AND ADVANCES (CONTINUED)

(vi) Movement in allowance for individual assessment impairment on financing and advances

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Individual assessment impairment		
As of 1 January	492,436	212,222
Allowance made during the period	86,527	497,265
Amount written back in respect of recoveries	(29,651)	(210,463)
Amount written off during the period	-	(6,588)
	56,876	280,214
Closing balance	549,312	492,436

(vii) Movement in allowance for collective assessment impairment on financing and advances

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Collective assessment impairment		
As of 1 January	1,124,636	1,292,556
Allowance made during the period	348,373	1,316,981
Amount written back in respect of recoveries	(264,322)	(920,416)
Amount written off during the period	(79,818)	(564,485)
	4,233	(167,920)
Closing balance	1,128,869	1,124,636

NOTE 4: OTHER ASSETS

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Other receivables	401,086	345,004	395,687	340,305
Defined benefit plan	269,007	274,146	269,007	274,146
Income receivable	57,166	61,209	57,166	61,209
Tax recoverable	102,566	159,550	102,130	159,297
Prepayments	16,843	24,803	10,748	20,752
Refundable deposits	63,382	59,389	10,008	9,344
Amount due from subsidiaries	-	-	1,564	1,325
Allowance for doubtful debts	(15,374)	(15,371)	(15,263)	(15,260)
	894,676	908,730	831,047	851,118

NOTE 5: DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Non-Mudarabah		
Term deposits	53,617,872	52,494,140
Savings deposits	3,910,142	3,585,232
Negotiable Islamic debt certificate	9,600,399	10,633,679
	67,128,413	66,713,051
Mudarabah		
General investment accounts	1,221,881	1,627,722
Special investment accounts	159,500	182,200
	1,381,381	1,809,922
	68,509,794	68,522,973

NOTE 5: DEPOSITS FROM CUSTOMERS (CONTINUED)

(ii) By type of customer

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Government	31,574,798	30,692,105
Business enterprises	23,240,305	24,086,611
Co-operatives	1,183,238	1,220,504
Individuals	11,275,617	11,290,827
Others	1,235,836	1,232,926
	68,509,794	68,522,973

NOTE 6: OTHER LIABILITIES

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Amount due to subsidiaries	-	-	188,656	194,846
Sundry creditors	259,466	243,138	250,685	217,804
Income payable	491,742	421,314	491,742	421,314
Other liabilities and accruals	329,828	520,576	322,719	513,275
Government fund	201,551	200,803	201,551	200,803
Zakat payable	40,736	45,181	39,948	44,555
	1,323,323	1,431,012	1,495,301	1,592,597

NOTE 7: RESERVES

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Retained profits	5,228,611	5,201,933	4,937,938	4,915,527
Statutory reserve	4,288,740	4,288,740	4,288,740	4,288,740
Capital reserve	14,617	14,617	15,358	15,358
Fair value reserve	50,278	(77,414)	50,278	(77,414)
Regulatory reserve	258,653	245,566	258,653	245,566
	9,840,899	9,673,442	9,550,967	9,387,777

NOTE 8: INCOME

Group	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' fund (i)	1,081,912	1,070,609	1,081,912	1,070,609
Income derived from investment of shareholders' fund (ii)	293,507	259,218	293,507	259,218
Income generated by subsidiary companies (iii)	14,394	25,233	14,394	25,233
	1,389,813	1,355,060	1,389,813	1,355,060

Bank	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' fund (i)	1,081,912	1,070,609	1,081,912	1,070,609
Income derived from investment of shareholders' fund (ii)	293,507	259,218	293,507	259,218
	1,375,419	1,329,827	1,375,419	1,329,827

(i) Income derived from investment of depositors' fund

Group and Bank	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Income from financing and advances	896,164	902,144	896,164	902,144
Income from deposits and placements with bank and other financial institutions	16,365	15,256	16,365	15,256
Income from financial assets	169,383	153,209	169,383	153,209
	1,081,912	1,070,609	1,081,912	1,070,609

NOTE 8: INCOME (CONTINUED)

