

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

	Note	1st Quarter Ended		Cumulative 3 Months Ended	
		31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Income derived from investment of depositors' funds	A21	1,588,141	1,254,138	1,588,141	1,254,138
Income derived from investment of shareholder's funds	A22	65,944	64,495	65,944	64,495
Allowance for impairment on financing and advances	A23	(74,847)	(17,879)	(74,847)	(17,879)
<b>Total distributable income</b>		<b>1,579,238</b>	<b>1,300,754</b>	<b>1,579,238</b>	<b>1,300,754</b>
Income attributable to depositors	A24	(922,269)	(701,479)	(922,269)	(701,479)
<b>Total net income</b>		<b>656,969</b>	<b>599,275</b>	<b>656,969</b>	<b>599,275</b>
Overhead expenses	A25	(279,427)	(273,619)	(279,427)	(273,619)
Finance cost	A26	(27,942)	(10,549)	(27,942)	(10,549)
<b>Profit before taxation and zakat</b>		<b>349,600</b>	<b>315,107</b>	<b>349,600</b>	<b>315,107</b>
Taxation	A27	(82,042)	(78,013)	(82,042)	(78,013)
Zakat	A27	(4,454)	(5,196)	(4,454)	(5,196)
<b>Profit for the period</b>		<b>263,104</b>	<b>231,898</b>	<b>263,104</b>	<b>231,898</b>
<b>Profit attributable to :</b>					
Equity holders of the parent		<b>263,104</b>	231,898	<b>263,104</b>	231,898
<b>Earnings per share attributable to equity holder of the Bank - Basic/diluted (sen)</b>		<b>106.80</b>	105.16	<b>106.80</b>	105.16

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

**MAYBANK ISLAMIC BERHAD**  
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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
<b>Profit for the period</b>	<b>263,104</b>	231,898	<b>263,104</b>	231,898
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net gain on financial investments available-for-sale	67,475	4,796	67,475	4,796
Income tax relating to components of other comprehensive income	(16,869)	(1,199)	(16,869)	(1,199)
<b>Other comprehensive income for the period, net of tax</b>	<b>50,606</b>	3,597	<b>50,606</b>	3,597
<b>Total comprehensive income for the period, net of tax</b>	<b>313,710</b>	235,495	<b>313,710</b>	235,495
<b>Total comprehensive income attributable to :</b>				
Equity holders of the parent	<b>313,710</b>	235,495	<b>313,710</b>	235,495

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015**

	Note	31 March 2015 RM'000	31 December 2014 RM'000
<b>ASSETS</b>			
Cash and short-term funds		<b>16,512,517</b>	17,863,965
Financial assets at fair value through profit or loss	A12(i)	<b>99,192</b>	1,234,423
Financial investments available-for-sale	A12(ii)	<b>8,204,487</b>	8,013,073
Financing and advances	A13	<b>115,931,934</b>	107,729,239
Derivative assets	A14	<b>266,519</b>	169,535
Other assets	A15	<b>13,025,304</b>	7,571,469
Statutory deposits with Bank Negara Malaysia		<b>4,531,000</b>	3,778,000
Deferred tax assets		<b>18,981</b>	34,702
<b>TOTAL ASSETS</b>		<b>158,589,934</b>	<b>146,394,406</b>
<b>LIABILITIES</b>			
Deposits from customers	A16	<b>104,655,748</b>	99,695,272
Deposits and placements of banks and other financial institutions	A17	<b>43,423,247</b>	36,544,789
Bills and acceptances payable		<b>5,761</b>	5,947
Derivative liabilities	A14	<b>315,701</b>	273,864
Other liabilities	A18	<b>67,782</b>	79,666
Provision for taxation and zakat		<b>44,544</b>	38,269
Subordinated Sukuk	A20	<b>2,534,471</b>	2,527,629
<b>TOTAL LIABILITIES</b>		<b>151,047,254</b>	<b>139,165,436</b>

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

	Note	31 March 2015 RM'000	31 December 2014 RM'000
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK</b>			
Share capital		246,362	246,362
Share premium		4,099,343	4,099,343
Retained profits		2,525,662	2,262,558
Other reserves		671,313	620,707
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>7,542,680</b>	<b>7,228,970</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>158,589,934</b>	<b>146,394,406</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A29	<b>39,763,438</b>	<b>37,707,274</b>
<b><u>CAPITAL ADEQUACY</u></b>	A30		
Based on credit, market and operational risk:			
CET1 capital ratio		11.056%	12.003%
Tier 1 capital ratio		11.056%	12.003%
Total capital ratio		<b>14.647%</b>	<b>16.088%</b>

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2015**

<=====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
<b>At 1 January 2015</b>	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
<b>Total comprehensive income for the period</b>	-	-	-	-	50,606	-	-	263,104	313,710
Dividend paid	-	-	-	-	-	-	-	-	-
Issue of ordinary shares (Notes A8)	-	-	-	-	-	-	-	-	-
<b>Total transactions with shareholders</b>	-	-	-	-	-	-	-	-	-
<b>At 31 March 2015</b>	246,362	4,099,343	1,697	409,672	(49,012)	34,456	274,500	2,525,662	7,542,680

(These condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

<=====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
<b>At 1 January 2014</b>	218,988	3,725,969	1,697	409,672	(127,879)	34,456	-	2,172,652	6,435,555
Net profit for the period	-	-	-	-	-	-	-	231,898	231,898
Other comprehensive income	-	-	-	-	3,597	-	-	-	3,597
<b>Total comprehensive income for the period</b>	-	-	-	-	3,597	-	-	231,898	235,495
Dividend paid	-	-	-	-	-	-	-	(400,748)	(400,748)
Issue of ordinary shares (Notes A8)	27,374	373,374	-	-	-	-	-	-	400,748
<b>Total transactions with shareholders</b>	27,374	373,374	-	-	-	-	-	(400,748)	-
<b>At 31 March 2014</b>	246,362	4,099,343	1,697	409,672	(124,282)	34,456	-	2,003,802	6,671,050

(These condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

**MAYBANK ISLAMIC BERHAD**  
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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CASH FLOW STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

