

BANK KERJASAMA RAKYAT MALAYSIA BERHAD
INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	Group		Bank	
		30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
ASSETS					
Cash and balances with banks		4,953,388	3,856,468	4,946,845	3,847,809
Financial assets held-for-trading	1	169,178	-	169,178	-
Financial assets available-for-sale	2	10,811,727	9,802,481	10,806,784	9,797,317
Financial assets held-to-maturity	3	10,080,786	8,220,956	10,080,786	8,220,956
Financing and advances	4	56,617,957	55,233,276	56,617,957	55,233,276
Trade receivables		11,654	8,435	-	-
Other assets	5	645,868	841,479	590,240	791,441
Inventories		651	613	-	-
Property development		4,493	4,182	-	-
Investment in subsidiaries		-	-	43,500	43,500
Property and equipment		825,645	670,657	817,435	647,953
Goodwill on consolidation		13,185	13,185	-	-
Investment properties		251,991	236,581	145,384	145,384
Prepaid lease payment		81,302	83,943	70,400	70,991
Deferred tax assets		410,000	408,494	410,000	410,000
TOTAL ASSETS		84,877,825	79,380,750	84,698,509	79,208,627

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 2012

BANK KERJASAMA RAKYAT MALAYSIA BERHAD
INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2013 (CONTINUED)

	Note	Group		Bank	
		30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
LIABILITIES					
Deposits from customers	6	67,936,462	62,666,004	67,936,462	62,666,004
Deposits and placements from other banks		465,000	200,000	465,000	200,000
Trade payables		9,253	6,734	-	-
Recourse obligations on financing sold to Cagamas		2,929,768	3,172,301	2,929,768	3,172,301
Debt securities issued		1,006,831	1,006,658	1,006,831	1,006,658
Other liabilities	7	1,348,679	1,439,966	1,484,283	1,570,329
Provision for taxation		76,761	47,616	75,341	46,684
Profit equalisation reserve (Investor)		211,752	220,538	211,752	220,538
Financing from other financial institutions		42,851	40,431	-	-
TOTAL LIABILITIES		74,027,357	68,800,248	74,109,437	68,882,514
SHAREHOLDERS' FUND					
Share capital		2,970,451	2,865,004	2,970,451	2,865,004
Share redemption fund		53,671	53,671	53,671	53,671
Reserves	8	7,471,457	7,297,724	7,210,061	7,043,335
Profit equalisation reserve (Bank)		354,889	364,103	354,889	364,103
TOTAL SHAREHOLDERS' FUND		10,850,468	10,580,502	10,589,072	10,326,113
TOTAL LIABILITIES AND SHAREHOLDERS' FUND		84,877,825	79,380,750	84,698,509	79,208,627
COMMITMENT AND CONTINGENCIES					
	14	2,842,285	2,549,528	2,842,285	2,548,578

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 2012

BANK KERJASAMA RAKYAT MALAYSIA BERHAD
INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 2ND QUARTER ENDED 30 JUNE 2013

Group	Note	2 nd Quarter Ended		Six Months Ended	
		30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Income	9	1,463,183	1,513,172	2,880,564	2,923,589
Expenditure	10	(585,149)	(623,892)	(1,177,946)	(1,195,696)
Net income		878,034	889,280	1,702,618	1,727,893
Allowance for impairment	11	(309,359)	(204,206)	(461,274)	(388,840)
Other operating income	12	202,020	103,203	311,072	204,916
Operating expenses	13	(197,714)	(243,674)	(435,882)	(480,098)
Profit before taxation and zakat		572,981	544,603	1,116,534	1,063,871
Taxation		(82,305)	(103,721)	(150,625)	(211,048)
Zakat		(21,965)	(11,444)	(43,930)	(17,773)
Profit after taxation and zakat		468,711	429,438	921,979	835,050
Net gain/(loss) on revaluation of financial assets available-for-sale		(63,807)	60,907	(69,516)	68,980
Net addition/(utilisation) of profit equalisation reserve		(15,686)	21,089	(9,214)	20,666
Other comprehensive income for the period		(79,493)	81,996	(78,730)	89,646
Total comprehensive income for the period		389,218	511,434	843,249	924,696

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 2012

BANK KERJASAMA RAKYAT MALAYSIA BERHAD
INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2013

