



Your Choice Bank

**CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE FIRST QUARTER
ENDED 31 MARCH 2014**

**UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2104**

	Note	Group		Bank	
		31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
ASSETS					
Cash and bank balances		682,195	746,196	679,792	744,018
Deposits and placements with financial institutions		2,276,782	2,109,033	2,272,830	2,103,942
Financial assets held-for-trading	1	9,762	-	9,762	-
Financial assets available-for-sale	2	10,625,335	10,463,097	10,620,268	10,457,907
Financial assets held-to-maturity	3	10,219,318	10,141,449	10,219,318	10,141,449
Financing and advances	4	57,763,769	57,304,177	57,763,769	57,304,177
Trade receivables		10,789	9,048	-	-
Other assets	5	721,978	775,879	668,082	725,904
Inventories		4,601	12,368	-	-
Asset classified as held for sale		80,005	80,432	-	-
Investment in subsidiaries		-	-	43,500	43,500
Property and equipment		923,812	903,652	894,038	874,882
Goodwill on consolidation		13,185	13,185	-	-
Investment properties		160,426	160,474	148,448	148,448
Prepaid lease payment		80,971	79,782	70,628	69,372
Deferred tax assets		265,032	265,032	266,000	266,000
TOTAL ASSETS		83,837,960	83,063,804	83,656,435	82,879,599

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 2013

**UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2104**

	Note	Group		Bank	
		31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
LIABILITIES					
Deposits from customers	6	65,718,577	65,297,767	65,718,577	65,297,767
Deposits and placements from other banks and financial institutions		1,050,000	1,620,000	1,050,000	1,620,000
Trade payables		5,869	6,900	-	-
Recourse obligations on financing sold to Cagamas		1,498,218	1,528,696	1,498,218	1,528,696
Debt securities issued		2,523,555	1,507,088	2,523,555	1,507,088
Other liabilities	7	1,422,676	1,359,301	1,561,253	1,490,679
Provision for taxation		1,315	1,556	-	-
Profit equalisation reserve (Investor)		105,578	152,145	105,578	152,145
Financing from other financial institutions		40,729	39,602	-	-
TOTAL LIABILITIES		72,366,517	71,513,055	72,457,181	71,596,375
SHAREHOLDERS' FUND					
Share capital		2,976,308	2,973,677	2,976,308	2,973,677
Share redemption fund		53,671	53,671	53,671	53,671
Reserves	8	8,265,402	8,268,907	7,993,213	8,001,382
Profit equalisation reserve (Bank)		176,062	254,494	176,062	254,494
TOTAL SHAREHOLDERS' FUND		11,471,443	11,550,749	11,199,254	11,283,224
TOTAL LIABILITIES AND SHAREHOLDERS' FUND		83,837,960	83,063,804	83,656,435	82,879,599
COMMITMENT AND CONTINGENCIES	14	3,098,705	3,140,252	3,098,705	3,140,252

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 2013

**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

Group	Note	First Quarter Ended		Three Months Ended	
		31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Income	9	1,355,060	1,419,997	1,355,060	1,419,997
Expenditure	10	(472,014)	(590,619)	(472,014)	(590,619)
Net income		883,046	829,378	883,046	829,378
Allowance for impairment	11	(192,871)	(151,915)	(192,871)	(151,915)
Other operating income	12	84,062	109,127	84,062	109,127
Operating expenses	13	(234,257)	(243,039)	(234,257)	(243,039)
Profit before taxation and zakat		539,980	543,551	539,980	543,551
Taxation		(66,045)	(68,320)	(66,045)	(68,320)
Zakat		(9,128)	(21,965)	(9,128)	(21,965)
Profit after taxation and zakat		464,807	453,266	464,807	453,266
Net gain/(loss) on revaluation of financial assets available-for-sale		(27,312)	(5,710)	(27,312)	(5,710)
Net addition/(utilisation) of profit equalisation reserve		(78,432)	6,472	(78,432)	6,472
Other comprehensive income for the period		(105,744)	762	(105,744)	762
Total comprehensive income for the period		359,063	454,028	359,063	454,028