	<b>31 March 2015 RM'000</b>	<b>31 March 2014 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation and zakat	349,600	315,107
Adjustments for non-operating and non-cash items:		
Allowances for losses on financing and advances	89,991	47,839
Amortisation of premium less accretion of discount	(18,045)	(9,369)
Gain on revaluation of derivatives	(6,838)	(4,545)
Unrealised loss/(gain) on revaluation of financial assets at fair value through profit or loss	4,723	(179)
Gain on disposal of financial investments available-for-sale	(1,361)	(489)
Gain on disposal of financial assets at fair value through profit or loss	(12,402)	(2,411)
Gain on foreign exchange translations	(35,706)	(8,379)
Share options granted under ESS	338	179
Operating profit before working capital changes	370,300	337,753
Change in deposits and placements with banks and other financial institutions	-	(60,388)
Change in financial investments portfolio	1,038,376	163,483
Change in financing and advances	(8,292,687)	(3,115,271)
Change in derivative assets and liabilities	(48,309)	16,992
Change in other assets	(5,453,832)	631,904
Change in statutory deposits with Bank Negara Malaysia	(753,000)	(97,000)
Change in deposits from customers	4,960,476	1,485,308
Change in deposits and placements of banks and other financial institutions	6,914,164	(160,424)
Change in bills and acceptances payable	(186)	30,604
Change in other liabilities	15,719	134,478
Cash used in operating activities	(1,248,979)	(632,561)
Taxes and zakat paid	(81,369)	(46,141)
<b>Net cash used in operating activities</b>	<b>(1,330,348)</b>	<b>(678,702)</b>
<b>Cash flows from financing activities</b>		
Profit paid for subordinated sukuk	(21,100)	(21,100)
Financing sold to Cagamas, net	-	(46,193)
Proceeds from issuance of shares	-	400,748
Dividend paid	-	(400,748)
<b>Net cash used in investing activities</b>	<b>(21,100)</b>	<b>(67,293)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,351,448)</b>	<b>(745,995)</b>
Cash and cash equivalents at beginning of year	17,863,965	17,680,040
<b>Cash and cash equivalents at end of year</b>	<b>16,512,517</b>	<b>16,934,045</b>

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CASH FLOW STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

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

	<b>31 March 2015 RM'000</b>	<b>31 March 2014 RM'000</b>
Cash and short-term funds	<b><u>16,512,517</u></b>	<b><u>16,934,045</u></b>

(These condensed financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 2014. 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 2014.

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 2014 except for adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRSs”) and annual improvements to MFRSs with effective date of 1 July 2014:

- Annual Improvements to MFRSs 2010 - 2012 Cycle
- Annual Improvements to MFRSs 2011 - 2013 Cycle

The adoption of the above amendments to MFRSs and IC Interpretation would not have any material impact to the Bank's financial performance.

**Revised Bank Negara Malaysia's ("BNM") Policy Document on Classification and Impairment Provisions for Loans/ Financing**

On 6 April 2015, BNM issued a revised Policy Document on Classification and Impairment Provisions for Loans/ Financing. This policy applies to banking institutions in Malaysia that covers licensed bank, licensed Islamic bank and licensed investment bank . The issuance of this revised policy document has superseded two guidelines issued by BNM previously, namely Classification and Impairment Provisions for Loans/ Financing dated 9 November 2011 and Classification and Impairment Provisions for Loans/ Financing – Maintenance of Regulatory Reserves dated 4 February 2014.

The requirements in the new revised policy document are effective on 1 January 2015, except for the following:

- (i) the requirement to classify financing as rescheduled and restructured in the Central Credit Reference Information System (“CCRIS”) will be effective on or after 1 April 2015.

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**A1. Basis of preparation (cont'd.)**

**Revised Bank Negara Malaysia's ("BNM") Policy Document on Classification and Impairment Provisions for Loans/ Financing (cont'd.)**

The Bank are currently assessing the impact to the business processes and financial implications, if any, as a result of these requirements. And,

- (ii) the requirement for a banking institution to maintain, in aggregate, collective impairment allowances and regulatory reserves of no less than 1.2% of total outstanding financing, net of individual impairment will be effective beginning 31 December 2015.

The Bank has early adopted this requirement in the previous financial year ended 31 December 2014 based on the existing guideline issued then where it resulted in the Bank making a transfer of RM274.5 million from the its retained profits to a regulatory reserve. The revised policy document will not have any impact to the profit or loss of the Bank. The regulatory reserve is not qualified as Common Equity Tier 1 ("CET1") capital and Tier 1 capital under BNM's Capital Adequacy Framework (Capital Components).

**A2. Significant accounting policies**

The audited financial statements of the Bank for the financial year ended 31 December 2014 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 2014.

**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 2014.

**A4. Auditors' report on proceeding annual financial statements**

The auditors' report on the audited financial statements for the financial year ended 31 December 2014 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 2015.

**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 2015.

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**A7. Changes in estimates**

There were no material changes in estimates during the first quarter ended 31 March 2015.

**A8. Issue Of Ordinary Share Capital**

There was no issuance of ordinary share capital during the first quarter ended 31 March 2015.

**A9. Issuance and Repayment of Debt and Securities**

There was no repayment of debt and equity securities during the first quarter ended 31 March 2015.

**A10. Dividends**

In respect of financial year ended 31 December 2014, a final tax-exempt (single-tier) dividend of RM0.69 per share on 246,361,500 ordinary shares, amounting to a dividend payable of RM169,989,435 was approved and declared on 6 April 2015, the dividend has been paid on 7 April 2014.

The Directors do not recommend the payment of any dividend in respect of the first quarter ended 31 March 2015.