(ii) Income derived from investment of shareholders' fund

Group and Bank	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Income from financing and advances	243,116	218,430	243,116	218,430
Income from deposits and placements with bank and other financial institutions	4,440	3,693	4,440	3,693
Income from financial assets	45,951	37,095	45,951	37,095
	293,507	259,218	293,507	259,218

(iii) Income generated by subsidiary companies

Group	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Agency income	4,391	6,976	4,391	6,976
Pawning income	7,080	12,613	7,080	12,613
Rental income	577	2,976	577	2,976
Management fee	1,653	943	1,653	943
Sale of goods	643	1,469	643	1,469
Other charges	50	256	50	256
	14,394	25,233	14,394	25,233

NOTE 9: EXPENDITURE

Group	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
Income attributable to depositors (i)	640,332	548,132	640,332	548,132
Profit expense on financing sold with recourse to Cagamas	17,117	14,304	17,117	14,304
Transfer from profit equalisation reserve	(40,000)	(125,000)	(40,000)	(125,000)
Profit expense on debt securities issued	32,441	16,478	32,441	16,478
Cost of sales	19,894	18,100	19,894	18,100
	669,784	472,014	669,784	472,014

Bank	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
Income attributable to depositors (i)	641,988	549,706	641,988	549,706
Profit expense on financing sold with recourse to Cagamas	17,117	14,304	17,117	14,304
Transfer from profit equalisation reserve	(40,000)	(125,000)	(40,000)	(125,000)
Profit expense on debt securities issued	32,441	16,478	32,441	16,478
	651,546	455,488	651,546	455,488

NOTE 9: EXPENDITURE (CONTINUED)

(i) Income attributable to depositors

Group	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
Mudarabah	28,096	141,777	28,096	141,777
Non-Mudarabah	593,842	395,119	593,842	395,119
Deposits and placements from banks and other financial institutions				
Mudarabah	17,957	11,236	17,957	11,236
Non-Mudarabah	437	-	437	-
	640,332	548,132	640,332	548,132

Bank	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
Mudarabah	29,752	143,351	29,752	143,351
Non-Mudarabah	593,842	395,119	593,843	395,119
Deposits and placements from banks and other financial institutions				
Mudarabah	17,957	11,236	17,957	11,236
Non-Mudarabah	437	-	437	-
	641,988	549,706	641,988	549,706

NOTE 10: ALLOWANCE FOR IMPAIRMENT

Group and Bank	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment on financing and advances (i)	142,926	192,871	142,926	192,871
	142,926	192,871	142,926	192,871

(i) Allowance for impairment on financing and advances

Group and Bank	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Individual impairment	56,876	16,503	56,876	16,503
Individual impairment on rescheduled financing	1,999	2,438	1,999	2,438
Collective impairment	84,051	173,930	84,051	173,930
	142,926	192,871	142,926	192,871

NOTE 11: OTHER OPERATING INCOME

Group	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
Fees and commission (i)	14,645	14,666	14,645	14,666
Other income (ii)	146,770	69,396	146,770	69,396
	161,415	84,062	161,415	84,062

Bank	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
Fees and commission (i)	14,645	14,666	14,645	14,666
Other income (ii)	146,419	68,830	146,419	68,830
	161,064	83,496	161,064	83,496

(i) Fees and commission

Group and Bank	1st Quarter Ended		Three Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
Takaful commission	3,192	2,946	3,192	2,946
ATM service fees	3,282	2,653	3,282	2,653
Wasiat commission	901	1,452	901	1,452
Other commission	4,143	3,797	4,143	3,797
Processing fees	98	221	98	221
MEPS fees	2,250	2,029	2,250	2,029
Guarantee fees	10	693	10	693
Other fees	769	875	769	875
	14,645	14,666	14,645	14,666

NOTE 11: OTHER OPERATING INCOME (CONTINUED)