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 2013

**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

Bank	Note	First Quarter Ended		Three Months Ended	
		31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Income	9	1,329,827	1,401,553	1,329,827	1,401,553
Expenditure	10	(455,488)	(577,044)	(455,488)	(577,044)
Net income		874,339	824,509	874,339	824,509
Allowance for impairment	11	(192,871)	(151,915)	(192,871)	(151,915)
Other operating income	12	83,496	107,542	83,496	107,542
Operating expenses	13	(230,837)	(240,616)	(230,837)	(240,616)
Profit before taxation and zakat		534,127	539,520	534,127	539,520
Taxation		(64,960)	(67,412)	(64,960)	(67,412)
Zakat		(9,024)	(21,842)	(9,024)	(21,842)
Profit after taxation and zakat		460,143	450,266	460,143	450,266
Net gain/(loss) on revaluation of financial assets available-for-sale		(27,312)	(5,710)	(27,312)	(5,710)
Net addition/(utilisation) of profit equalisation reserve		(78,432)	6,472	(78,432)	6,472
Other comprehensive income for the period		(105,744)	762	(105,744)	762
Total comprehensive income for the period		354,399	451,028	354,399	451,028

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 2013

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

Group	Share capital RM'000	Share redemption fund RM'000	Capital reserve RM'000	Statutory reserve RM'000	Financial assets available-for-sale reserves RM'000	Profit equalisation reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2013	2,865,004	53,671	14,617	3,304,452	178,283	364,103	3,800,372	10,580,502
Total comprehensive income for the period	-	-	-	-	(5,710)	6,472	453,266	454,028
Issuance to new members	35,156	-	-	-	-	-	-	35,156
Dividend	54,632	-	-	-	-	-	(494,981)	(440,349)
Adjustment on defined benefit plan	-	-	-	-	-	-	(183,877)	(183,877)
Overprovision in contribution to Yayasan Bank Rakyat	-	-	-	-	-	-	199	199
At 31 March 2013	2,954,792	53,671	14,617	3,304,452	172,573	370,575	3,574,979	10,445,659
At 1 January 2014	2,973,677	53,671	14,617	3,789,563	(21,849)	254,494	4,486,576	11,550,749
Total comprehensive income for the period	-	-	-	-	(27,312)	(78,432)	464,807	359,063
Issuance to new members	2,631	-	-	-	-	-	-	2,631
Dividend	-	-	-	-	-	-	(441,000)	(441,000)
At 31 March 2014	2,976,308	53,671	14,617	3,789,563	(49,161)	176,062	4,510,383	11,471,443

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 2013

**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (CONTINUED)**

Bank	Share capital RM'000	Share redemption fund RM'000	Capital reserve RM'000	Statutory reserve RM'000	Financial assets available-for-sale reserves RM'000	Profit equalisation reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2013	2,865,004	53,671	15,358	3,304,452	178,283	364,103	3,545,242	10,326,113
Total comprehensive income for the period	-	-	-	-	(5,710)	6,472	450,266	451,028
Issuance to new members	89,788	-	-	-	-	-	-	89,788
Dividend	-	-	-	-	-	-	(494,981)	(494,981)
Adjustment on defined benefit plan	-	-	-	-	-	-	(183,877)	(183,877)
Overprovision in contribution to Yayasan Bank Rakyat	-	-	-	-	-	-	199	199
At 30 March 2013	2,954,792	53,671	15,358	3,304,452	172,573	370,575	3,316,849	10,188,270
At 1 January 2014	2,973,677	53,671	15,359	3,789,563	(21,849)	254,494	4,218,309	11,283,224
Total comprehensive income for the period	-	-	-	-	(27,312)	(78,432)	460,143	354,399
Issuance to new members	2,631	-	-	-	-	-	-	2,631
Dividend	-	-	-	-	-	-	(441,000)	(441,000)
At 30 March 2014	2,976,308	53,671	15,359	3,789,563	(49,161)	176,062	4,237,452	11,199,254