Bank	Note	2nd Quarter Ended		Six Months Ended	
		30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Income	9	1,444,359	1,496,807	2,845,913	2,892,062
Expenditure	10	(573,666)	(607,237)	(1,150,710)	(1,166,348)
Net income		870,693	889,570	1,695,203	1,725,714
Allowance for impairment	11	(309,359)	(204,206)	(461,274)	(388,840)
Other operating income	12	203,029	101,458	310,571	201,583
Operating expenses	13	(196,446)	(246,534)	(437,063)	(482,806)
Profit before taxation and zakat		567,917	540,288	1,107,437	1,055,651
Taxation		(81,369)	(103,006)	(148,781)	(209,619)
Zakat		(21,842)	(11,407)	(43,684)	(17,697)
Profit after taxation and zakat		464,706	425,875	914,972	828,335
Net gain/(loss) on revaluation of financial assets available-for-sale		(63,807)	60,907	(69,516)	68,980
Net addition/(utilisation) of profit equalisation reserve		(15,686)	21,089	(9,214)	20,666
Other comprehensive income for the period		(79,493)	81,996	(78,730)	89,646
Total comprehensive income for the period		385,213	507,871	836,242	917,981

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 2012

BANK KERJASAMA RAKYAT MALAYSIA BERHAD
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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2013

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 2012	2,349,063	53,671	14,617	2,858,048	109,503	230,565	2,987,190	8,602,657
Total comprehensive income for the period	-	-	-	-	68,980	20,666	835,050	924,696
Issuance to new members	342,852	-	-	-	-	-	-	342,852
Dividend	106,125	-	-	-	-	-	(428,473)	(322,348)
Adjustment on dividend	-	-	-	-	-	-	(6,743)	(6,743)
Overprovision of contribution to Yayasan Bank Rakyat	-	-	-	-	-	-	234	234
At 30 June 2012	2,798,040	53,671	14,617	2,858,048	178,483	251,231	3,387,258	9,541,348
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	-	-	-	-	(69,516)	(9,214)	921,979	843,249
Issuance to new members	50,745	-	-	-	-	-	-	50,745
Dividend	54,702	-	-	-	-	-	(495,052)	(440,350)
Adjustment for defined benefit plan	-	-	-	-	-	-	(183,877)	(183,877)
Overprovision of contribution to Yayasan Bank Rakyat	-	-	-	-	-	-	199	199
At 30 June 2013	2,970,451	53,671	14,617	3,304,452	108,767	354,889	4,043,621	10,850,468

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 2012

BANK KERJASAMA RAKYAT MALAYSIA BERHAD
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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2013 (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 2012	2,349,063	53,671	15,358	2,858,048	109,503	230,565	2,738,396	8,354,604
Total comprehensive income for the period	-	-	-	-	68,980	20,666	828,335	917,981
Issuance to new members	342,852	-	-	-	-	-	-	342,852
Dividend	106,125	-	-	-	-	-	(428,473)	(322,348)
Adjustment on dividend	-	-	-	-	-	-	(6,743)	(6,743)
Overprovision of contribution to Yayasan Bank Rakyat	-	-	-	-	-	-	234	234
At 30 June 2012	2,798,040	53,671	15,358	2,858,048	178,483	251,231	3,131,749	9,286,580
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	-	-	-	-	(69,516)	(9,214)	914,972	836,242
Issuance to new members	50,745	-	-	-	-	-	-	50,745
Dividend	54,702	-	-	-	-	-	(495,052)	(440,350)
Adjustment for defined benefit plan	-	-	-	-	-	-	(183,877)	(183,877)
Overprovision of contribution to Yayasan Bank Rakyat	-	-	-	-	-	-	199	199
At 30 June 2013	2,970,451	53,671	15,358	3,304,452	108,767	354,889	3,781,484	10,589,072

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 2012

BANK KERJASAMA RAKYAT MALAYSIA BERHAD
INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2013