(ii) Other income

Group	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Other income from financial instruments				
Dividend from financial assets available-for-sale	1,436	852	1,436	852
Net gain on disposal of financial assets held-for-trading	36	29	36	29
Net loss on revaluation of financial assets held-for-trading	-	(9)	-	(9)
Net gain on disposal of financial assets available-for-sale	6,722	2,695	6,722	2,695
Others				
Rental income	3,466	1,556	3,466	1,556
Compensation for late payment	1,526	1,644	1,526	1,644
Charges from credit card services	4,223	4,529	4,223	4,529
Other service charges	2,157	2,028	2,157	2,028
Recoveries on financing written off	100,403	45,350	100,403	45,350
Allowance for doubtful debts no longer required	18,476	-	18,476	-
Other income	8,325	10,722	8,325	10,722
	146,770	69,396	146,770	69,396

NOTE 11: OTHER OPERATING INCOME (CONTINUED)

(ii) Other income (cont'd)

Bank	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Other income from financial instruments				
Dividend from financial assets available-for-sale	1,436	852	1,436	852
Net gain on disposal of financial assets held-for-trading	36	29	36	29
Net loss on revaluation of financial assets held-for-trading	-	(9)	-	(9)
Net gain on disposal of financial assets available-for-sale	6,722	2,695	6,722	2,695
Others				
Rental income	3,501	1,556	3,501	1,556
Compensation for late payment	1,526	1,644	1,526	1,644
Charges from credit card services	4,223	4,529	4,223	4,529
Other service charges	2,157	2,028	2,157	2,028
Recoveries on financing written-off	100,403	45,350	100,403	45,350
Allowance for doubtful debts no longer required	18,476	-	18,476	-
Other income	7,939	10,156	7,939	10,156
	146,419	68,830	146,419	68,830

NOTE 12: OPERATING EXPENSES

Group	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Personnel expenses (i)	96,411	136,099	96,411	136,099
Other overheads and expenditure (ii)	94,421	98,158	94,421	98,158
	190,832	234,257	190,832	234,257

NOTE 12: OPERATING EXPENSES (CONTINUED)

Bank	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Personnel expenses (i)	93,237	134,349	93,237	134,349
Other overheads and expenditure (ii)	106,947	96,488	106,947	96,488
	200,184	230,837	200,184	230,837

(i) Personnel expenses

Group	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	65,716	57,638	65,716	57,638
Allowances and bonuses	(4,184)	38,840	(4,184)	38,840
Defined benefit plan	5,139	6,067	5,139	6,067
Defined contribution plan - EPF	17,067	15,808	17,067	15,808
Social security contributions - SOCSO	708	672	708	672
Other staff related costs	11,965	17,074	11,965	17,074
	96,411	136,099	96,411	136,099

Bank	1st Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	63,981	56,411	63,981	56,411
Allowances and bonuses	(5,325)	38,501	(5,325)	38,501
Defined benefit plan	5,139	6,067	5,139	6,067
Defined contribution plan - EPF	16,857	15,649	16,857	15,649
Social security contributions - SOCSO	690	658	690	658
Other staff related costs	11,895	17,063	11,895	17,063
	93,237	134,349	93,237	134,349

NOTE 12: OPERATING EXPENSES (CONTINUED)

(ii) Other overheads and expenditure

Group	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Establishment				
Rental	5,389	4,834	5,389	4,834
Depreciation of property and equipment and amortisation of prepaid lease payment	20,681	20,393	20,681	20,393
Repair and maintenance	15,015	13,073	15,015	13,073
Takaful	619	1,127	619	1,127
	41,704	39,427	41,704	39,427
Promotion				
Advertisement and publicity	4,273	3,653	4,273	3,653
	4,273	3,653	4,273	3,653
General expenses				
Legal and profesional fees	2,205	1,932	2,205	1,932
Auditors' remuneration	301	488	301	488
Communication expenses	7,203	9,727	7,203	9,727
Utilities expenses	5,770	7,432	5,770	7,432
Printing and stationery	3,598	2,367	3,598	2,367
Postage and courier	1,967	1,824	1,967	1,824
Security expenses	6,064	4,788	6,064	4,788
Service charges	5,799	9,669	5,799	9,669
Loss on financing written off	3,166	1,719	3,166	1,719
Loss on property and equipment written off	38	3	38	3
Commission expenses	8,251	5,215	8,251	5,215
Travelling and transportation	616	3,455	616	3,455
Others	3,466	6,459	3,466	6,459
	48,444	55,078	48,444	55,078
	94,421	98,158	94,421	98,158