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 2013

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

	Group		Bank	
	Three Months Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit for the period	464,807	453,266	460,143	450,266
Adjustments for:				
Taxation	66,045	68,320	64,960	67,412
Zakat	9,128	21,965	9,024	21,842
Profit expense on debt securities issued	16,478	10,070	16,478	10,070
Allowance for impairment on financing and advances	192,871	151,915	192,871	151,915
Depreciation of property and equipment	19,901	16,128	19,115	17,303
Amortisation of prepaid lease payments	492	2,018	424	110
Loss on property and equipment written-off	3	61	3	61
Loss on financing written-off	1,719	2,137	1,719	2,137
Finance cost	547	567	-	-
Provision of defined benefit plan	6,067	3,311	6,067	3,311
Provision for doubtful debts no longer required	-	(5,347)	-	(5,347)
Provision for impairment loss on financial assets held to maturity no longer required	-	(4,999)	-	(4,999)
Net gain on disposal of financial assets available-for-sale	(2,695)	(3,678)	(2,695)	(3,678)
Net gain on disposal of financial assets held for trading	(29)	-	(29)	-
Net loss on revaluation of financial assets held for trading	9	-	9	-
Net gain on redemption of financial assets held-to-maturity	-	(1,214)	-	(1,214)
Transfer from/(to) profit equalisation reserve	(125,000)	7,000	(125,000)	7,000
Profit expense on financing sold with recourse to Cagamas	14,304	30,166	14,304	30,166
Operating profit before working capital changes	664,647	751,686	657,393	746,355

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 2013

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (CONTINUED)**

	Group		Bank	
	Three Months Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
(Increase)/Decrease in operating assets:				
Financing and advances	(654,182)	(434,166)	(654,182)	(434,166)
Asset classified as held-for-sale	428	-	-	-
Inventories	7,767	(193)	-	-
Trade receivables	(1,742)	286	-	-
Deposit with financial institution	(167,749)	(1,236,325)	(168,889)	(1,218,262)
Other assets	10,832	(12,302)	14,734	(5,603)
	(139,999)	(931,014)	(150,944)	(911,676)
Increase/(Decrease) in operating liabilities:				
Deposits from customers	420,810	2,961,562	420,810	2,961,562
Deposits and placements from other banks	(570,000)	650,000	(570,000)	650,000
Other liabilities	32,482	2,389	39,915	(9,573)
Trade payables	(1,032)	3,906	-	-
Recourse obligation on financing sold to Cagamas	(44,782)	(100,920)	(44,782)	(100,920)
Cash generated from operations	(302,521)	2,585,923	(305,001)	2,589,393
Income tax paid	(29,284)	(49,601)	(27,939)	(48,050)
Zakat paid	(2,486)	(2,091)	(2,615)	(2,141)
Increase in/(Contribution to) defined benefits plan	-	183,877	-	183,877
Net cash from operating activities	(334,291)	2,718,108	(335,555)	2,723,079

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 2013

**UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (CONTINUED)**

	Group		Bank	
	Three Months Ended 31 March 2014 RM'000	31 March 2013 RM'000	Three Months Ended 31 March 2014 RM'000	31 March 2013 RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Purchases of financial assets held-for-trading	(30,000)	-	(30,000)	-
Proceeds from disposal of financial assets held-for-trading	20,258	-	20,258	-
Purchases of financial assets available-for-sale	(645,000)	(835,000)	(645,000)	(835,000)
Proceeds from disposal of financial assets available-for-sale	458,146	266,056	458,022	265,837
Purchases of financial assets held-to-maturity	(129,470)	(1,705,001)	(129,470)	(1,705,001)
Proceeds from disposal of financial assets held-to-maturity	51,601	126,024	51,601	126,024
Purchase of investment properties	-	(15,410)	-	-
Proceeds from disposal of investment properties	48	-	-	-
Purchases of property and equipment	(41,745)	(94,764)	(39,952)	(110,096)
Net cash used in investing activities	(316,162)	(2,258,095)	(314,541)	(2,258,236)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES				
Proceeds from issue of shares to members	2,631	89,788	2,631	89,788
Dividend paid	(441,000)	(494,981)	(441,000)	(494,981)
Fund received from government	24,250	47,677	24,250	47,677
Proceeds from debt securities issued	999,989	-	999,989	-
Addition in/(Repayment of) financing from other financial institution	582	2,140	-	-
Net cash from financing activities	586,452	(355,376)	585,870	(357,516)
Net increase/(decrease) in cash and cash equivalent	(64,001)	104,637	(64,226)	107,327
Cash and cash equivalent at beginning of period	746,196	530,653	744,018	525,494
Cash and cash equivalent at end of period	682,195	635,290	679,792	632,821

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 2013

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

Basis of Preparation

The unaudited interim financial statements for the first quarter and financial period ended 31 March 2014 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 2013. 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 2013.

Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the audited financial statements for the financial year ended 31 December 2013 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 financial period ended 31 March 2014.

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 financial period ended 31 March 2014.

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 financial period ended 31 March 2014.

Debt and Equity Securities

There was a new issuance of debt securities by the Bank during the period amounting to RM1.0 billion in March 2014.