	Group		Bank	
	Six Months Ended		Six Months Ended	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit for the period	921,979	835,050	914,972	828,335
Adjustments for:				
Allowance for impairment on financing and advances	461,274	388,840	461,274	388,840
Profit expense on debt securities issued	20,108	-	20,108	-
Taxation	150,625	211,048	148,781	209,619
Zakat	43,930	17,773	43,684	17,697
Depreciation of property and equipment	38,574	35,144	37,109	33,685
Amortisation of prepaid lease payments	2,641	737	592	737
Provision for defined benefits plan	8,220	7,919	8,220	7,919
Loss on property and equipment written-off	435	94	435	94
Loss on financing written-off	4,124	4,698	4,124	4,698
Finance cost	989	1,123	-	-
Allowance for doubtful debts no longer required	(9,819)	-	(9,819)	-
Allowance for impairment loss on financial assets held-to-maturity no longer required	(95,128)	(528)	(95,128)	(528)
Net gain on disposal of financial assets held-for-trading	(97)	(551)	(97)	(551)
Net loss on revaluation of financial assets held-for-trading	648	-	648	-
Net gain on disposal of financial assets available-for-sale	(8,679)	(7,511)	(8,679)	(7,511)
Net gain on redemption of financial assets held-to-maturity	(598)	(317)	(598)	(317)
Transfer from/(to) profit equalisation reserve	(18,000)	33,500	(18,000)	33,500
Profit expense on financing sold with recourse to Cagamas	59,217	62,400	59,217	62,400
Operating profit before working capital changes	1,580,443	1,589,419	1,566,843	1,578,617

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 2012

BANK KERJASAMA RAKYAT MALAYSIA BERHAD
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UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2013 (CONTINUED)

	Group		Bank	
	Six Months Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
(Increase)/Decrease in operating assets:				
Financing and advances	(1,850,079)	(2,704,792)	(1,850,079)	(2,704,792)
Property development	(311)	(1,904)	-	-
Inventories	(38)	307	-	-
Trade receivables	(3,219)	(3,516)	-	-
Other assets	(65,089)	(168,009)	(59,260)	(156,410)
	(338,293)	(1,288,495)	(342,496)	(1,282,585)
Increase/(Decrease) in operating liabilities:				
Deposits from customers	5,270,458	4,874,447	5,270,458	4,874,447
Deposits from financial institutions	265,000	5,000	265,000	5,000
Other liabilities	(207,209)	(125,561)	(201,655)	(124,749)
Trade payables	2,519	8,970	-	-
Recourse obligation on financing sold to Cagamas	(301,750)	(777,702)	(301,750)	(777,702)
Cash generated from operations	4,690,725	2,696,659	4,689,556	2,694,411
Income tax paid	(122,747)	(172,055)	(120,125)	(172,101)
Zakat paid	(23,486)	(27,038)	(23,552)	(27,324)
Increase in/(Contribution) to defined benefits plan	78,183	(100,949)	78,183	(100,949)
Net cash from operating activities	4,622,675	2,396,617	4,624,062	2,394,037

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 2012

BANK KERJASAMA RAKYAT MALAYSIA BERHAD
INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2013 (CONTINUED)

	Group		Bank	
	Six Months Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Purchases of financial assets held-for-trading	(310,000)	(320,000)	(310,000)	(320,000)
Proceeds from disposal of financial assets held-for-trading	140,271	310,446	140,271	310,446
Purchases of financial assets available-for-sale	(1,740,000)	(2,663,827)	(1,740,000)	(2,663,827)
Proceeds from disposal of financial assets available-for-sale	669,917	1,984,410	669,696	1,983,611
Purchases of financial assets held-to-maturity	(2,230,001)	(3,325,572)	(2,230,001)	(3,325,572)
Proceeds from disposal of financial assets held-to-maturity	465,897	136,480	465,897	136,480
Purchases of property and equipment	(193,997)	(97,528)	(207,025)	(106,638)
Addition in prepaid lease payment	-	(10,558)	-	-
Addition in investment properties	(15,410)	(1,420)	-	-
Net cash used in investing activities	(3,213,323)	(3,987,569)	(3,211,162)	(3,985,500)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES				
Proceeds from issue of shares to members	50,745	342,852	50,745	342,852
Dividend paid	(440,350)	(329,090)	(440,350)	(329,090)
Fund received from government	95,676	49,025	95,676	49,025
Repayment of debt securities issued	(19,935)	-	(19,935)	-
Addition in/(Repayment of) financing from other financial institution	1,432	(2,969)	-	-
Net cash from financing activities	(312,432)	59,818	(313,864)	62,787
Net increase/(decrease) in cash and cash equivalent	1,096,920	(1,531,134)	1,099,037	(1,528,676)
Cash and cash equivalent at beginning of year	3,856,468	7,990,449	3,847,809	7,978,644
Cash and cash equivalent at end of year	4,953,388	6,459,315	4,946,846	6,449,968
Cash and cash equivalent				
Cash and short-term funds	4,953,388	6,459,315	4,946,846	6,449,968

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 2012

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

Basis of Preparation

The unaudited interim financial statements for the 2nd quarter and financial half year ended 30 June 2013 have been prepared under historical cost convention except for the following assets and liabilities which are stated at fair values: 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 2012. 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 2012.

Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the audited financial statements for the financial year ended 31 December 2012 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 2nd quarter and financial half year ended 30 June 2013.

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 2nd quarter and financial half year ended 30 June 2013.

Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the 2nd quarter and financial half year ended 30 June 2013.

Debt and Equity Securities

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

Dividends Paid and Distributed

During the financial half year ended 30 June 2013, final dividend for the year ended 31 December 2012 was paid amounting to RM495,051,566 comprising of 16% cash dividend and 2% bonus dividend.

BANK KERJASAMA RAKYAT MALAYSIA BERHAD
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NOTE 1: FINANCIAL ASSETS HELD-FOR-TRADING

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
At fair value				
Government investment issues	169,178	-	169,178	-

NOTE 2: FINANCIAL ASSETS AVAILABLE-FOR-SALE

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
At fair value				
Government investment issues	6,321,093	5,591,321	6,321,093	5,591,321
Government bonds	1,782,484	1,737,625	1,782,484	1,737,625
Khazanah bonds	22,135	21,877	22,135	21,877
Cagamas bonds	10,035	10,047	10,035	10,047
Islamic debt securities	2,398,511	2,253,273	2,398,511	2,253,273
Negotiable Islamic debt certificates	99,276	-	99,276	-
Quoted shares	165,384	175,347	164,636	174,591
Unit trust shares	5,976	1,750	1,781	1,750
At cost, net of impairment loss				
Unquoted shares	6,833	11,241	6,833	6,833
	10,811,727	9,802,481	10,806,784	9,797,317

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NOTE 3: FINANCIAL ASSETS HELD-TO-MATURITY

	Group & Bank	
	30 June 2013 RM'000	31 December 2012 RM'000
At amortised cost		
Government investment issues	8,329,843	6,649,152
Government bonds	834,004	521,435
Khazanah bonds	300,720	294,854
Cagamas bonds	351,247	351,278
Islamic debt securities	478,071	690,425
Islamic commercial papers	71,958	93,998
	10,365,843	8,601,142
Less: accumulated impairment losses		
Islamic debt securities	(228,021)	(306,971)
Islamic commercial papers	(57,036)	(73,215)
	(285,057)	(380,186)
	10,080,786	8,220,956

BANK KERJASAMA RAKYAT MALAYSIA BERHAD
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NOTE 4: FINANCING AND ADVANCES

(i) By type of financing

	Group & Bank	
	30 June 2013 RM'000	31 December 2012 RM'000
At amortised cost		
Term financing	5,493,997	5,349,912
Personal financing	46,149,802	43,951,408
Revolving credit	511,418	485,419
House financing	2,658,519	2,978,340
Hire-purchase receivables	353,341	420,621
Pawn broking	1,713,373	1,741,343
Bridging financing	746,687	819,219
Syndicated financing	136,249	323,060
Credit cards	403,377	397,135
Staff financing	278,829	290,030
Gross financing and advances, net of unearned income	58,445,592	56,756,487
Allowance for impairment on financing and advances		
Individual impairment	(247,359)	(285,543)
Collective impairment	(1,580,276)	(1,237,668)
	(1,827,635)	(1,523,211)
Net financing and advances	56,617,957	55,233,276

BANK KERJASAMA RAKYAT MALAYSIA BERHAD
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NOTE 4: FINANCING AND ADVANCES

(ii) By type of customer

	Group & Bank	
	30 June 2013 RM'000	31 December 2012 RM'000
Banking institutions	65	71
Non-bank financial institutions		
Co-operatives	1,702,584	1,582,963
Others	56,633	58,310
Business enterprises	4,323,170	4,570,770
Individuals	52,076,302	50,242,172
Other entities	6,307	7,571
Foreign entities	280,531	294,630
	57,445,592	56,756,487

(iii) By economic sector

	Group & Bank	
	30 June 2013 RM'000	31 December 2012 RM'000
Purchase of securities	98,645	108,647
Purchase of landed property	2,451,766	2,614,660
Consumption credit	49,572,539	47,577,806
Agriculture	449,963	531,904
Mining and quarrying	95,635	100,820
Manufacturing	1,057,030	1,218,702
Electricity, gas and water	137	272
Construction	1,752,523	1,913,490
Wholesale & retail trade	124,012	137,568
Transportation & communication	356,381	223,594
Financial, insurance and business services	2,439,189	2,279,279
Community, social and personal services	47,772	49,745
	58,445,592	56,756,487

