

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

	Note	1st Quarter Ended		Cumulative 3 Months Ended	
		31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Income derived from investment of depositors' funds	A24	1,476,845	1,588,141	1,476,845	1,588,141
Income derived from investment of investment account funds	A25	317,903	-	317,903	-
Income derived from investment of shareholder's funds	A26	70,317	65,944	70,317	65,944
Allowance for impairment on financing and advances	A27	(28,127)	(74,847)	(28,127)	(74,847)
Total distributable income		1,836,938	1,579,238	1,836,938	1,579,238
Profit distributed to depositors	A28	(841,040)	(922,269)	(841,040)	(922,269)
Profit distributed to investment account holders		(207,385)	-	(207,385)	-
Total net income		788,513	656,969	788,513	656,969
Overhead expenses	A29	(288,630)	(279,427)	(288,630)	(279,427)
Finance cost	A30	(33,942)	(27,942)	(33,942)	(27,942)
Profit before taxation and zakat		465,941	349,600	465,941	349,600
Taxation	A31	(102,804)	(82,042)	(102,804)	(82,042)
Zakat	A31	(3,616)	(4,454)	(3,616)	(4,454)
Profit for the period		359,521	263,104	359,521	263,104
Profit attributable to :					
Equity holders of the parent		359,521	263,104	359,521	263,104
Earnings per share attributable to equity holder of the Bank					
- Basic/diluted (sen)		136.20	106.80	136.20	106.80

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements)

MAYBANK ISLAMIC BERHAD
(787435-M)
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Profit for the period	359,521	263,104	359,521	263,104
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net gain on financial investments available-for-sale	127,327	67,475	127,327	67,475
Income tax relating to components of other comprehensive income	(31,952)	(16,869)	(31,952)	(16,869)
Other comprehensive income for the period, net of tax	95,375	50,606	95,375	50,606
Total comprehensive income for the period, net of tax	454,896	313,710	454,896	313,710
Total comprehensive income attributable to :				
Equity holders of the parent	454,896	313,710	454,896	313,710

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements)

MAYBANK ISLAMIC BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	31 March 2016 RM'000	31 December 2015 RM'000
ASSETS			
Cash and short-term funds		11,595,657	8,815,504
Deposits and placements with banks and other financial institutions	A12	983,500	-
Financial assets at fair value through profit or loss	A13(i)	448,323	335,384
Financial investments available-for-sale	A13(ii)	9,266,888	8,992,429
Financing and advances	A14	131,275,414	130,166,349
Derivative assets	A15	470,984	497,905
Other assets	A16	3,959,075	3,673,991
Statutory deposits with Bank Negara Malaysia		3,141,000	3,834,000
Deferred tax assets		4,199	36,892
TOTAL ASSETS		161,145,040	156,352,454
LIABILITIES			
Deposits from customers	A17	103,373,959	105,786,215
Investment accounts of customers	A18	25,070,819	17,657,893
Deposits and placements of banks and other financial institutions	A19	20,410,079	21,344,573
Bills and acceptances payable		120,006	33,556
Derivative liabilities	A15	499,129	587,772
Financial liabilities at fair value through profit or loss	A20	231,977	-
Other liabilities	A21	164,042	138,883
Provision for taxation and zakat		12,740	9,011
Subordinated Sukuk	A23	2,540,802	2,527,960
TOTAL LIABILITIES		152,423,553	148,085,863

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	31 March 2016 RM'000	31 December 2015 RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK			
Share capital		263,959	263,959
Share premium		4,658,232	4,658,232
Retained profits		2,991,290	2,572,819
Other reserves		808,006	771,581
TOTAL SHAREHOLDER'S EQUITY		8,721,487	8,266,591
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		161,145,040	156,352,454
COMMITMENTS AND CONTINGENCIES	A33	47,562,469	49,648,320
<u>CAPITAL ADEQUACY</u>	A34		
Based on credit, market and operational risk:			
CET1 capital ratio		13.129%	12.435%
Tier 1 capital ratio		13.129%	12.435%
Total capital ratio		17.819%	16.489%

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements)

MAYBANK ISLAMIC BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

<=====Non Distributable=====>

	Share capital RM'000	Share premium RM'000	Equity contribution from the holding company RM'000	Statutory reserve RM'000	Unrealised holding reserve/ (deficit) RM'000	Profit equalisation reserve RM'000	Regulatory reserve RM'000	Distributable retained profits RM'000	Total equity RM'000
At 1 January 2016	263,959	4,658,232	1,697	409,672	(104,493)	34,456	430,249	2,572,819	8,266,591
Net profit for the period	-	-	-	-	-	-	-	359,521	359,521
Other comprehensive income	-	-	-	-	95,375	-	-	-	95,375
Total comprehensive income for the period	-	-	-	-	95,375	-	-	359,521	454,896
Transfer to regulatory reserve	-	-	-	-	-	-	(58,950)	58,950	-
Total transactions with shareholders	-	-	-	-	-	-	(58,950)	58,950	-
At 31 March 2016	263,959	4,658,232	1,697	409,672	(9,118)	34,456	371,299	2,991,290	8,721,487

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

<=====Non Distributable=====>

	Share capital RM'000	Share premium RM'000	Equity contribution from the holding company RM'000	Statutory reserve RM'000	Unrealised holding reserve/ (deficit) RM'000	Profit equalisation reserve RM'000	Regulatory reserve RM'000	Distributable retained profits RM'000	Total equity RM'000
At 1 January 2015	246,362	4,099,343	1,697	409,672	(99,618)	34,456	274,500	2,262,558	7,228,970
Net profit for the period	-	-	-	-	-	-	-	263,104	263,104
Other comprehensive income	-	-	-	-	50,606	-	-	-	50,606
Total comprehensive income for the period	-	-	-	-	50,606	-	-	263,104	313,710
At 31 March 2015	246,362	4,099,343	1,697	409,672	(49,012)	34,456	274,500	2,525,662	7,542,680

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MAYBANK ISLAMIC BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

	31 March 2016 RM'000	31 March 2015 RM'000
Cash flows from operating activities		
Profit before taxation and zakat	465,941	349,600
Adjustments for non-operating and non-cash items:		
Allowances for losses on financing and advances	45,884	89,991
Amortisation of premium less accretion of discount	(25,351)	(18,045)
Unrealised gain on revaluation of derivatives	(7,590)	(6,838)
Unrealised loss on revaluation of financial assets at fair value through profit or loss	237	4,723
Unrealised loss on revaluation of financial liabilities at fair value through profit or loss	1,113	-
Gains on disposal of financial investments available-for-sale	(16,270)	(1,361)
Gains on disposal of financial assets at fair value through profit or loss	(1,852)	(12,402)
Gains/(losses) on foreign exchange translations	66,914	(35,706)
Share options granted under ESS	276	338
Operating profit before working capital changes	529,302	370,300
Change in deposits and placements with banks and other financial institutions	(983,500)	-
Change in cash and short-term funds with original maturity of more than three months	183,974	-
Change in financial investments portfolio	(216,835)	1,038,376
Change in financing and advances	(1,154,950)	(8,292,687)
Change in derivative assets and liabilities	(54,131)	(48,309)
Change in other assets	(285,081)	(5,453,832)
Change in statutory deposits with Bank Negara Malaysia	693,000	(753,000)
Change in deposits from customers	(2,412,256)	4,960,476
Change in investment accounts of customers	7,412,925	-
Change in deposits and placements of banks and other financial institutions	(1,001,407)	6,914,164
Change in financial liabilities at fair value through profit or loss	230,864	-
Change in bills and acceptances payable	86,450	(186)
Change in other liabilities	58,823	15,719
Cash generated/(used in) from operating activities	3,087,178	(1,248,979)
Taxes and zakat paid	(101,951)	(81,369)
Net cash generated/(used in) from operating activities	2,985,227	(1,330,348)
Cash flows from financing activities		
Profit paid for subordinated sukuk	(21,100)	(21,100)
Net cash used in investing activities	(21,100)	(21,100)
Net increase/(decrease) in cash and cash equivalents	2,964,127	(1,351,448)
Cash and cash equivalents at beginning of year	8,510,726	17,863,965
Cash and cash equivalents at end of year	11,474,853	16,512,517