**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. Financial investments portfolio**

	Note	31 March 2015 RM'000	31 December 2014 RM'000
Financial assets at fair value through profit or loss	(i)	99,192	1,234,423
Financial investments available-for-sale	(ii)	8,204,487	8,013,073
		<u>8,303,679</u>	<u>9,247,496</u>

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

Financial assets held-for-trading are as follows:

	31 March 2015 RM'000	31 December 2014 RM'000
<b>At fair value</b>		
<b>Money market instruments:-</b>		
Bank Negara Malaysia Monetary Notes	-	1,205,399
	<u>-</u>	<u>1,205,399</u>
<b>Unquoted securities :</b>		
Foreign private debt securities	99,192	29,024
	<u>99,192</u>	<u>29,024</u>
<b>Total financial assets held-for-trading</b>	<u>99,192</u>	<u>1,234,423</u>

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**A12. Financial investments portfolio (cont'd.)**

**(ii) Financial investments available-for-sale**

	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
<b>At fair value</b>		
<b>Money market instruments:-</b>		
Malaysian Government Investment Issues	3,883,243	4,211,737
Negotiable Islamic instruments of deposits	2,599,759	2,100,000
Khazanah bonds	65,799	65,027
	<b>6,548,802</b>	<b>6,376,764</b>
<b>Unquoted securities :</b>		
Islamic private debt securities in Malaysia	1,546,721	1,532,753
Foreign private debt securities	29,740	27,871
Malaysian Government bond	79,224	75,685
	<b>1,655,685</b>	<b>1,636,309</b>
<b>Total financial investments available-for-sale</b>	<b>8,204,487</b>	<b>8,013,073</b>

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**A13. Financing and advances**

**(i) By type and Shariah concepts**

31.03.2015	Bai <sup>^</sup> 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	-	2,979,794	-	-	-	-	-	2,979,794
Term financing								
- House financing	21,981,435	48,905,352	2,810,575	-	-	-	-	73,697,362
- Hire purchase receivables	-	-	-	34,013,523	-	-	-	34,013,523
- Other term financing	40,623,294	46,350,857	1,759,214	-	155,920	174,183	1,750	89,065,218
Bills receivable	-	-	-	-	-	-	165	165
Trust receipts	-	189,001	-	-	-	-	-	189,001
Claims on customers under acceptance credits	-	3,790,286	-	-	-	-	-	3,790,286
Staff financing	951,343	770,612	11,943	136,681	-	-	34,617	1,905,196
Credit card receivables	-	-	-	-	-	-	512,541	512,541
Revolving credit	-	9,888,997	-	-	-	-	-	9,888,997
	<b>63,556,072</b>	<b>112,874,899</b>	<b>4,581,732</b>	<b>34,150,204</b>	<b>155,920</b>	<b>174,183</b>	<b>549,073</b>	<b>216,042,083</b>
Unearned income								<b>(99,237,424)</b>
Gross financing and advances <sup>^^</sup>								<b>116,804,659</b>
Allowances for impaired financing and advances:								
- individual								<b>(232,898)</b>
- collective								<b>(639,827)</b>
Net financing and advances								<b>115,931,934</b>

<sup>^</sup> Bai' comprises of Bai-Bithaman Ajil, Bai Al-Inah and Bai-Al-Dayn

<sup>^^</sup> Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA"), an arrangement between the Bank and its parents, where the risks and rewards of the RPSIA are accounted by the parent, including allowances for impairment arising thereon, if any and the profit is shared based on pre-agreed ratios.

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**A13. Financing and advances (cont'd.)**

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

31.12.2014	Bai <sup>^</sup> 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	-	2,423,156	-	-	-	-	-	2,423,156
Term financing								
- House financing	22,413,253	44,643,817	2,823,380	-	-	-	-	69,880,450
- Hire purchase receivables	-	-	-	32,340,140	-	-	-	32,340,140
- Other term financing	42,952,614	39,773,412	1,806,647	-	161,882	174,983	528	84,870,066
Bills receivable	-	-	-	-	-	-	-	-
Trust receipts	-	193,885	-	-	-	-	-	193,885
Claims on customers under acceptance credits	-	4,080,986	-	-	-	-	-	4,080,986
Staff financing	966,347	605,961	9,220	130,348	-	-	37,195	1,749,071
Credit card receivables	-	-	-	-	-	-	475,704	475,704
Revolving credit	-	8,604,398	-	-	-	-	-	8,604,398
	<u>66,332,214</u>	<u>100,325,615</u>	<u>4,639,247</u>	<u>32,470,488</u>	<u>161,882</u>	<u>174,983</u>	<u>513,427</u>	<u>204,617,856</u>
Unearned income								(96,078,268)
Gross financing and advances <sup>^^</sup>								<u>108,539,588</u>
Allowances for impaired financing and advances:								
- individual								(212,946)
- collective								(597,403)
Net financing and advances								<u><u>107,729,239</u></u>

<sup>^</sup> Bai' comprises of Bai-Bithaman Ajil, Bai Al-Inah and Bai-Al-Dayn

<sup>^^</sup> Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA"), an arrangement between the Bank and its parents, where the risks and rewards of the RPSIA are accounted by the parent, including allowances for impairment arising thereon, if any and the profit is shared based on pre-agreed ratios.

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**A13. Financing and advances (cont'd.)**

**(ii) By type of customers**

	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Domestic non-banking institutions	4,015,929	4,009,723
Domestic business enterprises		
- Small and medium enterprises	11,632,837	11,249,588
- Others	20,478,054	16,403,825
Government and statutory bodies	7,152,275	7,209,490
Individuals	72,628,990	68,760,815
Other domestic entities	23,552	22,678
Foreign entities in Malaysia	873,022	883,469
Gross financing and advances	<u>116,804,659</u>	<u>108,539,588</u>

**(iii) By profit rate sensitivity**

	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Fixed rate		
- House financing	1,553,546	1,579,702
- Hire purchase receivables	29,241,709	27,780,000
- Other financing	22,642,319	23,659,411
Floating rate		
- House financing	20,092,999	18,557,590
- Other financing	43,274,086	36,962,885
Gross financing and advances	<u>116,804,659</u>	<u>108,539,588</u>

**(iv) By economic purpose**

	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Purchase of securities	17,621,112	17,017,134
Purchase of transport vehicles	29,223,612	27,783,945
Purchase of landed properties		
- residential	21,047,034	19,553,193
- non-residential	7,663,082	6,963,083
Purchase of fixed assets (exclude landed properties)	32,582	16,774
Personal use	1,919,818	1,845,384
Consumer durables	697	718
Construction	3,082,092	3,122,738
Working capital	35,710,362	31,761,002
Credit cards	504,268	475,617
Gross financing and advances	<u>116,804,659</u>	<u>108,539,588</u>