Dividends Paid and Distributed

During the financial period ended 31 March 2014, final dividend for the year ended 31 December 2013 was paid amounting to RM441,000,453 comprising of 15% cash dividend.

NOTE 1: FINANCIAL ASSETS HELD-FOR-TRADING

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
At fair value				
Government investment issues	9,762	-	9,762	-

NOTE 2: FINANCIAL ASSETS AVAILABLE-FOR-SALE

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
At fair value				
Government investment issues	6,322,667	6,209,785	6,322,667	6,209,785
Islamic debt securities	2,303,305	2,287,255	2,303,305	2,287,255
Government bonds	1,733,029	1,747,170	1,733,029	1,747,170
Khazanah bonds	22,700	22,500	22,700	22,500
Quoted shares	230,489	183,245	229,838	182,472
Unit trust shares	1,896	1,892	1,896	1,892
At cost, net of impairment loss				
Unquoted shares	11,249	11,250	6,833	6,833
	10,625,335	10,463,097	10,620,268	10,457,907

NOTE 3: FINANCIAL ASSETS HELD-TO-MATURITY

	Group & Bank	
	31 March 2014 RM'000	31 December 2013 RM'000
At amortised cost		
Government investment issues	8,581,182	8,574,371
Government bonds	902,502	903,555
Khazanah bonds	364,231	306,684
Islamic debt securities	585,042	565,506
Islamic commercial papers	57,036	62,008
	10,489,993	10,412,124
Less: accumulated impairment losses		
Islamic debt securities	(213,639)	(213,639)
Islamic commercial papers	(57,036)	(57,036)
	(270,675)	(270,675)
	10,219,318	10,141,449

NOTE 4: FINANCING AND ADVANCES

(i) By type of financing

	Group & Bank	
	31 March 2014 RM'000	31 December 2013 RM'000
At amortised cost		
Personal financing	47,764,146	46,937,582
Term financing	5,179,481	5,284,458
House financing	2,575,066	2,569,422
Pawn broking	1,692,866	1,762,602
Bridging	601,483	595,183
Revolving credit	450,932	465,430
Credit card	440,639	452,991
Hire-purchase receivables	372,288	361,858
Staff financing	267,152	273,207
Syndicated financing	114,097	106,222
Gross financing and advances, net of unearned income	59,458,150	58,808,955
Allowance for impairment on financing and advances		
Individual impairment	(228,064)	(212,222)
Collective impairment	(1,466,317)	(1,292,556)
	(1,694,381)	(1,504,778)
Net financing and advances	57,763,769	57,304,177

NOTE 4: FINANCING AND ADVANCES

(ii) By type of customer

	Group & Bank	
	31 March 2014 RM'000	31 December 2013 RM'000
Individuals	53,636,035	52,869,164
Business enterprises	3,622,430	3,779,153
Non-bank financial institutions		
Co-operatives	1,862,766	1,819,046
Others	54,026	54,927
Foreign entities	264,943	267,869
Other entities	17,896	18,740
Banking institutions	54	56
	59,458,150	58,808,955

(iii) By economic sector

	Group & Bank	
	31 March 2014 RM'000	31 December 2013 RM'000
Consumption credit	51,367,513	50,468,948
Purchase of property	2,281,970	2,348,971
Financial, insurance and business services	2,251,170	2,519,567
Construction	1,590,516	1,589,424
Manufacturing	683,956	761,932
Agriculture	444,125	444,941
Transportation & communication	380,712	328,488
Wholesale & retail trade	132,460	111,241
Electricity, gas and water	100,117	82
Purchase of securities	87,982	96,140
Mining and quarrying	87,333	88,420
Community, social and personal services	50,296	50,801
	59,458,150	58,808,955

NOTE 4: FINANCING AND ADVANCES

(iv) Impaired financing and advances by economic sector

	Group & Bank	
	31 March 2014 RM'000	31 December 2013 RM'000
Consumption credit	609,294	559,145
Construction	223,944	213,592
Financial, insurance, property and business services	184,880	200,038
Purchase of property	172,141	188,545
Agriculture	69,609	69,046
Wholesale & retail trade	39,957	38,714
Manufacturing	35,906	30,952
Community, social and personal services	3,885	3,465
Purchase of securities	1,187	1,346
Transportation & communication	292	276
Electricity, gas and water	15	-
Mining & quarrying	2	-
	1,341,112	1,305,119