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2016

Cash and cash equivalents included in the cash flow statements comprise the following amounts in Statements of Financial Position:

	31 March 2016 RM'000	31 March 2015 RM'000
Cash and cash equivalents comprise:		
Cash and short term funds	11,595,657	16,512,517
Deposits and placements with banks and other financial institutions	983,500	-
	12,579,157	16,512,517
Less:		
Cash and short-term funds with original maturity of more than three months	(1,104,304)	-
	11,474,853	16,512,517

(These condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements)

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Explanatory Notes

Part A: Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) Interim Financial Reporting

A1. Basis of preparation

The unaudited condensed interim financial statements for Maybank Islamic Berhad (“MIB” or “the Bank”) have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: financial investments available-for-sale, financial assets at fair value through profit or loss and derivative financial instruments.

The unaudited condensed interim financial statements have been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting and IAS 34 Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”), and the principles of Shariah.

The unaudited condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited financial statements for the year ended 31 December 2015. These explanatory notes attached to the unaudited condensed 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 Bank since the financial year ended 31 December 2015.

The significant accounting policies and methods of computation applied by the Bank are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2015 except for adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRSs”) and annual improvements to MFRSs which effective for annual periods beginning on or after 1 January 2016:

- MFRS 10 *Consolidated Financial Statements* - Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10)
- MFRS 11 *Joint Arrangements* - Accounting for Acquisitions of Interests in Joint Operations (Amendments to MFRS 11)
- MFRS 12 *Disclosure of Interests in Other Entities* - Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 12)
- MFRS 14 *Regulatory Deferral Accounts*
- MFRS 101 *Presentation of Financial Statements* - Disclosure Initiative (Amendments to MFRS 101)
- MFRS 127 *Separate Financial Statements* - Equity Method in Separate Financial Statements (Amendments to MFRS 127)
- MFRS 128 *Investments in Associates and Joint Ventures* - Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 128)
- Annual Improvements to MFRSs 2012 - 2014 Cycle

The adoption of the above amendments to MFRSs and annual improvements to MFRSs do not have any material impact to the Bank's financial statements, except for as disclosed below:

MFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (Amendments to MFRS 11)

The amendments apply to both the acquisition of the initial interest in joint operation and the acquisition of any additional interests in the same joint operation, in which the activity of the joint operation constitutes a business.

The amendments require that a joint operator accounts for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant MFRS 3 principles for business combinations accounting, and other MFRS that do not conflict with MFRS 11.

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A1. Basis of preparation (cont'd.)

It also clarifies that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained.

In addition, a scope exclusion has been added to MFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

As at 31 March 2016, the Bank do not acquire any interest in joint operation.

MFRS 101 Presentation of Financial Statements - Disclosure Initiative (Amendments to MFRS 101)

The amendments are part of a major initiative to improve disclosure requirements in MFRS financial statements. These amendments include narrow-focus improvements in five areas as follows:

(i) Materiality

The amendments clarify that an entity must not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. It also re-emphasises that, when a standard requires a specific disclosure, the information must be assessed to determine whether it is material and, consequently, whether presentation or disclosure of that information is warranted.

(ii) Disaggregation and subtotals

The amendments clarify that specific line items in the statements of profit or loss and other comprehensive income and statement of financial position may be disaggregated.

It also introduces requirements for how an entity should present additional subtotals (in addition to those already required in MFRS) in the statements of profit or loss and other comprehensive income and statement of financial position, where the additional subtotals must:

- be comprised of line items made up of amounts recognised and measured in accordance with MFRS;
- be presented and labelled in a manner that makes the line items that constitute the subtotal clear and understandable;
- be consistent from period to period; and
- not be displayed with more prominence than the subtotals and totals currently required in MFRS for the statement of financial position or statements of profit or loss and other comprehensive income.

For additional subtotals presented in the statements of profit or loss and other comprehensive income, an entity must present the line items that reconcile any such subtotals with the subtotals or totals currently required in MFRS for such statements.

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A1. Basis of preparation (cont'd.)

MFRS 101 Presentation of Financial Statements - Disclosure Initiative (Amendments to MFRS 101) (cont'd.)

(iii) Notes structure

The amendments clarify that entities have flexibility as to the order in which they present the notes to financial statements, but also emphasise that understandability and comparability should be considered when deciding on that order.

Examples of systematic ordering or groupings of the notes include:

- Giving prominence to the areas of its activities that the entity considers to be most relevant to an understanding of its financial performance and financial position;
- Grouping together information about items measured similarly, such as assets measured at fair value; or
- Following the order of the line items in statements of profit or loss and other comprehensive income and statement of financial position, similar to the order listed in current paragraph 114 of MFRS 101.

(iv) Disclosure of accounting policies

The amendments remove the examples of significant accounting policies in the current paragraph 20 of MFRS 101, i.e. the income taxes accounting policy and the foreign currency accounting policy, as these were considered unhelpful in illustrating what significant accounting policies could be.

Revised Bank Negara Malaysia's ("BNM") Policy Document on Financial Reporting for Islamic Banking Institutions

On 5 February 2016, BNM issued a revised Policy Document on Financial Reporting for Islamic Banking Institutions ("revised policy document"). This revised policy document has taken effect on 5 February 2016 and it applied to all licensed Islamic banks and licensed banks which carrying on Islamic banking businesses, except for licensed international Islamic bank. The issuance of this revised policy document has superseded the policy document issued by BNM previously, namely Financial Reporting for Islamic Banking Institutions dated 28 January 2015.

The requirements in this revised policy documents are as follows:

- (i) The requirement to present the carrying amount, income and expense related to Islamic deposit and investment account as separate line items in its financial statements;

As at 31 March 2016, the Bank has presented the required disclosures in Note A18 & Note A25.

- (ii) The requirement to disclose investment accounts customers with a breakdown by:

- types of investment account (e.g. unrestricted or restricted investment account) and further breakdown by Shariah contracts (e.g. wakalah and mudarabah);
- for investment accounts which qualify as unlisted capital market products under the Capital Markets and Services Act 2007 ("CMSA"), to disclose the carrying amount of investment account by type of product;

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A1. Basis of preparation (cont'd.)

Revised Bank Negara Malaysia's ("BNM") Policy Document on Financial Reporting for Islamic Banking Institutions (cont'd.)

(ii) The requirement to disclose investment accounts customers with a breakdown by (cont'd.):

- types of customers; and
- maturity structures of investment account with maturity.

As at 31 March 2016, the Bank has presented the required disclosures in Note A18.

(iii) The requirement to disclose investment account due to/ from designated financial institutions with a breakdown by:

- types of investment account and further breakdown by Shariah contracts; and
- types of counterparty (e.g. licensed Islamic banks, licensed banks)

The Bank do not have investment account that is due to/ from designated financial institution as at 31 March 2016.