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NOTE 4: FINANCING AND ADVANCES

(iv) Impaired financing and advances by economic sector

	Group & Bank	
	30 June	31 December
	2013	2012
	RM'000	RM'000
Purchase of securities	1,466	1,933
Purchase of landed property	243,943	273,144
Consumption credit	547,065	484,922
Agriculture	68,525	67,584
Manufacturing	57,768	57,242
Electricity, gas and water	50	132
Construction	132,736	163,360
Wholesale & retail trade	43,942	41,234
Transportation & communication	51,322	81,510
Financial, insurance, property and business services	253,235	259,660
Community, social and personal services	3,855	1,016
	1,403,907	1,431,737

(v) Movement in impaired financing and advances

	Group & Bank	
	30 June	31 December
	2013	2012
	RM'000	RM'000
As of 1 January	1,431,737	1,429,833
Classified as impaired during the period	852,353	1,892,376
Amount written-back in respect of recoveries	(730,743)	(1,397,794)
Amount written-off during the period	(149,439)	(492,678)
	(27,829)	1,904
Closing balance	1,403,908	1,431,737
Gross impaired financing and advances as a percentage of gross financing and advances	2.40%	2.52%

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NOTE 4: FINANCING AND ADVANCES

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

	Group & Bank	
	30 June 2013 RM'000	31 December 2012 RM'000
Individual assessment impairment		
As of 1 January		
- As previously stated	285,543	416,509
- Transfer to collective assessment impairment	-	(296,717)
As of 1 January, as restated	285,543	119,792
Allowance made during the year	63,427	279,819
Amount written-back in respect of recoveries	(88,164)	(90,915)
Amount written-off during the year	(13,447)	(23,153)
	(38,184)	165,751
Closing balance	247,359	285,543

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

	Group & Bank	
	30 June 2013 RM'000	31 December 2012 RM'000
Collective assessment impairment		
As of 1 January		
- As previously stated	1,237,668	1,107,497
- Transfer from individual assessment impairment	-	296,717
As of 1 January, as restated	1,237,668	1,404,214
Allowance made during the year	481,156	303,012
Amount written-off during the year	(138,548)	(469,558)
	342,608	(166,546)
Closing balance	1,580,276	1,237,668

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NOTE 5: OTHER ASSETS

	Group		Bank	
	30 June	31 December	30 June	31 December
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Amount due from subsidiaries	-	-	2,664	2,889
Refundable deposits	8,160	7,957	6,468	6,132
Prepayments	16,906	25,544	16,174	24,670
Income receivable	63,290	64,720	63,290	62,469
Other receivables	354,836	464,193	299,151	416,204
Allowance for doubtful debts	(23,426)	(33,201)	(23,271)	(33,090)
Defined benefit plan	225,764	312,167	225,764	312,167
Tax recoverable	338	99	-	-
	645,868	841,479	590,240	791,441

NOTE 6: DEPOSITS FROM CUSTOMERS

(i) By type of deposit

	Group & Bank	
	30 June	31 December
	2013	2012
	RM'000	RM'000
Non-Mudarabah		
Demand deposits	26,217,764	10,248,802
Savings deposits	710,506	688,339
Negotiable Islamic debt certificate	7,096,604	3,014,379
	34,024,874	13,951,520
Mudarabah		
Savings deposits	2,976,993	2,708,999
General investment deposits	30,800,895	45,882,785
Special investment deposits	133,700	122,700
	33,911,588	48,714,484
	67,936,462	62,666,004

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NOTE 6: DEPOSITS FROM CUSTOMERS

(ii) By type of customer

	Group & Bank	
	30 June 2013 RM'000	31 December 2012 RM'000
Government	28,694,214	32,120,664
Business enterprises	27,949,563	15,763,095
Co-operatives	789,986	730,967
Individuals	9,038,905	7,349,836
Others	1,463,794	6,701,442
	67,936,462	62,666,004

NOTE 7: OTHER LIABILITIES

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Amount due to subsidiaries	-	-	170,243	167,952
Other payables	298,470	286,943	268,933	252,421
Income payable	435,840	416,734	435,840	416,734
Other accruals	434,246	595,410	429,824	592,711
Government fund	105,235	86,435	105,235	86,435
Zakat payable	74,888	54,444	74,208	54,076
	1,348,679	1,439,966	1,484,283	1,570,329