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**A13. Financing and advances (cont'd.)**

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

	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Maturity within one year	21,931,457	17,375,050
One year to three years	8,098,861	9,370,334
Three years to five years	8,966,554	7,996,742
After five years	<u>77,807,787</u>	<u>73,797,462</u>
Gross financing and advances	<u><b>116,804,659</b></u>	<u><b>108,539,588</b></u>

**(vi) Impaired financing and advances by economic purpose**

	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Purchase of securities	84,167	21,956
Purchase of transport vehicles	98,179	94,031
Purchase of landed properties		
- residential	85,017	82,395
- non-residential	40,007	40,649
Personal use	13,481	12,139
Credit cards	3,636	3,092
Consumer durables	8	8
Construction	125,493	128,655
Working capital	<u>343,124</u>	<u>291,892</u>
Gross impaired financing and advances	<u><b>793,112</b></u>	<u><b>674,817</b></u>

**(vii) Movement in impaired financing and advances**

	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Gross impaired financing and advances at 1 January 2015/2014	674,817	520,793
Newly impaired	289,139	728,670
Reclassified as non-impaired	(68,726)	(285,316)
Recovered	(79,022)	(165,310)
Amount written off	(25,189)	(124,020)
Expenses debited to customers' accounts	<u>2,093</u>	<u>-</u>
Gross impaired financing and advances at 31 March 2015/ 31 December 2014	<u><b>793,112</b></u>	<u><b>674,817</b></u>
Less: Individual allowance	<u>(232,898)</u>	<u>(212,946)</u>
Net impaired financing and advances	<u><b>560,214</b></u>	<u><b>461,871</b></u>

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**A13. Financing and advances (cont'd.)**

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

	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Gross financing and advances (excluding RPSIA financing)	<b>104,139,887</b>	98,991,402
Less: Individual allowance	<b>(232,898)</b>	(212,946)
Net financing and advances	<b><u>103,906,989</u></b>	<u>98,778,456</u>
 Net impaired financing and advances as a percentage of net financing and advances	 <b><u>0.54%</u></b>	 <u>0.47%</u>

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

	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
<u>Individual Allowance</u>		
At 1 January 2015/2014	<b>212,946</b>	162,046
Allowance made	<b>36,052</b>	123,303
Amount written back in respect of recoveries	<b>(7,935)</b>	(11,726)
Amount written off	<b>(6,286)</b>	(58,321)
Transferred to collective allowance	<b>(1,879)</b>	(2,356)
At 31 March 2015/31 December 2014	<b><u>232,898</u></b>	<u>212,946</u>

	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
<u>Collective Allowance</u>		
At 1 January 2015/2014	<b>597,403</b>	581,496
Net allowance made during the year*	<b>59,448</b>	79,251
Amount written off	<b>(18,903)</b>	(65,700)
Transferred from individual allowance	<b>1,879</b>	2,356
At 31 March 2015/31 December 2014	<b><u>639,827</u></b>	<u>597,403</u>

As a % of gross financing and advances (excluding RPSIA financing) less individual assessment allowance	<b><u>0.88%</u></b>	<u>0.88%</u>
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\* As at 31 March 2015, the gross exposure of the assets under the RPSIA is RM12,664.8 million (31 December 2014 : RM9,548.2 million) and the collective allowance relating to this RPSIA amounting RM56.7 million (31 December 2014 : RM43.2 million) is accounted for by the parent. There was no individual allowance made on the RPSIA financing by the Bank.

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**A14. Derivative financial instruments**

The following tables summarise the contractual or underlying principal amounts of derivatives financial instruments held at fair value through income statement and hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at reporting date, and do not represent amounts of risk.

Trading derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in "Derivative Financial Instruments" Assets and Liabilities respectively.

	31 March 2015			31 December 2014		
	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
<b><u>Trading derivatives</u></b>						
<u>Foreign exchange related contracts:</u>						
Currency forwards						
- Less than one year	2,810,957	136,740	(3,060)	2,194,500	97,395	(1,225)
Currency swaps						
- Less than one year	3,398,045	34,721	(129,305)	3,894,756	10,624	(103,724)
Currency spot						
- Less than one year	197,993	303	(126)	46,097	25	(44)
Currency options						
- Less than one year	12,000	437	(437)	-	-	-
Cross currency profit rate swaps						
- One year to three years	335,425	38,532	(38,532)	325,025	28,262	(28,262)
- More than three years	603,981	8,073	(6,580)	-	-	-
<u>Profit rate related contracts:</u>						
Profit rate options						
- One year to three years	500,000	581	(48,995)	400,000	-	(43,025)
- More than three years	300,000	582	(16,952)	430,000	479	(42,484)
Profit rate swaps						
- More than three years	2,727,669	38,728	(34,928)	2,616,597	22,711	(18,708)
	<b>10,886,070</b>	<b>258,697</b>	<b>(278,915)</b>	<b>9,906,975</b>	<b>159,496</b>	<b>(237,472)</b>
<b><u>Hedging derivatives</u></b>						
<u>Foreign exchange related contracts:</u>						
Cross currency profit rate swaps						
- More than three years	1,807,485	463	(30,036)	1,794,612	1,622	(29,532)
<u>Profit rate related contracts:</u>						
Profit rate swaps						
- One year to three years	1,718,000	4,587	(4,528)	1,718,000	7,697	(6,724)
- More than three years	555,525	2,772	(2,222)	524,325	720	(136)
	<b>4,081,010</b>	<b>7,822</b>	<b>(36,786)</b>	<b>4,036,937</b>	<b>10,039</b>	<b>(36,392)</b>
<b>Total derivative assets/(liabilities)</b>	<b>14,967,080</b>	<b>266,519</b>	<b>(315,701)</b>	<b>13,943,912</b>	<b>169,535</b>	<b>(273,864)</b>

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**A15. Other assets**

	31 March 2015 RM'000	31 December 2014 RM'000
Amount due from holding company	11,907,113	7,158,796
Handling fees	189,257	179,232
Prepayments and deposits	214,408	229,897
Others	714,526	3,544
	<b>13,025,304</b>	<b>7,571,469</b>