A2. Significant accounting policies

The audited financial statements of the Bank for the financial year ended 31 December 2015 were prepared in accordance with MFRS and International Financial Reporting Standards ("IFRS"). The significant accounting policies adopted in preparing these unaudited condensed interim financial statements are consistent with those of the audited financial statements for financial year ended 31 December 2015.

A3. Significant accounting estimates and judgments

The preparation of unaudited condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgments are based on management's best knowledge of current events and actions, actual results may differ.

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for the financial year ended 31 December 2015.

A4. Auditors' report on proceeding annual financial statements

The auditors' report on the audited financial statements for the financial year ended 31 December 2015 was not qualified.

A5. Seasonal or cyclical factors

The operations of the Bank were not materially affected by any seasonal or cyclical factors during the first quarter ended 31 March 2016.

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A6. 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 Bank during the first quarter ended 31 March 2016.

A7. Changes in estimates

There were no material changes in estimates during the first quarter ended 31 March 2016.

A8. Issue of Ordinary Share Capital

There was no issuance of ordinary share capital during the first quarter ended 31 March 2016.

A9. Changes in Debt and Equity Securities

(i) Issuance of Tier 2 Capital Islamic Subordinated Sukuk ("Subordinated Sukuk") of RM1.0 billion

On 15 February 2016, the Bank issued RM1.0 billion nominal value Islamic Subordinated Sukuk ("the Sukuk) under the Shariah principle of Murabahah (via Tawaruq arrangement). The Sukuk carries a tenure of 10 years from the issue date on 10 non-callable 5 basis, with a profit rate of 4.65% per annum payable semi-annually in arrears in February and August each year and are due in February 2026. Under the 10-non-callable 5 basis feature, the Bank has the option to redeem the Sukuk on any semi-annual distribution date on or after the fifth (5th) anniversary from the issue date. Should the Bank decide not to exercise its option to redeem the Sukuk, the Sukuk shall continue to be outstanding until the final maturity date.

The Sukuk is unsecured and it is subordinated in rights and priority of payment, to all deposit liabilities and other liabilities of the Bank except liabilities of the Bank which by their terms rank pari-passu in right and priority of payment with the Sukuk.

(ii) Redemption of Tier 2 Capital Islamic Subordinated Sukuk ("Subordinated Sukuk") of RM1.0 billion

On 31 March 2016, the Bank had fully redeemed the Tier 2 Capital Islamic Subordinated Sukuk ("Sukuk") of RM1.0 billion. The Subordinated Sukuk were issued on 31 March 2011 under the Shariah principle of Musyarakah.

A10. Dividends

In respect of financial year ended 31 December 2015, a final tax-exempt (single-tier) dividend of RM2.14 per share on 263,958,750 ordinary shares, amounting to a dividend payable of RM564,871,725 was approved and declared on 6 April 2016, the dividend has been paid on 7 April 2016.

The Directors do not recommend the payment of any dividend in respect of the first quarter ended 31 March 2016.

A11. Related party transaction

All related party transactions within the Maybank Group had been entered into in the normal course of business and were carried out on normal commercial terms.

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A12. Deposits and Placements with banks and other financial institutions

	31 March 2016 RM'000	31 December 2015 RM'000
Licensed Islamic banks	501,685	-
Licensed banks	331,187	-
Licensed Investment	150,628	-
	<u>983,500</u>	<u>-</u>

A13. Financial investments portfolio

	Note	31 March 2016 RM'000	31 December 2015 RM'000
Financial assets at fair value through profit or loss	(i)	448,323	335,384
Financial investments available-for-sale	(ii)	9,266,888	8,992,429
		<u>9,715,211</u>	<u>9,327,813</u>

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

Financial assets held-for-trading are as follows:

	31 March 2016 RM'000	31 December 2015 RM'000
At fair value		
Money market instruments:		
Malaysian Government Investment Issues	<u>130,806</u>	-
	<u>130,806</u>	-
Unquoted securities:		
Foreign private debt securities	<u>317,517</u>	335,384
	<u>317,517</u>	335,384
Total financial assets held-for-trading	<u>448,323</u>	335,384

(ii) Financial investments available-for-sale

	31 March 2016 RM'000	31 December 2015 RM'000
At fair value		
Money market instruments:		
Malaysian Government Investment Issues	4,481,799	3,736,122
Negotiable Islamic instruments of deposits	2,976,597	3,648,665
Bankers' acceptances and Islamic accepted bills	286,180	-
Khazanah bonds	68,490	67,804
	<u>7,813,066</u>	<u>7,452,591</u>
Unquoted securities:		
Islamic private debt securities in Malaysia	1,338,608	1,414,039
Foreign private debt securities	31,082	34,177
Malaysian Government bond	83,382	91,122
Shares in Malaysia	750	500
	<u>1,453,822</u>	<u>1,539,838</u>
Total financial investments available-for-sale	<u>9,266,888</u>	<u>8,992,429</u>

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A14. Financing and advances

(i) By type and Shariah concepts

At 31 March 2016	Bai[^] RM'000	Murabahah RM'000	Musharakah RM'000	Al-Ijarah Thumma Al- Bai (AITAB) RM'000	Ijarah RM'000	Istisna' RM'000	Others RM'000	Total financing and advances RM'000
Cashline	-	4,077,013	-	-	-	-	-	4,077,013
Term financing								
- House financing	20,251,145	57,261,816	2,683,785	-	-	-	-	80,196,746
- Syndicated financing	-	800,269	-	-	-	-	-	800,269
- Hire purchase receivables	-	-	-	34,918,772	-	-	-	34,918,772
- Other term financing	31,677,917	61,212,565	1,605,105	-	489,929	153,477	52,058	95,191,051
Bills receivable	-	3,570	-	-	-	-	4,733	8,303
Trust receipts	-	214,126	-	-	-	-	-	214,126
Claims on customers under acceptance credits	-	4,032,191	-	-	-	-	-	4,032,191
Staff financing	823,838	1,205,883	11,538	144,877	-	-	36,674	2,222,810
Credit card receivables	-	-	-	-	-	-	648,312	648,312
Revolving credit	-	9,775,784	-	-	-	-	-	9,775,784
	52,752,900	138,583,217	4,300,428	35,063,649	489,929	153,477	741,777	232,085,377
Unearned income								(99,839,674)
Gross financing and advances ^{^^}								132,245,703
Allowances for impaired financing and advances:								
- individual								(186,899)
- collective								(783,390)
Net financing and advances								131,275,414

[^] Bai' comprises of Bai-Bithaman Ajil, Bai Al-Inah and Bai-Al-Dayn

^{^^} Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA") and Investment Accounts of Customers ("IA").

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A14. Financing and advances (cont'd.)

(i) By type and Shariah concepts (cont'd.)

At 31 December 2015	Bai [^] RM'000	Murabahah RM'000	Musharakah RM'000	Al-Ijarah Thumma Al- Bai (AITAB) RM'000	Ijarah RM'000	Istisna' RM'000	Others RM'000	Total financing and advances RM'000
Cashline	-	3,780,361	-	-	-	-	-	3,780,361
Term financing								
- House financing	20,673,308	55,978,143	2,729,517	-	-	-	-	79,380,968
- Syndicated financing	-	805,196	-	-	-	-	-	805,196
- Hire purchase receivables	-	-	-	35,493,985	-	-	-	35,493,985
- Other term financing	35,375,989	58,582,281	1,643,176	-	527,534	158,480	51,430	96,338,890
Bills receivable	-	905	-	-	-	-	290	1,195
Trust receipts	-	164,745	-	-	-	-	-	164,745
Claims on customers under acceptance credits	-	4,368,353	-	-	-	-	-	4,368,353
Staff financing	856,469	1,133,622	12,088	145,427	-	-	40,175	2,187,781
Credit card receivables	-	-	-	-	-	-	624,865	624,865
Revolving credit	-	9,708,099	-	-	-	-	-	9,708,099
	<u>56,905,766</u>	<u>134,521,705</u>	<u>4,384,781</u>	<u>35,639,412</u>	<u>527,534</u>	<u>158,480</u>	<u>716,760</u>	<u>232,854,438</u>
Unearned income								(101,731,632)
Gross financing and advances ^{^^}								<u>131,122,806</u>
Allowances for impaired financing and advances:								
- individual								(208,683)
- collective								(747,774)
Net financing and advances								<u><u>130,166,349</u></u>

[^] Bai' comprises of Bai-Bithaman Ajil, Bai Al-Inah and Bai-Al-Dayn

^{^^} Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA") and Investment Accounts of Customers ("IA").