NOTE 12: OPERATING EXPENSES (CONTINUED)

(ii) Other overheads and expenditure (cont'd)

Bank	1st Quarter Ended		Three Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Establishment				
Rental	6,362	4,827	6,362	4,827
Depreciation of property and equipment and amortisation of prepaid lease payment	20,152	19,539	20,152	19,539
Repair and maintenance	14,886	13,002	14,886	13,002
Takaful	602	1,096	602	1,096
	42,002	38,464	42,002	38,464
Promotion				
Advertisement and publicity	4,093	3,494	4,093	3,494
	4,093	3,494	4,093	3,494
General expenses				
Legal and profesional fees	2,108	1,717	2,108	1,717
Auditors' remuneration	250	446	250	446
Communication expenses	7,145	9,693	7,145	9,693
Utilities expenses	5,733	7,286	5,733	7,286
Printing and stationery	3,535	2,303	3,535	2,303
Postage and courier	1,962	1,816	1,962	1,816
Security expenses	6,042	4,770	6,042	4,770
Service charges	12,766	10,741	12,766	10,741
Loss on financing written-off	3,166	1,719	3,166	1,719
Loss on property and equipment written-off	7	3	7	3
Commission expenses	8,251	5,215	8,251	5,215
Travelling and transportation	3,074	3,259	3,074	3,259
Others	6,813	5,562	6,813	5,562
	60,852	54,530	60,852	54,530
	106,947	96,488	106,947	96,488

NOTE 13: COMMITMENTS AND CONTINGENCIES

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

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Contingent liabilities		
Bank guarantee given in respect of banking facilities granted to customers	489,245	509,375
Claims for damages from litigation taken against the Bank	26,501	7,594
Commitments		
Undrawn financing	2,062,507	2,116,835
	2,578,253	2,633,804

NOTE 14: CAPITAL ADEQUACY

The Bank is required to comply with the core capital ratio and risk-weighted capital adequacy ratio prescribed by Bank Negara Malaysia. The Bank was in compliance with all prescribed capital ratios throughout the period.

	Bank	
	31 March 2015 RM'000	31 December 2014 Restated RM'000
Before deducting proposed dividend		
Core capital ratio	17.55%	18.26%
Risk-weighted capital ratio	18.86%	19.66%
After deducting proposed dividend *		
Core capital ratio	17.55%	17.60%
Risk-weighted capital ratio	18.86%	19.00%

NOTE 14: CAPITAL ADEQUACY (CONTINUED)

The capital ratios are derived by taking into account the core capital and capital base against the risk weighted assets of the Bank. Components of the capital are as follows:

	Bank	
	31 March 2015	31 December 2014 Restated
	RM'000	RM'000
Tier I capital		
Paid-up share capital	2,976,391	2,973,677
Retained profits *	4,459,056	4,472,047
Other reserves	4,304,098	4,304,098
Total Tier I capital (core)	11,739,545	11,749,822
Tier II capital		
Collective impairment **	682,491	731,757
Regulatory reserve	258,653	245,566
Total Tier II capital	941,144	977,323
Total capital	12,680,689	12,727,145
Less: Investment in subsidiaries	(61,976)	(43,500)
	(61,976)	(43,500)
Total capital base	12,618,713	12,683,645

* After deducting final dividend for 2014 that was paid in March 2015.

** This is a surplus amount allowable after taking into account the collective impairment allowance on impaired financing of the Bank.

Assets in various categories are risk-weighted as follows:

	Bank	
	31 March 2015	31 December 2014
	RM'000	RM'000
Total assets assigned 20% risk-weighted	511,690	541,768
Total assets assigned 50% risk-weighted	1,374,174	1,352,334
Total assets assigned 100% risk-weighted	63,706,231	63,521,927
Off-Balance Sheet claims assigned 100% risk-weighted	1,314,248	1,356,114
	66,906,343	66,772,143