(v) Movement in impaired financing and advances

	Group & Bank	
	31 March 2014 RM'000	31 December 2013 RM'000
As of 1 January	1,305,119	1,431,737
Classified as impaired during the period	352,375	2,086,386
Amount written-back in respect of recoveries	(315,455)	(1,457,955)
Amount written-off during the period	(927)	(755,049)
	35,993	(126,618)
Closing balance	1,341,112	1,305,119
Gross impaired financing and advances as a percentage of gross financing and advances	2.26%	2.22%

NOTE 4: FINANCING AND ADVANCES

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

	Group & Bank	
	31 March 2014 RM'000	31 December 2013 RM'000
Individual assessment impairment		
As of 1 January	212,222	285,543
Allowance made during the year	36,646	623,034
Amount written-back in respect of recoveries	(20,804)	(259,516)
Amount written-off during the year	-	(436,839)
	15,842	(73,321)
Closing balance	228,064	212,222

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

	Group & Bank	
	31 March 2014 RM'000	31 December 2013 RM'000
Collective assessment impairment		
As of 1 January	1,292,556	1,237,668
Allowance made during the year	423,629	1,511,284
Amount written-back in respect of recoveries	(249,038)	(1,138,225)
Amount written-off during the year	(830)	(318,171)
	173,761	54,888
Closing balance	1,466,317	1,292,556

NOTE 5: OTHER ASSETS

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Other receivables	389,820	349,488	341,703	346,176
Defined benefit plan	186,870	192,937	186,870	192,937
Income receivable	67,564	67,231	63,594	67,231
Tax recoverable	62,683	99,685	62,536	99,557
Prepayments	19,460	26,337	19,430	25,990
Refundable deposits	13,345	57,889	9,121	8,902
Amount due from subsidiaries	-	-	2,405	2,688
Allowance for doubtful debts	(17,764)	(17,688)	(17,577)	(17,577)
	721,978	775,879	668,082	725,904

NOTE 6: DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	Group & Bank	
	31 March 2014 RM'000	31 December 2013 RM'000
Non-Mudarabah		
Term deposits	43,827,044	38,691,634
Savings	790,673	683,594
Negotiable Islamic debt certificate	4,289,401	5,992,899
	48,907,118	45,368,127
Mudarabah		
Savings deposits	2,870,523	2,582,332
General investment accounts	13,782,236	17,188,608
Special investment accounts	158,700	158,700
	16,811,459	19,929,640
	65,718,577	65,297,767

NOTE 6: DEPOSITS FROM CUSTOMERS

(ii) By type of customer

	Group & Bank	
	31 March 2014 RM'000	31 December 2013 RM'000
Government	30,090,781	29,523,382
Business enterprises	21,525,899	23,229,490
Individuals	11,296,575	10,181,934
Co-operatives	1,553,374	1,202,751
Others	1,251,948	1,160,210
	65,718,577	65,297,767

NOTE 7: OTHER LIABILITIES

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Amount due to subsidiaries	-	-	171,820	170,731
Other liabilities and accruals	458,944	584,270	452,455	577,480
Income payable	446,113	426,854	446,113	426,854
Sundry creditors	365,533	219,692	339,502	187,619
Government fund	98,288	81,329	98,288	81,329
Zakat payable	53,798	47,156	53,075	46,666
	1,422,676	1,359,301	1,561,253	1,490,679

NOTE 8: RESERVES

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Retained profits	4,510,383	4,486,576	4,237,452	4,218,309
Statutory reserve	3,789,563	3,789,563	3,789,563	3,789,563
Capital reserve	14,617	14,617	15,359	15,359
Financial assets available-for-sale reserves	(49,161)	(21,849)	(49,161)	(21,849)
	8,265,402	8,268,907	7,993,213	8,001,382

NOTE 9: INCOME

Group	First Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' fund (i)	1,070,609	1,120,039	1,070,609	1,120,039
Income derived from investment of shareholders' fund (ii)	259,218	281,514	259,218	281,514
Income generated by subsidiary companies (iii)	25,233	18,444	25,233	18,444
	1,355,060	1,419,997	1,355,060	1,419,997

Bank	First Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' fund (i)	1,070,609	1,120,039	1,070,609	1,120,039
Income derived from investment of shareholders' fund (ii)	259,218	281,514	259,218	281,514
Income generated by subsidiary companies (iii)	-	-	-	-
	1,329,827	1,401,553	1,329,827	1,401,553