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A14. Financing and advances (cont'd.)

(ii) By type of customers

	31 March 2016 RM'000	31 December 2015 RM'000
Domestic non-banking institutions	3,845,312	3,982,710
Domestic business enterprises		
- Small and medium enterprises	15,276,907	14,453,597
- Others	21,727,186	22,726,186
Government and statutory bodies	7,611,667	7,069,349
Individuals	82,495,022	81,302,930
Other domestic entities	33,885	25,446
Foreign entities in Malaysia	1,255,724	1,562,588
Gross financing and advances	132,245,703	131,122,806

(iii) By profit rate sensitivity

	31 March 2016 RM'000	31 December 2015 RM'000
Fixed rate		
- House financing	1,471,438	1,499,155
- Hire purchase receivables	30,237,416	30,680,181
- Other financing	20,829,956	21,798,831
Floating rate		
- House financing	26,609,114	25,277,084
- Other financing	53,097,779	51,867,555
Gross financing and advances	132,245,703	131,122,806

(iv) By economic purpose

	31 March 2016 RM'000	31 December 2015 RM'000
Purchase of securities	18,838,046	18,801,131
Purchase of transport vehicles	30,215,615	30,661,915
Purchase of landed properties		
- residential	27,208,759	25,975,500
- non-residential	10,053,765	9,480,798
Purchase of fixed assets (exclude landed properties)	35,240	45,843
Personal use	2,507,601	2,302,898
Consumer durables	551	570
Construction	3,310,715	3,727,995
Working capital	39,393,032	39,463,731
Credit cards	682,379	662,425
Gross financing and advances	132,245,703	131,122,806

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A14. Financing and advances (cont'd.)

(v) Maturity structure of financing and advances are as follows:

	31 March 2016 RM'000	31 December 2015 RM'000
Maturity within one year	21,467,761	21,839,845
One year to three years	6,761,687	7,411,423
Three years to five years	11,885,273	11,775,326
After five years	92,130,982	90,096,212
Gross financing and advances	<u>132,245,703</u>	<u>131,122,806</u>

(vi) Impaired financing and advances by economic purpose

	31 March 2016 RM'000	31 December 2015 RM'000
Purchase of securities	27,235	28,393
Purchase of transport vehicles	117,368	108,370
Purchase of landed properties		
- residential	92,583	91,604
- non-residential	55,743	49,422
Purchase of fixed assets (exclude landed properties)	7,675	-
Personal use	17,679	14,452
Credit cards	5,836	4,957
Consumer durables	8	8
Construction	148,591	130,363
Working capital	447,623	445,661
Gross impaired financing and advances	<u>920,341</u>	<u>873,230</u>

(vii) Movement in impaired financing and advances

	31 March 2016 RM'000	31 December 2015 RM'000
Gross impaired financing and advances at 1 January 2016/2015	873,230	674,817
Newly impaired	213,408	1,024,632
Reclassified as non-impaired	(82,575)	(362,515)
Recovered	(54,294)	(292,292)
Amount written off	(29,428)	(171,412)
Gross impaired financing and advances at 31 March 2016/ 31 December 2015	<u>920,341</u>	<u>873,230</u>
Less: Individual allowance	(186,899)	(208,683)
Net impaired financing and advances	<u>733,442</u>	<u>664,547</u>

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A14. Financing and advances (cont'd.)

(vii) Movement in impaired financing and advances (cont'd.)

	31 March 2016 RM'000	31 December 2015 RM'000
Gross financing and advances (excluding financing funded by RPSIA and IA)	99,910,929	102,599,761
Less: Individual allowance	(186,899)	(208,683)
Net financing and advances	99,724,030	102,391,078
Net impaired financing and advances as a percentage of net financing and advances	0.74%	0.65%

(viii) Movement in the allowance for impaired financing and advances are as follows:

	31 March 2016 RM'000	31 December 2015 RM'000
<u>Individual Allowance</u>		
At 1 January 2016/2015	208,683	212,946
Allowance made	4,703	102,818
Amount written back in respect of recoveries	(22,424)	(21,544)
Amount written off	(2,805)	(78,115)
Transferred to collective allowance	(1,258)	(7,422)
At 31 March 2016/31 December 2015	186,899	208,683
	31 March 2016 RM'000	31 December 2015 RM'000
<u>Collective Allowance</u>		
At 1 January 2016/2015	747,774	597,403
Net allowance made during the year*	60,982	236,245
Amount written off	(26,624)	(93,296)
Transferred from individual allowance	1,258	7,422
At 31 March 2016/31 December 2015	783,390	747,774
As a % of gross financing and advances (excluding financing funded by RPSIA and IA) less individual allowance (including Regulatory Reserve)	1.20%	1.20%

* As at 31 March 2016, the gross exposure of the financing funded by RPSIA is RM9,856.4 million (31 December 2015 : RM10,999.0 million). The collective allowance relating to these financing amounting to RM79.0 million (31 December 2015 : RM77.1 million) is accounted for by the parent. There was no individual allowance required on these financing in the current and previous financial year.

The gross exposure of the financing funded by IA as at 31 March 2016 was RM25,070.8 million (31 December 2015 : RM17,657.9 million). The related individual allowance and collective allowance relating to financing funded by IA are not recognised in the financial statement of the Bank, but is charged to and borne by the investors.

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A15. Derivative financial instruments

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of derivative's underlying asset, reference rate or index and is the basis upon which change in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period/year end and are indicative of neither the market risks nor the credit risk.

The Bank enters into derivative financial instruments at the request and on behalf of its customers as well as to hedge the bank's own exposures and not for speculative purpose.