NOTE 8: RESERVES

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Statutory reserve	3,304,452	3,304,452	3,304,452	3,304,452
Capital reserve	14,617	14,617	15,358	15,358
Retained profits	4,043,621	3,800,372	3,781,484	3,545,242
Financial assets available-for-sale reserves	108,767	178,283	108,767	178,283
	7,471,457	7,297,724	7,210,061	7,043,335

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NOTE 9: INCOME

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' fund (i)	1,168,249	1,233,454	2,288,288	2,381,680
Income derived from investment of shareholders' fund (ii)	276,110	263,353	557,625	510,382
Income generated by subsidiary companies (iii)	18,824	16,365	34,651	31,527
	1,463,183	1,513,172	2,880,564	2,923,589

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' fund (i)	1,168,249	1,233,454	2,288,288	2,381,680
Income derived from investment of shareholders' fund (ii)	276,110	263,353	557,625	510,382
Income generated by subsidiary companies (iii)	-	-	-	-
	1,444,359	1,496,807	2,845,913	2,892,062

(i) Income derived from investment of depositors' fund

Group & Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Income from financing and advances	988,831	1,045,729	1,943,455	2,017,300
Income from deposits and placements with bank and other financial institutions	29,640	59,111	55,184	121,385
Income from financial assets	149,778	128,613	289,649	242,995
	1,168,249	1,233,454	2,288,288	2,381,680

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NOTE 9: INCOME

(ii) Income derived from investment of shareholders' fund

Group & Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Income from financing and advances	233,656	223,274	473,594	432,297
Income from deposits and placements with bank and other financial institutions	7,028	12,614	13,448	26,012
Income from financial assets	35,427	27,465	70,583	52,073
	276,110	263,353	557,625	510,382

(iii) Income generated by subsidiary companies

Group & Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Agency income	10,959	8,798	18,255	16,736
Pawning income	1,051	1,034	1,974	1,891
Rental income	3,727	3,152	8,994	6,638
Management fee	954	878	1,638	1,790
Sale of goods & services	1,734	2,320	3,289	4,061
Other fees	399	183	501	411
	18,824	16,365	34,651	31,527

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NOTE 10: EXPENDITURE

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Income attributable to depositors *	559,577	542,492	1,089,385	1,070,448
Profit expense on financing sold with recourse to Cagamas	29,051	30,745	59,217	62,400
Transfer to/(from) profit equalisation reserve	(25,000)	34,000	(18,000)	33,500
Profit expense on debt securities issued	10,038	-	20,108	-
Cost of sales	11,483	16,655	27,236	29,348
	585,149	623,892	1,177,946	1,195,696

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Income attributable to depositors *	559,577	542,492	1,089,385	1,070,448
Profit expense on financing sold with recourse to Cagamas	29,051	30,745	59,217	62,400
Transfer to/(from) profit equalisation reserve	(25,000)	34,000	(18,000)	33,500
Profit expense on debt securities issued	10,038	-	20,108	-
Cost of sales	-	-	-	-
	573,666	607,237	1,150,710	1,166,348

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NOTE 10: EXPENDITURE

* Income attributable to depositors

Group & Bank	2 nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
Mudarabah	288,873	510,121	635,236	1,007,359
Non-Mudarabah	267,183	22,243	444,533	46,888
Deposits and placements from banks and other financial institutions				
Mudarabah	3,521	10,128	9,616	16,201
	559,577	542,492	1,089,385	1,070,448

NOTE 11: ALLOWANCE FOR IMPAIRMENT

Group & Bank	2 nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment on financing and advances (i)	309,359	204,206	461,274	388,840
Allowance for impairment on financial assets (ii)	-	-	-	-
	309,359	204,206	461,274	388,840

(i) Allowance for impairment on financing and advances

Group & Bank	2 nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Individual impairment	12,174	142,765	(24,737)	275,414
Individual impairment on rescheduled financing	2,949	2,236	4,855	6,221
Collective impairment	294,236	59,205	481,156	107,205
	309,359	204,206	461,274	388,840

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NOTE 11: ALLOWANCE FOR IMPAIRMENT

(ii) Allowance for impairment on financial assets

Group & Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Financial assets available-for-sale	-	-	-	-
Financial assets held-to-maturity	-	-	-	-
	-	-	-	-