(i) Income derived from investment of depositors' fund

Group & Bank	First Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Income from financing and advances	902,144	954,624	902,144	954,624
Income from deposits and placements with bank and other financial institutions	15,256	25,544	15,256	25,544
Income from financial assets	153,209	139,871	153,209	139,871
	1,070,609	1,120,039	1,070,609	1,120,039

NOTE 9: INCOME

(ii) Income derived from investment of shareholders' fund

Group & Bank	First Quarter Ended		Three Months Ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	RM'000	RM'000	RM'000	RM'000
Income from financing and advances	218,430	239,938	218,430	239,938
Income from deposits and placements with bank and other financial institutions	3,693	6,420	3,693	6,420
Income from financial assets	37,095	35,156	37,095	35,156
	259,218	281,514	259,218	281,514

(iii) Income generated by subsidiary companies

Group	First Quarter Ended		Three Months Ended	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	RM'000	RM'000	RM'000	RM'000
Pawning income	12,613	5,795	12,613	5,795
Agency income	6,976	7,296	6,976	7,296
Rental income	2,976	3,012	2,976	3,012
Sale of goods & services	1,469	1,555	1,469	1,555
Management fee	943	684	943	684
Other fees	256	102	256	102
	25,233	18,444	25,233	18,444

NOTE 10: EXPENDITURE

Group	First Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Income attributable to depositors *	548,132	529,808	548,132	529,808
Profit expense on financing sold with recourse to Cagamas	14,304	30,166	14,304	30,166
Transfer to/(from) profit equalisation reserve	(125,000)	7,000	(125,000)	7,000
Profit expense on debt securities issued	16,478	10,070	16,478	10,070
Cost of sales	18,100	13,575	18,100	13,575
	472,014	590,619	472,014	590,619

Bank	First Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Income attributable to depositors *	549,706	529,808	549,706	529,808
Profit expense on financing sold with recourse to Cagamas	14,304	30,166	14,304	30,166
Transfer to/(from) profit equalisation reserve	(125,000)	7,000	(125,000)	7,000
Profit expense on debt securities issued	16,478	10,070	16,478	10,070
Cost of sales	-	-	-	-
	455,488	577,044	455,488	577,044

NOTE 10: EXPENDITURE

* Income attributable to depositors

Group	First Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
Mudarabah	141,777	346,363	141,777	346,363
Non-Mudarabah	395,119	177,350	395,119	177,350
Deposits and placements from banks and other financial institutions				
Mudarabah	11,236	6,095	11,236	6,095
	548,132	529,808	548,132	529,808

Bank	First Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
Mudarabah	143,351	346,363	143,351	346,363
Non-Mudarabah	395,119	177,350	395,119	177,350
Deposits and placements from banks and other financial institutions				
Mudarabah	11,236	6,095	11,236	6,095
	549,706	529,808	549,706	529,808

NOTE 11: ALLOWANCE FOR IMPAIRMENT

Group & Bank	First Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment on financing and advances (i)	192,871	151,915	192,871	151,915
Allowance for impairment on financial assets (ii)	-	-	-	-
	192,871	151,915	192,871	151,915

(i) Allowance for impairment on financing and advances

Group & Bank	First Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Individual impairment	16,503	(36,912)	16,503	(36,912)
Individual impairment on rescheduled financing	2,438	1,906	2,438	1,906
Collective impairment	173,930	186,921	173,930	186,921
	192,871	151,915	192,871	151,915

(ii) Allowance for impairment on financial assets

Group & Bank	First Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Financial assets available-for-sale	-	-	-	-
Financial assets held-to-maturity	-	-	-	-
	-	-	-	-

NOTE 12: OTHER OPERATING INCOME

Group	First Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Fees and commission (i)	14,666	28,008	14,666	28,008
Other income (ii)	69,396	81,119	69,396	81,119
	84,062	109,127	84,062	109,127

Bank	First Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Fees and commission (i)	14,666	28,008	14,666	28,008
Other income (ii)	68,830	79,534	68,830	79,534
	83,496	107,542	83,496	107,542

(i) Fees and commission

Group & Bank	First Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Other commission	3,797	6,309	3,797	6,309
Takaful commission	2,946	14,125	2,946	14,125
ATM service fees	2,653	2,785	2,653	2,785
MEPS fees	2,029	984	2,029	984
Wasiat commission	1,452	1,618	1,452	1,618
Other fees	875	817	875	817
Guarantee fees	693	410	693	410
Processing fees	221	960	221	960
	14,666	28,008	14,666	28,008