	31 March 2016			31 December 2015		
	Principal Amount RM'000	Fair value Assets RM'000	Fair value Liabilities RM'000	Principal Amount RM'000	Fair value Assets RM'000	Fair value Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange related contracts:</u>						
Currency forwards						
- Less than one year	2,623,994	17,544	(123,305)	3,184,856	199,294	(8,119)
Currency swaps						
- Less than one year	4,509,153	192,495	(87,526)	4,951,144	10,437	(213,121)
Currency spot						
- Less than one year	88,046	324	(148)	36,020	-	(26)
Cross currency profit rate swaps						
- Less than one year	1,318,671	70,501	(70,825)	1,359,453	67,923	(68,702)
- More than three years	621,341	31,257	(29,980)	652,367	63,285	(62,067)
<u>Profit rate related contracts:</u>						
Profit rate options						
- One year to three years	100,000	653	(7,636)	400,000	-	(30,702)
- More than three years	580,000	4,038	(15,557)	555,000	10,832	(23,525)
Profit rate swaps						
- More than three years	2,943,966	76,075	(68,745)	3,155,797	37,706	(30,291)
	12,785,171	392,887	(403,722)	14,294,637	389,477	(436,553)
<u>Hedging derivatives</u>						
<u>Foreign exchange related contracts:</u>						
Cross currency profit rate swaps						
- One year to three years	170,607	-	(18,061)	170,607	-	(43,937)
- More than three years	1,480,684	71,565	(71,565)	1,516,849	102,112	(102,112)
<u>Profit rate related contracts:</u>						
Profit rate swaps						
- Less than one year	718,000	452	(143)	718,000	718	(133)
- One year to three years	1,587,250	6,080	(5,638)	1,000,000	3,683	(3,683)
- More than three years	-	-	-	643,950	1,915	(1,354)
	3,956,541	78,097	(95,407)	4,049,406	108,428	(151,219)
Total derivative assets/(liabilities)	16,741,712	470,984	(499,129)	18,344,043	497,905	(587,772)

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A16. Other assets

	31 March 2016 RM'000	31 December 2015 RM'000
Amount due from holding company	3,003,856	2,907,155
Handling fees	177,999	185,068
Prepayments and deposits	242,853	235,825
Tax recoverable	24,767	30,143
Margin call	48,960	301,450
Others	460,640	14,350
	3,959,075	3,673,991

A17. Deposits from customers

i) By type of deposit

	31 March 2016 RM'000	31 December 2015 RM'000
<u>Savings deposits</u>		
Wadiah	13,026,162	12,173,654
<u>Demand deposits</u>		
Wadiah	16,648,995	17,282,238
<u>Term deposits</u>		
Murabahah	73,166,344	75,261,088
Negotiable Islamic Debt Certificate (NIDC)		
Bai Al-Inah	88,952	144,083
Hybrid (Bai' Bithaman Ajil and Murabahah)*	443,506	925,152
	103,373,959	105,786,215

* Hybrid term deposits are structured deposits which are Ringgit Malaysia time deposits with embedded foreign currency exchange option, commodity-linked time deposits and profit rate options.

ii) By type of customer

	31 March 2016 RM'000	31 December 2015 RM'000
Business enterprises	41,578,034	44,395,761
Individuals	30,600,557	29,387,959
Government and statutory bodies	17,098,046	17,744,227
Others	14,097,322	14,258,268
	103,373,959	105,786,215

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A18. Investment account of customers

(i) Unrestricted investment account analysed by maturity portfolio are as follows:

	31 March 2016 RM'000	31 December 2015 RM'000
Unrestricted investment account		
<u>Mudharabah</u>		
- without maturity	7,103,629	5,664,558
- with maturity	17,967,190	11,993,335
Total investment account of customers	25,070,819	17,657,893

(ii) The allocation of investment asset are as follows:

	31 March 2016 RM'000	31 December 2015 RM'000
Unrestricted Investment		
Retail financing	20,575,150	13,691,213
Non-retail financing	4,495,669	3,832,880
Marketable securities	-	133,800
Total investment	25,070,819	17,657,893

(iii) Profit sharing ratio and rate of return are as follows:

	31 March 2016		31 December 2015	
	Average profit sharing ratio (%)	Average rate of return (%)	Average profit sharing ratio (%)	Average rate of return (%)
Investment accounts of customers	67%	3.66%	64%	3.47%

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A19. Deposits and placements of banks and other financial institutions

	31 March 2016 RM'000	31 December 2015 RM'000
<u>Mudharabah Fund</u>		
Licensed banks*	9,802,856	11,037,806
	9,802,856	11,037,806
<u>Non-Mudharabah Fund</u>		
Licensed banks	7,864,596	8,546,052
Licensed islamic banks	897,928	592,383
Licensed investment banks	553,278	-
Other financial institutions	1,291,421	1,168,332
	10,607,223	10,306,767
	20,410,079	21,344,573

* Included in the Mudharabah deposits and placements of licensed banks is the Restricted Profit Sharing Investment Account ("RPSIA") placed by the parent amounting to RM9,802.8 million (31 December 2015: RM11,037.8 million). These placements are used to fund certain specific financing.

A20. Financial liabilities at fair value through profit or loss

	31 March 2016 RM'000	31 December 2015 RM'000
Structured deposits	231,977	-

The Bank has issued structured deposits and designated them at fair value in accordance with MFRS139 - *Financial instruments: Recognition and Measurement*. The Bank has the ability to do this when designating these instruments at fair value reduces an accounting mismatch, is managed by the Bank on the basis of its fair value, or includes terms that have substantive derivative characteristics.

A21. Other liabilities

	31 March 2016 RM'000	31 December 2015 RM'000
Sundry creditors	138,392	111,068
Deposit on trade financing	15,013	12,511
Provisions and accruals	10,637	15,304
	164,042	138,883

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A22. Sources and uses of charity funds

	31 March 2016 RM'000	31 December 2015 RM'000
Sources of charity funds		
Shariah non-compliant/prohibited income	10	56
Total sources of charity funds during the year	10	56
Uses of charity funds		
Contribution to non-profit organisation	10	56
Total uses of charity funds during the year	10	56
Undistributed charity funds as at 31 March 2016/ 31 December 2015	-	-

A23. Subordinated Sukuk

	Note	31 March 2016 RM'000	31 December 2015 RM'000
RM1,000 million Tier 2 Islamic Subordinated Sukuk due in 2021	(i)	-	1,010,782
RM1,500 million Tier 2 Islamic Subordinated Sukuk due in 2024	(ii)	1,534,942	1,517,178
RM1,000 million Tier 2 Islamic Subordinated Sukuk due in 2026	(iii)	1,005,860	-
		2,540,802	2,527,960

(i) On 31 March 2016, the Bank had fully redeemed the Tier 2 Capital Islamic Subordinated Sukuk ("Sukuk") of RM1.0 billion. The Subordinated Sukuk were issued on 31 March 2011 under the Shariah principle of Musyarakah.

(ii) On 7 April 2014, the Bank issued RM1.5 billion nominal value Islamic Subordinated Sukuk ("the Sukuk") under the Shariah principle of Murabahah (via Tawaruq arrangement). The Sukuk carries a tenure of 10 years from the issue date on 10 non-callable 5 basis, with a profit rate of 4.75% per annum payable semi-annually in arrears in April and October each year and are due in April 2024. Under the 10-non-callable 5 basis feature, the Bank has the option to redeem the Sukuk on any semi-annual distribution date on or after the 5th anniversary from the issue date. Should the Bank decide not to exercise its option to redeem the Sukuk, the Sukuk shall continue to be outstanding until the final maturity date.

The Sukuk is unsecured and it is subordinated in rights and priority of payment, to all deposit liabilities and other liabilities of the Bank except liabilities of the Bank which by their terms rank pari-passu in right and priority of payment with the Sukuk.

(iii) On 15 February 2016, the Bank issued RM1.0 billion nominal value Islamic Subordinated Sukuk ("the Sukuk") under the Shariah principle of Murabahah (via Tawaruq arrangement). The Sukuk carries a tenure of 10 years from the issue date on 10 non-callable 5 basis, with a profit rate of 4.65% per annum payable semi-annually in arrears in February and August each year and are due in February 2026. Under the 10-non-callable 5 basis feature, the Bank has the option to redeem the Sukuk on any semi-annual distribution date on or after the 5th anniversary from the issue date. Should the Bank decide not to exercise its option to redeem the Sukuk, the Sukuk shall continue to be outstanding until the final maturity date.

The Sukuk is unsecured and it is subordinated in rights and priority of payment, to all deposit liabilities and other liabilities of the Bank except liabilities of the Bank which by their terms rank pari-passu in right and priority of payment with the Sukuk.