**A16. Deposits from customers**

**i) By type of deposit**

	31 March 2015 RM'000	31 December 2014 RM'000
<u>Savings deposits</u>		
Wadiah	10,529,603	9,977,407
Mudharabah	942,147	888,055
<u>Demand deposits</u>		
Wadiah	9,065,482	8,230,155
Mudharabah	13,289,920	12,772,222
<u>Term deposits</u>		
Murabahah	64,185,325	53,655,446
General investment account		
Mudharabah	5,764,323	13,257,051
Negotiable Islamic Debt Certificate (NIDC)		
Mudharabah	138,297	151,380
Hybrid (Bai' Bithaman Ajil and Murabahah)*	740,651	763,556
	<b>104,655,748</b>	<b>99,695,272</b>

\* Structured deposits represent 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 2015 RM'000	31 December 2014 RM'000
Business enterprises	38,995,317	40,243,289
Individuals	25,847,016	24,682,853
Government and statutory bodies	15,468,777	15,231,857
Others	24,344,638	19,537,273
	<b>104,655,748</b>	<b>99,695,272</b>

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**A17. Deposits and placements of banks and other financial institutions**

	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
<u>Mudharabah Fund</u>		
Licensed banks	<b>24,567,783</b>	23,143,233
Licensed islamic banks	<b>1,245,383</b>	1,566,784
Licensed investment banks	<b>1,907,106</b>	819,256
Other financial institutions	<b>432,858</b>	287,371
	<b>28,153,130</b>	25,816,644
<u>Non-Mudharabah Fund</u>		
Licensed islamic banks	<b>387,027</b>	368,350
Other financial institutions	<b>14,883,090</b>	10,359,795
	<b>15,270,117</b>	10,728,145
	<b>43,423,247</b>	36,544,789

Included in the deposits and placements of licensed banks is the Restricted Profit Sharing Investment Account ("RPSIA") placed by the parent amounting to RM12,721.2 million (31 December 2014: RM9,521.9 million). These deposits are used to fund certain specific financing. The RPSIA is a contract based on the Mudharabah principle between two parties to finance a financing where the investor solely provides capital and the business venture is managed solely by the entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratios. Losses shall be borne by the depositors.

**A18. Other liabilities**

	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Sundry creditors	<b>31,132</b>	27,553
Deposit on trade financing	<b>21,358</b>	22,682
Provisions and accruals	<b>15,292</b>	20,064
Others	-	9,367
	<b>67,782</b>	79,666

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**A19. Sources and uses of charity funds**

	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
<b>Sources of charity funds</b>		
Non-Islamic/prohibited income	7	52
<b>Total sources of charity funds during the year</b>	7	52
<b>Uses of charity funds</b>		
Contribution to Baitulmal		
Contribution to non-profit organisation	-	52
<b>Total uses of charity funds during the year</b>	-	52
<b>Undistributed charity funds as at 31 March 2015/ 31 December 2014</b>	7	-

**A20. Subordinated Sukuk**

	<b>Note</b>	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
RM1,000 million Islamic Subordinated Sukuk due in 2021	(i)	1,000,115	1,010,841
RM1,500 million Islamic Subordinated Sukuk due in 2024	(ii)	1,534,356	1,516,788
		2,534,471	2,527,629

- (i) On 31 March 2011, the Bank issued RM1.0 billion nominal value Islamic Subordinated Sukuk ("the Sukuk") under the Shariah principle of Musyarakah. The Sukuk carries a tenure of 10 years from the issue date on 10 non-callable 5 basis, with a profit rate of 4.22% per annum payable semi-annually in arrears in March and September each year, and are due in March 2021. 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.

- (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.

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**A21. Income derived from investment of depositors' funds**

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Income derived from investment of:				
i) General investment deposits	1,061,481	836,685	1,061,481	836,685
ii) Other deposits	526,660	417,453	526,660	417,453
	<b>1,588,141</b>	<b>1,254,138</b>	<b>1,588,141</b>	<b>1,254,138</b>

**i) Income derived from investment of general investment deposits**

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Financing and advances	883,538	684,422	883,538	684,422
Money at call and deposit with financial institutions	53,940	58,547	53,940	58,547
Financial investments available-for-sale	34,501	37,618	34,501	37,618
Financial assets at fair value through profit or loss	440	950	440	950
	<b>972,419</b>	<b>781,537</b>	<b>972,419</b>	<b>781,537</b>
Amortisation of premium less accretion of discounts	11,580	5,945	11,580	5,945
Total finance income and hibah	<b>983,999</b>	<b>787,482</b>	<b>983,999</b>	<b>787,482</b>
Other operating income :				
Fee income				
- Processing fees	233	198	233	198
- Commissions	19,793	21,641	19,793	21,641
- Service charges and other fees	20,207	15,207	20,207	15,207
Gains on disposal of financial investments available-for-sale	873	310	873	310
Gains on disposal of financial assets at fair value through profit or loss	7,959	1,530	7,959	1,530
Unrealised (losses)/gains on revaluation of:				
- Financial assets at fair value through profit or loss	(3,031)	114	(3,031)	114
- Derivatives	4,388	2,884	4,388	2,884
(Losses)/gains on foreign exchange:				
- Realised	(7,820)	4,159	(7,820)	4,159
- Unrealised	30,733	1,157	30,733	1,157
Net dividend on derivatives	4,147	2,003	4,147	2,003
	<b>1,061,481</b>	<b>836,685</b>	<b>1,061,481</b>	<b>836,685</b>

Included in finance income were income on impaired assets amounting to RM11.6 million (31.3.2014: RM2.5 million).