NOTE 12: OTHER OPERATING INCOME

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Fees and commission (i)	28,621	25,894	56,629	44,895
Other income (ii)	173,399	77,309	254,443	160,021
	202,020	103,203	311,072	204,916

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Fees and commission (i)	28,621	25,894	56,629	44,895
Other income (ii)	174,408	75,564	253,942	156,688
	203,029	101,458	310,571	201,583

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NOTE 12: OTHER OPERATING INCOME

(i) Fees and commission

Group & Bank	2 nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Takaful commission	17,008	14,560	31,133	23,228
Wasiat commission	1,954	1,570	3,572	4,052
Other commission	1,958	2,884	8,267	4,537
Processing fees	722	1,226	1,682	1,881
ATM service fees	3,346	2,829	6,131	6,438
MEPS fees	1,333	1,199	2,317	2,306
Guarantee fees	1,385	920	1,795	983
Other fees	915	706	1,732	1,470
	28,621	25,894	56,629	44,895

(ii) Other income

Group	2 nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Other income from financial instruments				
Dividend from investment securities	5,100	3,837	5,297	4,453
Net gain on disposal of financial assets held-for-trading	97	408	97	551
Net (loss) on revaluation of financial assets held-for-trading	(648)	4	(648)	-
Net gain on disposal of financial assets available-for-sale	5,001	2,471	8,679	7,511
Net gain on redemption of financial assets held-to-maturity	(616)	-	598	317
Others				
Rental income	1,445	1,516	3,064	3,154
Compensation for late payment	2,130	1,825	4,257	3,514
Other service charges	2,175	230	4,306	4,326
Recoveries on financing written-off	56,037	50,559	106,137	110,536
Allowance for doubtful debts no longer required	4,472	-	9,819	-
Allowance for impairment loss on financial assets held-to-maturity no longer required	90,129	227	95,128	528
Other income	8,077	16,232	17,709	25,131
	173,399	77,309	254,443	160,021

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NOTE 12: OTHER OPERATING INCOME

(ii) Other income

Bank	2 nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Other income from financial instruments				
Dividend from investment securities	5,100	3,837	5,297	4,453
Net gain on disposal of financial assets held-for-trading	97	408	97	551
Net (loss) on revaluation of financial assets held-for-trading	(648)	4	(648)	-
Net gain on disposal of financial assets available-for-sale	5,001	2,470	8,679	7,511
Net gain on redemption of financial assets held-to-maturity	(616)	-	598	317
Others				
Rental income	1,445	1,516	3,064	3,154
Compensation for late payment	2,130	1,825	4,257	3,514
Other service charges	2,175	230	4,306	4,326
Recoveries on financing written-off	56,037	50,559	106,137	110,536
Allowance for doubtful debts no longer required	4,472	-	9,819	-
Allowance for impairment loss on financial assets held-to-maturity no longer required	90,129	227	95,128	528
Other income	9,086	14,488	17,208	21,798
	174,408	75,564	253,942	156,688

NOTE 13: OPERATING EXPENSES

Group	2 nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Personnel expenses (i)	76,849	141,823	217,388	287,507
Other overheads and expenditure (ii)	120,865	101,851	218,494	192,591
	197,714	243,674	435,882	480,098

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NOTE 13: OPERATING EXPENSES

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Personnel expenses (i)	74,880	139,945	213,719	284,016
Other overheads and expenditure (ii)	121,566	106,589	223,344	198,790
	196,446	246,534	437,063	482,806

(i) Personnel expenses

Group	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	52,062	45,250	101,079	96,205
Allowances and bonuses	(2,757)	62,673	54,278	125,893
Defined benefit plan	4,909	3,961	8,220	7,919
Defined contribution plan - EPF	7,774	17,877	24,859	35,300
Social security contributions - SOCSO	610	602	1,233	1,199
Other staff related costs	14,251	11,460	27,719	20,991
	76,849	141,823	217,388	287,507

Bank	2nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	51,032	44,116	99,079	94,055
Allowances and bonuses	(3,476)	62,111	52,977	124,894
Defined benefit plan	4,909	3,960	8,220	7,919
Defined contribution plan - EPF	7,623	17,753	24,590	35,050
Social security contributions - SOCSO	597	589	1,207	1,173
Other staff related costs	14,195	11,414	27,646	20,925
	74,880	139,945	213,719	284,016