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A24. Income derived from investment of depositors' funds

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
i) General investment deposits	1,045,294	1,061,481	1,045,294	1,061,481
ii) Other deposits	431,551	526,660	431,551	526,660
	1,476,845	1,588,141	1,476,845	1,588,141

i) Income derived from investment of general investment deposits

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Financing and advances	890,997	883,538	890,997	883,538
Money at call and deposit with financial institutions	51,347	53,940	51,347	53,940
Financial investments available-for-sale	41,284	34,501	41,284	34,501
Financial assets at fair value through profit or loss	961	440	961	440
	984,589	972,419	984,589	972,419
Amortisation of premium less accretion of discounts	17,128	11,580	17,128	11,580
Total finance income and hibah	1,001,717	983,999	1,001,717	983,999
Other operating income :				
Fee income				
- Processing fees	3,924	233	3,924	233
- Commissions	28,213	19,793	28,213	19,793
- Service charges and other fees	36,605	20,207	36,605	20,207
Gains on disposal of financial investments available-for-sale	10,992	873	10,992	873
Gains on disposal of financial assets at fair value through profit or loss	1,251	7,959	1,251	7,959
Unrealised (losses)/gains on revaluation of:				
- Financial assets at fair value through profit or loss	(160)	(3,031)	(160)	(3,031)
- Financial liabilities at fair value through profit or loss	(752)	-	(752)	-
- Derivatives	5,128	4,388	5,128	4,388
Gains/(losses) on foreign exchange:				
- Realised	18,690	(7,820)	18,690	(7,820)
- Unrealised	(63,898)	30,733	(63,898)	30,733
Net dividend on derivatives	3,584	4,147	3,584	4,147
	1,045,294	1,061,481	1,045,294	1,061,481

Included in finance income were income on impaired assets amounting to RM9.1 million (31.3.2015: RM11.6 million).

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A24. Income derived from investment of depositors' funds (cont'd)

ii) Income derived from investment of other deposits

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Financing and advances	367,857	438,373	367,857	438,373
Money at call and deposit with financial institutions	21,199	26,763	21,199	26,763
Financial investments available-for-sale	17,045	17,118	17,045	17,118
Financial assets at fair value through profit or loss	397	218	397	218
	406,498	482,472	406,498	482,472
Amortisation of premium less accretion of discounts	7,071	5,745	7,071	5,745
Total finance income and hibah	413,569	488,217	413,569	488,217
Other operating income :				
Fee income				
- Processing fees	1,620	116	1,620	116
- Commissions	11,648	9,821	11,648	9,821
- Service charges and other fees	15,104	10,026	15,104	10,026
Gains on disposal of financial investments available-for-sale	4,538	433	4,538	433
Gains on disposal of financial assets at fair value through profit or loss	517	3,949	517	3,949
Unrealised (losses)/gains on revaluation of:				
- Financial assets at fair value through profit or loss	(66)	(1,504)	(66)	(1,504)
- Financial liabilities at fair value through profit or loss	(311)	-	(311)	-
- Derivatives	2,117	2,177	2,117	2,177
Gains/(losses) on foreign exchange:				
- Realised	7,716	(3,880)	7,716	(3,880)
- Unrealised	(26,381)	15,248	(26,381)	15,248
Net dividend on derivatives	1,480	2,057	1,480	2,057
	431,551	526,660	431,551	526,660

Included in finance income were income on impaired assets amounting to RM3.8 million (31.3.2015: RM5.6 million).

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A25. Income derived from investment of investment account funds

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Financing and advances	309,322	-	309,322	-
Financial investments available-for-sale	262	-	262	-
Total finance income and hibah	309,584	-	309,584	-
Other operating income :				
Fee income				
- Commissions	52	-	52	-
- Service charges and other fees	8,267	-	8,267	-
	317,903	-	317,903	-

A26. Income derived from investment of shareholder's funds

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Financing and advances	59,941	54,891	59,941	54,891
Money at call and deposit with financial institutions	3,454	3,351	3,454	3,351
Financial investments available-for-sale	2,777	2,143	2,777	2,143
Financial assets at fair value through profit or loss	65	27	65	27
	66,237	60,412	66,237	60,412
Amortisation of premium less accretion of discounts	1,152	719	1,152	719
Total finance income and hibah	67,389	61,131	67,389	61,131
Other operating income :				
Fee income				
- Processing fees	264	14	264	14
- Commissions	1,898	1,230	1,898	1,230
- Service charges and other fees	2,461	1,255	2,461	1,255
Gains on disposal of financial investments available-for-sale	739	54	739	54
Gains on disposal of financial assets at fair value through profit or loss	84	494	84	494
Unrealised (losses)/gains on revaluation of:				
- Financial assets at fair value through profit or loss	(11)	(188)	(11)	(188)
- Financial liabilities at fair value through profit or loss	(51)	-	(51)	-
- Derivatives	345	273	345	273
Gains/(losses) on foreign exchange:				
- Realised	1,257	(486)	1,257	(486)
- Unrealised	(4,299)	1,909	(4,299)	1,909
Net dividend on derivatives	241	258	241	258
	70,317	65,944	70,317	65,944

Included in finance income were income on impaired assets amounting to RM0.6 million (31.3.2015: RM0.8 million).

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A27. Allowance for losses on financing and advances

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Allowances for impaired financing and advances:				
- collective allowance made	60,982	59,448	60,982	59,448
- individual allowance made	4,703	36,052	4,703	36,052
- individual allowance written back	(22,424)	(7,935)	(22,424)	(7,935)
Impaired financing and advances written off	2,663	2,427	2,663	2,427
Impaired financing and advances recovered	(17,757)	(15,145)	(17,757)	(15,145)
Writeback of impairment losses on other debts	(40)	-	(40)	-
	28,127	74,847	28,127	74,847

A28. Profit distributed to depositors

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Mudharabah	-	138,739	-	138,739
- Non-Mudharabah	661,952	554,910	661,952	554,910
	661,952	693,649	661,952	693,649
Deposits and placements of banks and other financial institutions				
- Mudharabah	98,324	105,451	98,324	105,451
- Non-Mudharabah	80,764	123,169	80,764	123,169
	179,088	228,620	179,088	228,620
	841,040	922,269	841,040	922,269

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A29. Overhead expenses

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Personnel expenses	10,596	10,086	10,596	10,086
- Salaries, allowances and bonuses	7,338	7,516	7,338	7,516
- Pension costs	1,153	1,110	1,153	1,110
- Shares/Options granted under Employee's Shares Scheme	276	338	276	338
- Others	1,829	1,122	1,829	1,122
Establishment costs	778	556	778	556
- Rental of premises	429	429	429	429
- Repairs, servicing and maintenance	18	16	18	16
- Information technology expenses	331	111	331	111
Marketing costs	2,437	1,955	2,437	1,955
- Advertisement and publicity	206	926	206	926
- Others	2,231	1,029	2,231	1,029
Administration and general expenses	274,819	266,830	274,819	266,830
- Fees and brokerage	12,068	3,015	12,068	3,015
- Administrative expenses	878	1,198	878	1,198
- General expenses	8,645	3,143	8,645	3,143
- Shared service cost paid/payable to Maybank	253,228	259,474	253,228	259,474
	288,630	279,427	288,630	279,427

A30. Finance cost

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Islamic subordinated sukuk	33,942	27,942	33,942	27,942

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A31. Taxation and zakat

The analysis of the taxation and zakat expense for the first quarter ended 31 March 2016 are as follows:

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Malaysian income tax	102,056	83,190	102,056	83,190
Under provision in prior period:				
Malaysian income tax	8	-	8	-
Deferred tax				
- Relating to origination and reversal of temporary differences	740	(1,148)	740	(1,148)
Tax expense for the financial period	102,804	82,042	102,804	82,042
Zakat	3,616	4,454	3,616	4,454
	106,420	86,496	106,420	86,496

A32. Subsequent events to the Balance Sheet

There were no material events subsequent to the balance sheet date that requires disclosure or adjustment to the unaudited condensed interim financial statements.