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**A21. 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 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Financing and advances	<b>438,373</b>	341,484	<b>438,373</b>	341,484
Money at call and deposit with financial institutions	<b>26,763</b>	29,211	<b>26,763</b>	29,211
Financial investments available-for-sale	<b>17,118</b>	18,769	<b>17,118</b>	18,769
Financial assets at fair value through profit or loss	<b>218</b>	474	<b>218</b>	474
	<b>482,472</b>	389,938	<b>482,472</b>	389,938
Amortisation of premium less accretion of discounts	<b>5,745</b>	2,966	<b>5,745</b>	2,966
Total finance income and hibah	<b>488,217</b>	392,904	<b>488,217</b>	392,904
Other operating income :				
Fee income				
- Processing fees	<b>116</b>	99	<b>116</b>	99
- Commissions	<b>9,821</b>	10,798	<b>9,821</b>	10,798
- Service charges and other fees	<b>10,026</b>	7,587	<b>10,026</b>	7,587
Gains on disposal of financial investments available-for-sale	<b>433</b>	155	<b>433</b>	155
Gains on disposal of financial assets at fair value through profit or loss	<b>3,949</b>	763	<b>3,949</b>	763
Unrealised (losses)/gains on revaluation of:				
- Financial assets at fair value through profit or loss	<b>(1,504)</b>	57	<b>(1,504)</b>	57
- Derivatives	<b>2,177</b>	1,439	<b>2,177</b>	1,439
(Losses)/gains on foreign exchange:				
- Realised	<b>(3,880)</b>	2,075	<b>(3,880)</b>	2,075
- Unrealised	<b>15,248</b>	577	<b>15,248</b>	577
Net dividend on derivatives	<b>2,057</b>	999	<b>2,057</b>	999
	<b>526,660</b>	417,453	<b>526,660</b>	417,453

Included in finance income were income on impaired assets amounting to RM5.6 million (31.3.2014: RM1.3 million).

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**A22. Income derived from investment of shareholder's funds**

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Financing and advances	54,891	52,759	54,891	52,759
Money at call and deposit with financial institutions	3,351	4,513	3,351	4,513
Financial investments available-for-sale	2,143	2,900	2,143	2,900
Financial assets at fair value through profit or loss	27	73	27	73
	<b>60,412</b>	60,245	<b>60,412</b>	60,245
Amortisation of premium less accretion of discounts	719	458	719	458
Total finance income and hibah	<b>61,131</b>	60,703	<b>61,131</b>	60,703
Other operating income :				
Fee income				
- Processing fees	14	15	14	15
- Commissions	1,230	1,668	1,230	1,668
- Service charges and other fees	1,255	1,172	1,255	1,172
Gains on disposal of financial investments available-for-sale	54	24	54	24
Gains on disposal of financial assets at fair value through profit or loss	494	118	494	118
Unrealised (losses)/gains on revaluation of:				
- Financial assets at fair value through profit or loss	(188)	9	(188)	9
- Derivatives	273	222	273	222
(Losses)/gains on foreign exchange:				
- Realised	(486)	321	(486)	321
- Unrealised	1,909	89	1,909	89
Net dividend on derivatives	258	154	258	154
	<b>65,944</b>	64,495	<b>65,944</b>	64,495

Included in finance income were income on impaired assets amounting to RM0.8 million (31.3.2014: RM0.2 million).

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**A23. Allowance for losses on financing and advances**

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Allowances for impaired financing and advances:				
- collective allowance made	59,448	16,193	59,448	16,193
- individual allowance made	36,052	23,953	36,052	23,953
- individual allowance written back	(7,935)	(7,361)	(7,935)	(7,361)
Impaired financing and advances written off	2,427	3,232	2,427	3,232
Impaired financing and advances recovered	(15,145)	(18,138)	(15,145)	(18,138)
	<b>74,847</b>	<b>17,879</b>	<b>74,847</b>	<b>17,879</b>

**A24. Income attributable to depositors**

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Deposits from customers				
- Mudharabah	140,656	151,875	140,656	151,875
- Non-Mudharabah	552,993	350,618	552,993	350,618
	<b>693,649</b>	<b>502,493</b>	<b>693,649</b>	<b>502,493</b>
Deposits and placements of banks and other financial institutions				
- Mudharabah	227,364	192,378	227,364	192,378
- Non-Mudharabah	1,256	6,608	1,256	6,608
	<b>228,620</b>	<b>198,986</b>	<b>228,620</b>	<b>198,986</b>
	<b>922,269</b>	<b>701,479</b>	<b>922,269</b>	<b>701,479</b>

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**A25. Overhead expenses**

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Personnel expenses	10,086	8,659	10,086	8,659
- Salaries, allowances and bonuses	7,516	6,207	7,516	6,207
- Pension costs	1,110	961	1,110	961
- Shares/Options granted under Employee's Shares Scheme	338	179	338	179
- Others	1,122	1,312	1,122	1,312
Establishment costs	556	613	556	613
- Rental of premises	429	429	429	429
- Repairs, servicing and maintenance	16	23	16	23
- Information technology expenses	111	155	111	155
- Others	-	6	-	6
Marketing costs	1,955	1,023	1,955	1,023
- Advertisement and publicity	926	621	926	621
- Others	1,029	402	1,029	402
Administration and general expenses	266,830	263,324	266,830	263,324
- Fees and brokerage	3,015	1,386	3,015	1,386
- Administrative expenses	1,198	850	1,198	850
- General expenses	3,143	3,531	3,143	3,531
- Shared service cost paid/payable to Maybank	259,474	257,557	259,474	257,557
	<b>279,427</b>	<b>273,619</b>	<b>279,427</b>	<b>273,619</b>

**A26. Finance cost**

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Islamic subordinated sukuk	27,942	10,549	27,942	10,549

**A27. Taxation and zakat**

The analysis of the taxation and zakat expense for the first quarter ended 31 March 2015 are as follows:

	1st Quarter Ended		Cumulative 3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Malaysian income tax	83,190	77,919	83,190	77,919
Over provision in prior period: Malaysian income tax	-	(201,664)	-	(201,664)
Deferred tax				
- Relating to origination and reversal of temporary differences	(1,148)	94	(1,148)	94
- Reversal of deferred tax no longer required	-	201,664	-	201,664
Tax expense for the financial period	82,042	78,013	82,042	78,013
Zakat	4,454	5,196	4,454	5,196
	<b>86,496</b>	<b>83,209</b>	<b>86,496</b>	<b>83,209</b>