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NOTE 13: OPERATING EXPENSES

(ii) Other overheads and expenditure

Group	2 nd Quarter Ended		Six Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Establishment costs				
Rental	4,847	4,768	9,371	9,606
Depreciation and amortisation of prepaid lease payment	20,428	17,769	38,574	35,144
Repair and maintenance	16,638	11,492	27,456	21,960
Takaful protection	948	1,383	3,431	3,000
	42,861	35,412	78,832	69,710
Marketing expenses				
Advertisement and publicity	10,300	14,444	18,355	24,022
	10,300	14,444	18,355	24,022
Administration and general expenses				
Legal and professional fees	834	1,131	2,085	3,426
Auditors' remuneration	419	455	893	837
Communication expenses	14,096	7,654	27,464	15,547
Utilities expenses	4,969	5,187	8,675	10,002
Printing and stationery	4,789	4,380	8,254	8,181
Postage and courier	2,526	2,984	4,998	4,679
Security expenses	3,437	3,586	4,961	6,556
Service charges	12,635	9,589	20,494	18,389
Loss on financing written-off	1,987	2,347	4,124	4,698
Loss on property and equipment written-off	374	73	435	94
Commission expenses	10,332	5,637	17,242	8,820
Travelling and transportation	3,294	3,609	6,585	7,207
Others	8,012	5,363	15,097	10,423
	67,704	51,995	121,307	98,859
	120,865	101,851	218,494	192,591

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NOTE 13: OPERATING EXPENSES

(ii) Other overheads and expenditure

Bank	2nd Quarter Ended		Six Months Ended	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Establishment costs				
Rental	4,842	4,780	9,357	9,593
Depreciation and amortisation of prepaid lease payment	19,695	17,041	37,109	33,685
Repair and maintenance	16,528	11,402	27,263	21,806
Takaful protection	895	1,343	3,341	2,943
	41,960	34,566	77,070	68,027
Marketing expenses				
Advertisement and publicity	10,212	14,323	18,230	23,799
	10,212	14,323	18,230	23,799
Administration and general expenses				
Legal and profesional fees	1,212	1,594	3,116	4,343
Auditors' remuneration	406	416	811	779
Communication expenses	14,055	7,613	27,383	15,462
Utilities expenses	4,813	5,065	8,383	9,753
Printing and stationery	4,736	4,349	8,159	8,118
Postage and courier	2,509	2,976	4,960	4,656
Security expenses	3,414	3,564	4,918	6,514
Service charges	14,816	15,978	28,221	27,614
Loss on financing written-off	1,987	2,347	4,124	4,698
Loss on property and equipment written-off	374	73	435	94
Commission expenses	10,332	5,637	17,242	8,820
Travelling and transportation	3,138	3,448	6,352	6,969
Others	7,602	4,640	13,940	9,144
	69,394	57,700	128,044	106,964
	121,566	106,589	223,344	198,790

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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	
	Six Months Ended	
	30 June	31 December
	2013	2012
	RM'000	RM'000
Contingent liabilities		
Bank guarantee given in respect of banking facilities granted to customers	563,880	453,778
Claims for damages from litigation taken against the Bank	1,186	9,857
Commitments		
Undrawn financing	2,277,219	2,110,138
	2,842,285	2,573,773

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	
	30 June	31 December
	2013	2012
	RM'000	RM'000
		Restated
Core capital ratio	15.17%	15.78%
Risk-weighted capital adequacy ratio	15.53%	16.39%

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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	
	30 June 2013 RM'000	31 December 2012 RM'000 Restated
Tier I capital		
Paid-up share capital *	2,970,451	2,919,636
Retained earnings **	2,866,314	3,050,261
Other reserves	3,319,810	3,319,810
Total Tier I capital (core)	9,156,575	9,289,707
Tier II capital		
Collective impairment ***	684,196	686,274
Total Tier II capital	684,196	686,274
Total capital	9,840,771	9,975,981
Less: Investment in subsidiaries	(43,500)	(43,500)
Less: Investment in fixed asset ****	(424,853)	(284,439)
	(468,353)	(327,939)
Total capital base	9,372,418	9,648,042

* Inclusive of bonus shares dividend for 2012.

** After deducting final dividend for 2012 and adjustment on adoption of MFRS 119.

*** 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	
	30 June 2013 RM'000	31 December 2012 RM'000
Total assets assigned 10% risk-weighted	259,732	145,222
Total assets assigned 20% risk-weighted	458,600	450,440
Total assets assigned 50% risk-weighted	1,408,340	1,568,002
Total assets assigned 100% risk-weighted	58,237,032	56,698,506
	60,363,704	58,862,170