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A33. Commitments and Contingencies and Off-Balance Sheet Financial Instruments

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

The risk-weighted exposures of the Bank as at dates are as follows:

	As at 31 March 2016			As at 31 December 2015		
	Full commitment RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000	Full commitment RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000
<u>Credit-related</u>						
Direct credit substitutes	1,259,830	1,259,830	1,163,374	910,954	910,954	781,531
Certain transaction-related contingent items	1,839,648	889,813	908,088	1,910,743	925,818	957,057
Short-term self-liquidating trade-related contingencies	221,788	37,521	36,380	267,119	48,758	44,704
Irrevocable commitments to extend credit:						
- maturity within one year	18,796,444	5,322,000	2,410,529	17,696,250	3,541,800	2,034,823
- maturity more than one year	8,688,794	3,227,149	1,821,321	10,471,923	4,158,267	1,247,773
Miscellaneous	14,254	-	-	47,288	-	-
Total credit-related commitments and contingencies	30,820,758	10,736,313	6,339,692	31,304,277	9,585,597	5,065,888
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- less than one year	8,539,863	340,222	80,004	9,531,473	357,026	96,863
- one year to less than five years	2,272,632	54,139	18,606	2,339,823	57,958	19,457
Profit rate related contracts:						
- less than one year	718,000	92,678	29,703	718,000	112,958	28,930
- one year to less than five years	3,017,250	361,826	116,503	3,348,950	433,288	151,603
- five years and above	2,193,966	247,612	174,190	2,405,797	231,346	151,347
Total treasury-related commitments and contingencies	16,741,711	1,096,477	419,006	18,344,043	1,192,576	448,200
	47,562,469	11,832,790	6,758,698	49,648,320	10,778,173	5,514,088

* The credit equivalent amount and the risk-weighted amount are arrived at using the credit conversion factors and risk weights respectively, as specified by Bank Negara Malaysia.

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A34. Capital Adequacy

(a) Capital Adequacy Framework

- (i) Under the Bank Negara Malaysia's ("BNM") Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 28 November 2012 on the computation of capital and capital adequacy ratios for Islamic banks, the minimum regulatory capital adequacy ratios based on transitional arrangements are set out as follows:

Calendar Year	Common Equity Tier I (CET1) Capital Ratio	Tier 1 Capital Ratio	Total Capital Ratio
2013	3.5%	4.5%	8.0%
2014	4.0%	5.5%	8.0%
2015 onwards*	4.5%	6.0%	8.0%

* Excluding Capital Conservation Buffer of 2.5% of total risk-weighted assets ("RWA") which is subject to phase-in arrangement effective on 1 January 2016 as well as Countercyclical Capital Buffer ranging between 0%-2.5% of total RWA and any other capital buffers which may be introduced by BNM.

- (ii) Total risk-weighted assets ("RWA") is calculated as the sum of credit RWA, market RWA, operational RWA and large exposure risk requirements as determined in accordance with the Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued by BNM on 28 November 2012 for Islamic banks.

The sum of the above shall be further adjusted to take into account any profit-sharing investment accounts ("PSIA") recognised as risk absorbent for capital adequacy purposes, in the manner stipulated under the Guidelines on Recognition and Measurement of PSIA as Risk Absorbent as updated by BNM on 26 July 2011.

Any exposures which are deducted in the calculation of CET1 Capital, Tier 1 Capital, and Total Capital is not subjected to any further capital charges in the computation of RWA.

(b) Compliance and Application of Capital Adequacy Ratios

The capital adequacy ratio of the Bank are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Banks (Basel II - Risk Weighted Assets) issued on 28 November 2012. The total RWA are computed based on the following approaches:

- (i) Credit risk under Internal Ratings-Based Approach;
- (ii) Market risk under Standardised Approach; and
- (iii) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the current financial year ending 31 December 2015 (2014: 4.0%, 5.5% and 8.0% of total RWA).

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A34. Capital Adequacy (cont'd.)

(c) The capital adequacy ratios of the Bank as at the following dates:

	31 March 2016	31 December 2015
Capital ratios		
CET1 capital ratio	13.129%	12.435%
Tier 1 capital ratio	13.129%	12.435%
Total capital ratio	17.819%	16.489%

(d) Components of capital:

	31 March 2016 RM '000	31 December 2015 RM'000
CET1/Tier 1 capital		
Paid-up share capital	263,959	263,959
Share premium	4,658,232	4,658,232
Retained profits	2,572,819	2,572,819
Other reserves	773,550	771,581
CET1 capital before regulatory adjustments	8,268,560	8,266,591
Less: Regulatory adjustment applied in CET1 capital	(375,498)	(501,597)
Deferred tax assets	(4,199)	(36,892)
Profit equalisation reserve	-	(34,456)
Regulatory reserve	(371,299)	(430,249)
Total CET1/Tier 1 capital	7,893,062	7,764,994
Tier 2 capital		
Tier 2 capital instruments	2,500,000	2,200,000
Collective allowance ¹	28,846	27,625
Surplus of eligible provision over expected loss	291,298	303,861
Total Tier 2 capital	2,820,144	2,531,486
Total Capital	10,713,206	10,296,480

¹ Excludes collective allowance for impaired financing and advances restricted from Tier 2 Capital of the Bank.

(e) The breakdown of RWA by each major risk categories are as follows:

	31 March 2016 RM'000	31 December 2015 RM'000
Standardised Approach exposure	6,503,805	6,417,990
Internal Ratings-Based Approach exposure after scaling factor	59,228,825	59,046,097
Total risk-weighted asset for credit risk	65,732,630	65,464,087
Total risk-weighted asset for credit risk absorbed by parent [^]	(11,741,286)	(9,098,255)
Total risk-weighted asset for market risk	1,068,354	1,135,708
Total risk-weighted asset for operational risk	5,061,546	4,943,708
Total risk-weighted assets	60,121,244	62,445,248

[^] In accordance with BNM's guideline on the recognition and measurement of Restricted Profit Sharing Investment Account ("RPSIA") and Investment Account as Risk Absorbent, the credit risk on the assets funded by the RPSIA and IA are excluded from the capital adequacy ratios calculation.

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A35. Fair Value Measurements of Financial Instruments

Fair value hierarchy

For disclosure purposes, the level in the hierarchy within which the instruments are classified in its entirety is based on the lowest level input that is significant to the position's fair value measurements:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities

Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, and those prices which represent actual and regularly occurring market transactions in an arm's length basis. Such financial instruments include actively traded government securities, listed derivatives and cash products traded on exchange.

- (b) Level 2: Valuation techniques for which all significant inputs are, or are based on, observable market data data

Refers to inputs other than quoted prices included those within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices). Examples of Level 2 financial instruments include over-the-counter ("OTC") derivatives, corporate and other government bonds and less liquid equities.

- (c) Level 3: Valuation techniques for which significant inputs are not based on observable market data

Refers to financial instruments where fair value is measured using significant unobservable inputs. The valuation techniques used are consistent with the Level 2 but incorporates the Bank's own assumptions and data. Examples of Level 3 instruments include corporate bonds in illiquid markets and private equity investments.