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**A28. 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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**A29. 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 2015			As at 31 December 2014		
	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
<b><u>Credit-related</u></b>						
Direct credit substitutes	841,071	841,071	760,484	728,537	703,467	373,128
Certain transaction-related contingent items	1,289,732	624,930	548,074	1,204,607	582,491	494,447
Short-term self-liquidating trade-related contingencies	166,203	28,528	17,417	186,627	36,646	22,058
Irrevocable commitments to extend credit:						
- maturity within one year	14,272,151	3,583,391	1,701,198	13,503,588	2,620,597	1,493,669
- maturity more than one year	8,178,881	4,077,180	1,810,858	8,084,845	4,707,946	1,605,452
Miscellaneous	48,320	-	-	55,158	-	-
Total credit-related commitments and contingencies	<b>24,796,358</b>	<b>9,155,100</b>	<b>4,838,031</b>	<b>23,763,362</b>	<b>8,651,147</b>	<b>3,988,754</b>
<b><u>Derivative financial instruments</u></b>						
Foreign exchange related contracts:						
- less than one year	6,418,995	294,271	83,399	6,135,353	212,154	17,156
- one year to less than five years	2,746,891	81,070	28,754	2,119,637	129,985	27,101
Profit rate related contracts:						
- less than one year						
- one year to less than five years	3,538,525	286,432	60,794	3,747,325	238,208	91,437
- five years and above	2,262,669	313,787	190,215	1,941,597	189,556	105,977
Total treasury-related commitments and contingencies	<b>14,967,080</b>	<b>975,560</b>	<b>363,162</b>	<b>13,943,912</b>	<b>769,903</b>	<b>241,671</b>
	<b>39,763,438</b>	<b>10,130,660</b>	<b>5,201,193</b>	<b>37,707,274</b>	<b>9,421,050</b>	<b>4,230,425</b>

\* 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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**A30. 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%

- (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 be 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.

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**A30. Capital Adequacy (cont'd.)**

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

	<b>31 March 2015</b>	<b>31 December 2014</b>
<b>Capital ratios</b>		
CET1 capital ratio	<b>11.056%</b>	12.003%
Tier 1 capital ratio	<b>11.056%</b>	12.003%
Total capital ratio	<b>14.647%</b>	16.088%

**(d) Components of capital:**

	<b>31 March 2015 RM '000</b>	<b>31 December 2014 RM'000</b>
<b>CET1/Tier 1 capital</b>		
Paid-up share capital	246,362	246,362
Share premium	4,099,343	4,099,343
Retained profits	2,262,558	2,262,558
Other reserves	671,313	620,707
<b>CET1 capital before regulatory adjustments</b>	<b>7,279,576</b>	<b>7,228,970</b>
Less: Regulatory adjustment applied in CET1 capital	<b>(410,058)</b>	<b>(376,012)</b>
Deferred tax assets	<b>(18,981)</b>	<b>(34,702)</b>
Profit equalisation reserve	<b>(34,456)</b>	<b>(34,456)</b>
Regulatory reserve	<b>(274,500)</b>	<b>(274,500)</b>
Shortfall of eligible provision to expected loss	<b>(82,121)</b>	<b>(32,354)</b>
<b>Total CET1/Tier 1 capital</b>	<b>6,869,518</b>	<b>6,852,958</b>
<b>Tier 2 capital</b>		
Tier 2 capital instruments	2,200,000	2,300,000
Collective allowance <sup>1</sup>	31,270	32,255
<b>Total Tier 2 capital</b>	<b>2,231,270</b>	<b>2,332,255</b>
<b>Total Capital</b>	<b>9,100,788</b>	<b>9,185,213</b>

<sup>1</sup> 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:**

	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
Standardised Approach exposure	5,538,812	4,831,718
Internal Ratings-Based Approach exposure after scaling factor	57,713,618	51,473,277
Total risk-weighted asset for credit risk	63,252,430	56,304,995
Total risk-weighted asset for credit risk absorbed by parent <sup>^</sup>	(6,237,340)	(3,930,555)
Total risk-weighted asset for market risk	789,162	573,921
Total risk-weighted asset for operational risk	4,331,465	4,145,952
Total risk-weighted assets	<b>62,135,717</b>	<b>57,094,313</b>

<sup>^</sup> In accordance with BNM's guideline on the recognition and measurement of Restricted Profit Sharing Investment Account ("RPSIA") as Risk Absorbent, the credit risk on the assets funded by the RPSIA are excluded from the risk weighted capital ratio ("RWCR") calculation.

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**A31. Fair value of financial instruments**

**Fair value hierarchy**

The Bank classify its financial instruments measured at fair value according to the following hierarchy, reflecting the significance of the inputs in making the 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 using observable inputs for which all significant inputs are, or are based on, observable market 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 using significant unobservable inputs for which significant inputs are not based on observable market data

Refers to financial instruments where fair value is measured using significant unobservable market 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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**A31. 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 2015 and 31 December 2014.

At 31 March 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:				
<b>Financial assets held-for-trading</b>	-	99,192	-	99,192
<i>Money market instruments</i>	-	-	-	-
<i>Non-money market instruments</i>	-	99,192	-	99,192
<b>Financial investments available-for-sale</b>	-	8,204,487	-	8,204,487
<i>Money market instruments</i>	-	6,548,802	-	6,548,802
<i>Non-money market instruments</i>	-	1,655,685	-	1,655,685
<b>Derivative assets</b>	-	265,852	667	266,519
<i>Foreign exchange related contracts</i>	-	218,806	-	218,806
<i>Profit rate related contracts</i>	-	47,046	667	47,713
	-	<b>8,569,531</b>	<b>667</b>	<b>8,570,198</b>

Financial liabilities measured at fair value:

<b>Derivative liabilities</b>	-	250,250	65,451	315,701
<i>Foreign exchange related contracts</i>	-	178,040	-	178,040
<i>Profit rate related contracts</i>	-	72,210	65,451	137,661

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**A31. Fair value of financial instruments (cont'd.)**