NOTE 12: OTHER OPERATING INCOME

(ii) Other income

Group	First Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Other income from financial instruments				
Dividend from investment securities	852	197	852	197
Net gain on disposal of financial assets held-for-trading	29	-	29	-
Net (loss) on revaluation of financial assets held-for-trading	(9)	-	(9)	-
Net gain on disposal of financial assets available-for-sale	2,695	3,678	2,695	3,678
Net gain on redemption of financial assets held-to-maturity	-	1,214	-	1,214
Others				
Rental income	1,556	1,619	1,556	1,619
Compensation for late payment	1,644	2,127	1,644	2,127
Charges from credit card services	4,529	-	4,529	-
Other service charges	2,028	2,131	2,028	2,131
Recoveries on financing written-off	45,350	50,100	45,350	50,100
Allowance for doubtful debts no longer required	-	5,347	-	5,347
Allowance for impairment loss on financial assets held-to-maturity no longer required	-	4,999	-	4,999
Other income	10,722	9,707	10,722	9,707
	69,396	81,119	69,396	81,119

NOTE 12: OTHER OPERATING INCOME

(ii) Other income

Bank	First Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Other income from financial instruments				
Dividend from investment securities	852	197	852	197
Net gain on disposal of financial assets held-for-trading	29	-	29	-
Net (loss) on revaluation of financial assets held-for-trading	(9)	-	(9)	-
Net gain on disposal of financial assets available-for-sale	2,695	3,678	2,695	3,678
Net gain on redemption of financial assets held-to-maturity	-	1,214	-	1,214
Others				
Rental income	1,556	1,619	1,556	1,619
Compensation for late payment	1,644	2,127	1,644	2,127
Charges from credit card services	4,529	3,860	4,529	3,860
Other service charges	2,028	2,132	2,028	2,132
Recoveries on financing written-off	45,350	50,100	45,350	50,100
Allowance for doubtful debts no longer required	-	5,347	-	5,347
Allowance for impairment loss on financial assets held-to-maturity no longer required	-	4,999	-	4,999
Other income	10,156	4,261	10,156	4,261
	68,830	79,534	68,830	79,534

NOTE 13: OPERATING EXPENSES

Group	First Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Personnel expenses (i)	136,099	140,539	136,099	140,539
Other overheads and expenditure (ii)	98,158	102,500	98,158	102,500
	234,257	243,039	234,257	243,039

NOTE 13: OPERATING EXPENSES

Bank	First Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Personnel expenses (i)	134,349	138,839	134,349	138,839
Other overheads and expenditure (ii)	96,488	101,777	96,488	101,777
	230,837	240,616	230,837	240,616

(i) Personnel expenses

Group	First Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	57,638	49,017	57,638	49,017
Allowances and bonuses	38,840	57,035	38,840	57,035
Defined benefit plan	6,067	3,311	6,067	3,311
Defined contribution plan - EPF	15,808	17,085	15,808	17,085
Social security contributions - SOCSO	672	623	672	623
Other staff related costs	17,074	13,468	17,074	13,468
	136,099	140,539	136,099	140,539

Bank	First Quarter Ended		Three Months Ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	56,411	48,047	56,411	48,047
Allowances and bonuses	38,501	56,453	38,501	56,453
Defined benefit plan	6,067	3,311	6,067	3,311
Defined contribution plan - EPF	15,649	16,967	15,649	16,967
Social security contributions - SOCSO	658	610	658	610
Other staff related costs	17,063	13,451	17,063	13,451
	134,349	138,839	134,349	138,839