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A35. Fair value of financial instruments (cont'd.)

The following table shows the Bank's financial assets and liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 31 March 2016 and 31 December 2015.

	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
At 31 March 2016				
Financial assets measured at fair value:				
Financial assets held-for-trading	-	448,323	-	448,323
<i>Money market instruments</i>	-	130,806	-	130,806
<i>Non-money market instruments</i>	-	317,517	-	317,517
Financial investments available-for-sale	-	9,266,138	750	9,266,888
<i>Money market instruments</i>	-	7,813,066	-	7,813,066
<i>Non-money market instruments</i>	-	1,453,072	750	1,453,822
Derivative assets	-	470,331	653	470,984
<i>Foreign exchange related contracts</i>	-	312,122	-	312,122
<i>Profit rate related contracts</i>	-	158,209	653	158,862
	-	10,184,792	1,403	10,186,195
Financial liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss	-	-	231,977	231,977
<i>Structured deposits</i>	-	-	231,977	231,977
Derivative liabilities	-	479,884	19,245	499,129
<i>Foreign exchange related contracts</i>	-	311,785	-	311,785
<i>Profit rate related contracts</i>	-	168,099	19,245	187,344
	-	479,884	251,222	731,106

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A35. Fair value of financial instruments (cont'd.)

At 31 December 2015	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
Financial assets held-for-trading	-	335,384	-	335,384
<i>Money market instruments</i>	-	-	-	-
<i>Non-money market instruments</i>	-	335,384	-	335,384
Financial investments				
available-for-sale	-	8,991,929	500	8,992,429
<i>Money market instruments</i>	-	7,452,591	-	7,452,591
<i>Non-money market instruments</i>	-	1,539,338	500	1,539,838
Derivative assets	-	497,905	-	497,905
<i>Foreign exchange related contracts</i>	-	340,938	-	340,938
<i>Profit rate related contracts</i>	-	156,966	-	156,966
	-	9,825,218	500	9,825,718
Financial liabilities measured at fair value:				
Derivative liabilities	-	544,377	43,395	587,772
<i>Foreign exchange related contracts</i>	-	352,033	-	352,033
<i>Profit rate related contracts</i>	-	192,344	43,395	235,739

Valuation techniques

The valuation techniques used for the financial instruments that are not determined by reference to quoted prices (Level 1), are described below:

Derivatives

The fair values of the Bank's derivative instruments are derived using discounted cash flows analysis, option pricing and benchmarking models.

Financial assets designated at fair value through profit or loss, financial assets held-for-trading and financial investments available-for-sale

The fair values of financial assets and financial investments are determined by reference to prices quoted by independent data providers and independent broker quotations.

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A35. Fair value of financial instruments (cont'd.)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy:

	At 1 January 2016 RM'000	Total realised gains/(losses) recognised in income statements* RM'000	Total unrealised gains/(losses) recognised in income statements* RM'000	Purchases RM'000	Sales RM'000	Settlements RM'000	At 31 March 2016 RM'000
At 31 March 2016							
Financial investments available-for-sale							
<i>Non-money market instruments</i>	500	-	-	250	-	-	750
Derivative assets							
<i>Profit rate related contracts</i>	-	-	-	653	-	-	653
Total Level 3 financial assets	500	-	-	903	-	-	1,403
Financial liabilities at fair value through profit or loss							
<i>Structured deposits</i>	-	-	(1,113)	(230,864)	-	-	(231,977)
Derivative liabilities							
<i>Profit rate related contracts</i>	(43,395)	(38,409)	(873)	-	43,355	20,077	(19,245)
Total Level 3 financial liabilities	(43,395)	(38,409)	(1,986)	(230,864)	43,355	20,077	(251,222)
Total net Level 3 financial assets/(liabilities)	(42,895)	(38,409)	(1,986)	(229,961)	43,355	20,077	(249,819)

* Included within 'Other operating income'.

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A35. Fair value of financial instruments (cont'd.)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy (cont'd):

	At 1 January 2015 RM'000	Total realised gains/(losses) recognised in income statements* RM'000	Total unrealised gains/(losses) recognised in income statements* RM'000	Purchases RM'000	Sales RM'000	Settlements RM'000	At 31 December 2015 RM'000
At 31 December 2015							
Financial investments available-for-sale							
<i>Non-money market instruments</i>	-	-	-	500	-	-	500
Derivative assets							
<i>Profit rate related contracts</i>	-	635	-	-	-	(635)	-
Total Level 3 financial assets	-	635	-	500	-	(635)	500
Derivative liabilities							
<i>Profit rate related contracts</i>	(85,029)	9,642	31,992	-	-	-	(43,395)
Total Level 3 financial liabilities	(85,029)	9,642	31,992	-	-	-	(43,395)
Total net Level 3 financial assets/(liabilities)	(85,029)	10,277	31,992	500	-	(635)	(42,895)

* Included within 'Other operating income'.

The Bank's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the end of the reporting period.

There were no transfers between Level 1 and Level 2 for the Bank during the first quarter ended 31 March 2016.

Movements in Level 3 financial instruments measured at fair value

There were no transfers into or out of Level 3 for the Bank during the 3 months financial period ended 31 March 2016.

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PART B – Review of Performance & Current Year Prospects

B1. Performance Review

The Bank recorded a profit before tax and zakat of RM465.9 million, a growth of RM116.3 million or 33% from previous year's corresponding period mainly driven by encouraging growth in financing and advances of 13% y-o-y despite the challenging economic environment.

The Bank's gross financing and advances increased by RM1.1 billion to RM132.2 billion as compared to RM131.1 billion recorded in last financial year. As at 31 March 2016, funding outpaced the growth in financing and advances contributed by the Investment Account which grew by RM7.4 billion to close at RM25.1 billion compared to RM17.7 billion as at 31 December 2015. However, total customer deposits slightly decreased by 2%, recorded at RM103.4 billion against RM105.8 billion in the last financial year.

Total income grew by RM211.0 million or 13% to RM1,865.1 million from last year, comprising RM1,476.8 million income derived from investment of depositors, RM317.9 million from investment account funds and RM70.3 million income derived from investment of shareholder's funds.

The net impaired financing ratio remained healthy at 0.74% as at 31 March 2016. The Bank's capital position continued to be strong and well above regulatory requirements as reflected by its Common Equity Tier I and Tier I Capital Ratio of 13.129% and Total Capital Ratio of 17.819%.

B2. Prospects

Malaysia's real GDP growth is expected to ease to 4.3% (2015: 5.0%) on slower domestic demand from moderating consumer spending and private investment. However, public investment is expected to be sustained on the continuation of existing and rollout of new major infrastructure and investment projects. This is following revisions to the Budget 2016 in response to the fall in crude oil price. There is also the possibility of a 25 bps cut in the Overnight Policy Rate ("OPR") from the current 3.25% despite higher inflation at 2.7%-3.2% (2015: 2.1%) as Bank Negara Malaysia leans towards supporting growth. Further loans and financing growth moderation in Malaysia is likely to continue to about 6%-7% in 2016 from 7%-8% in 2015, on the back of easing household loans and financing growth. The Bank's financing growth is expected to track Islamic industry financing growth and will continue to intensify its activities.

The Bank's strategic priorities for 2016 will be to strengthen its balance sheet by managing liquidity and safeguarding asset quality while continued focus will be placed on preserving margins. The Bank also seeks to maintain strong capital levels, well above regulatory requirements.

Barring any unforeseen circumstances, the Bank expects its financial performance for 2016 to be satisfactory albeit in a more challenging regional environment.