NOTE 13: OPERATING EXPENSES

(ii) Other overheads and expenditure

Group	First Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Establishment costs				
Rental	4,834	4,524	4,834	4,524
Depreciation and amortisation of prepaid lease payment	20,393	18,146	20,393	18,146
Repair and maintenance	13,073	10,818	13,073	10,818
Takaful protection	1,127	2,483	1,127	2,483
	39,427	35,971	39,427	35,971
Marketing expenses				
Advertisement and publicity	3,653	8,055	3,653	8,055
	3,653	8,055	3,653	8,055
Administration and general expenses				
Legal and profesional fees	1,932	1,251	1,932	1,251
Auditors' remuneration	488	474	488	474
Communication expenses	9,727	13,369	9,727	13,369
Utilities expenses	7,432	3,706	7,432	3,706
Printing and stationery	2,367	3,465	2,367	3,465
Postage and courier	1,824	2,472	1,824	2,472
Security expenses	4,788	1,524	4,788	1,524
Service charges	9,669	12,729	9,669	12,729
Loss on financing written-off	1,719	2,137	1,719	2,137
Loss on property and equipment written-off	3	61	3	61
Commission expenses	5,215	6,910	5,215	6,910
Travelling and transportation	3,455	3,291	3,455	3,291
Others	6,459	7,085	6,459	7,085
	55,078	58,474	55,078	58,474
	98,158	102,500	98,158	102,500

NOTE 13: OPERATING EXPENSES

(ii) Other overheads and expenditure

Bank	First Quarter Ended		Three Months Ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Establishment costs				
Rental	4,827	4,515	4,827	4,515
Depreciation and amortisation of prepaid lease payment	19,539	17,413	19,539	17,413
Repair and maintenance	13,002	10,735	13,002	10,735
Takaful protection	1,096	2,446	1,096	2,446
	38,464	35,109	38,464	35,109
Marketing expenses				
Advertisement and publicity	3,494	8,018	3,494	8,018
	3,494	8,018	3,494	8,018
Administration and general expenses				
Legal and profesional fees	1,717	1,904	1,717	1,904
Auditors' remuneration	446	405	446	405
Communication expenses	9,693	13,328	9,693	13,328
Utilities expenses	7,286	3,570	7,286	3,570
Printing and stationery	2,303	3,423	2,303	3,423
Postage and courier	1,816	2,451	1,816	2,451
Security expenses	4,770	1,504	4,770	1,504
Service charges	10,741	13,405	10,741	13,405
Loss on financing written-off	1,719	2,137	1,719	2,137
Loss on property and equipment written-off	3	61	3	61
Commission expenses	5,215	6,910	5,215	6,910
Travelling and transportation	3,259	3,214	3,259	3,214
Others	5,562	6,338	5,562	6,338
	54,530	58,650	54,530	58,650
	96,488	101,777	96,488	101,777

NOTE 14: COMMITMENT 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		Bank	
	Three Months Ended		Three Months Ended	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Contingent liabilities				
Bank guarantee given in respect of banking facilities granted to customers	505,346	541,630	505,346	541,630
Claims for damages from litigation taken against the Bank	4,610	3,362	4,610	3,362
Commitments				
Undrawn financing	2,588,749	2,595,260	2,588,749	2,595,260
	3,098,705	3,140,252	3,098,705	3,140,252

NOTE 15: 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 2014 RM'000	31 December 2013 Restated RM'000
Before deducting proposed dividend		
Core capital ratio	16.78%	17.61%
Risk-weighted capital ratio	17.01%	17.83%
After deducting proposed dividend *		
Core capital ratio	16.78%	16.90%
Risk-weighted capital ratio	17.01%	17.13%

NOTE 15: CAPITAL ADEQUACY

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 2014 RM'000	31 December 2013 Restated RM'000
Tier I capital		
Paid-up share capital	2,976,308	2,973,677
Retained earnings *	3,777,309	3,777,309
Other reserves	3,804,921	3,804,921
Total Tier I capital (core)	10,558,538	10,555,907
Tier II capital		
Collective impairment **	703,649	675,933
Total Tier II capital	703,649	675,933
Total capital	11,262,187	11,231,840
Less: Investment in subsidiaries	(43,500)	(43,500)
Less: Investment in fixed asset ***	(516,885)	(492,344)
	(560,385)	(535,844)
Total capital base	10,701,802	10,695,996

* After deducting final dividend for 2013 that was paid in March 2014.

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

*** This refers to cumulative payment for the construction of Menara Berkembar Bank Rakyat in Jalan Travers, Kuala Lumpur.

Assets in various categories are risk-weighted as follows:

	Bank	
	31 March 2014 RM'000	31 December 2013 RM'000
Total assets assigned 20% risk-weighted	454,566	421,783
Total assets assigned 50% risk-weighted	1,317,458	1,275,974
Total assets assigned 100% risk-weighted	59,561,600	59,174,808
Off-Balance Sheet claims assigned 50% risk-weighted	1,035,500	1,038,104
Off-Balance Sheet claims assigned 100% risk-weighted	541,630	541,630
	62,910,754	662,452,299