At 31 December 2014	Quoted Market Price (Level 1) RM'000	<u>Valuation technique using</u>		Total RM'000
		Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
<b>Financial assets held-for-trading</b>	-	1,234,423	-	1,234,423
<i>Money market instruments</i>	-	1,205,399	-	1,205,399
<i>Non-money market instruments</i>	-	29,024	-	29,024
<b>Financial investments available-for-sale</b>	-	8,013,073	-	8,013,073
<i>Money market instruments</i>	-	6,376,764	-	6,376,764
<i>Non-money market instruments</i>	-	1,636,309	-	1,636,309
<b>Derivative assets</b>	-	169,535	-	169,535
<i>Foreign exchange related contracts</i>	-	108,044	-	108,044
<i>Profit rate related contracts</i>	-	61,491	-	61,491
	-	9,417,031	-	9,417,031

Financial liabilities measured at fair value:

<b>Derivative liabilities</b>	-	188,835	85,029	273,864
<i>Foreign exchange related contracts</i>	-	104,993	-	104,993
<i>Profit rate related contracts</i>	-	83,842	85,029	168,871

**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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**A31. Fair value of financial instruments (cont'd.)**

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

	At 1 January 2015 RM'000	Total realised gains/(losses) recognised in income statements*	Total unrealised gains/(losses) recognised in income statements*	Purchases RM'000	Settlements RM'000	At 31 March 2015 RM'000
<b>At 31 March 2015</b>						
<b>Derivative assets</b>						
<i>Profit rate related contracts</i>	-	-	667	-	-	667
<b>Total Level 3 financial assets</b>	-	-	667	-	-	667
<b>Derivative liabilities</b>						
<i>Profit rate related contracts</i>	85,029	(356)	(8,152)	-	(11,070)	65,451
<b>Total Level 3 financial liabilities</b>	85,029	(356)	(8,152)	-	(11,070)	65,451
<b>Total net Level 3 financial assets/ (liabilities)</b>	85,029	(356)	(7,485)	-	(11,070)	66,118

\* Included within 'Non-profit income'.

	At 1 January 2014 RM'000	Total realised gains/(losses) recognised in income statements*	Total unrealised gains/(losses) recognised in income statements*	Purchases RM'000	Settlements RM'000	At 31 December 2014 RM'000
<b>At 31 December 2014</b>						
<b>Derivative assets</b>						
<i>Profit rate related contracts</i>	-	-	-	-	-	-
<b>Total Level 3 financial assets</b>	-	-	-	-	-	-
<b>Derivative liabilities</b>						
<i>Profit rate related contracts</i>	89,348	-	(18,204)	13,885	-	85,029
<b>Total Level 3 financial liabilities</b>	89,348	-	(18,204)	13,885	-	85,029
<b>Total net Level 3 financial assets/ (liabilities)</b>	89,348	-	(18,204)	13,885	-	85,029

\* Included within 'Non-profit 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 financial period ended 31 March 2015.

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**PART B – Review of Performance & Current Year Prospects**

**B1. Performance Review**

The Bank's total asset grew steadily by RM12.2 billion or 8%, driven by growth in gross financing by RM8.3 billion or 8% to RM116.8 billion as compared to RM108.5 billion recorded in the last financial year. Total customer deposits closed at RM104.7 billion, increased by RM5.0 billion from RM99.7 billion recorded in last financial year ended 31 December 2014.

As a result, total income grew by RM335.5 million or 25% to RM1,654.1 million from last year's corresponding period, comprising RM1,588.1 million income derived from investment of depositors' funds and RM65.9 million income derived from investment of shareholder's funds. Income attributable to depositors (including inter-bank) rose by RM220.8 million to RM922.3 million or 31% as compared to previous year's corresponding period.

Overhead expenses increased by RM5.8 million or 2% to RM279.4 million over the amount reported in the prior year on the back of higher shared services cost in line with business growth which accounted 93% of total overhead cost.

The net impaired financing ratio stood healthy at 0.54% as at 31 March 2015.

The Bank recorded a profit before tax and zakat of RM349.6 million for the first quarter ended 31 March 2015, a growth of RM34.5 million or 10.9% from previous year's corresponding period.

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**B2. Prospects**

The global economic growth is expected to see a modest pickup from 3.4% in 2014 to 3.5% in 2015, led by sustained US growth momentum amid subdued growth in the Eurozone and Japan, and continued slowdown in China. The real GDP growth for the ASEAN-6 is expected to perform better in 2015 at 4.9% (2014: 4.5%) with pick up in Indonesia, Philippines, Thailand and Vietnam to counter the slower expansion in Singapore and Malaysia.

GDP growth for Malaysia is expected to slow down at 4.9% in 2015 (2014: 6.0%) reflecting the impact of lower commodity prices and the introduction of Goods and Services Tax (GST) moderating consumer spending and reduced government expenditure. The decline in commodity prices – especially crude oil prices – will also have an effect on the Government budget, trade and current account balances, exchange rate as well as investments in oil & gas activities.

Despite the inflation rate estimated at 3%-4% in 2015 (2014: 3.2%), Bank Negara Malaysia is expected to keep the Overnight Policy Rate (OPR) at 3.25% for 2015 as it shifts its monetary policy bias towards sustaining growth.

Islamic Financial Services Act 2013 (“IFSA”), aims to promote financial stability, strengthen business conduct and foster customers’ interest and protection. Pursuant to the enforcement of the IFSA, all Islamic Banking Institutions are required to distinguish between Islamic deposits from Islamic Investment Accounts. In embracing the new regulatory requirement, Maybank Islamic’s reclassification exercise of its Mudarabah deposit accounts to Mudarabah Investment account (IA) kicked off on 10 April 2015. The objective of Maybank Islamic’s development of the IA, is in line with the spirit of the IFSA to elevate the Islamic industry as it transitions beyond the conventional wisdom of banking as credit intermediary to become an investment intermediary.

Singapore's GDP growth is expected to ease to 2.5% in 2015 (2014: 2.9%) as growth is supported by the US-driven improvement in global economic and external trade growth as well as the expansionary fiscal policy given the deficit spending in this year’s Budget, which will cushion the soft property market, and existing domestic structural and cost issues. Specific to Islamic banking, the focus in 2015 is to build Singapore as our regional centre to reach out to global investors through our wholesale banking. We continue to be the “First Islamic Mover” in Singapore as we strive to provide an alternative banking solution for the community.

Despite the lower commodity prices, Indonesia’s GDP growth is forecast to improve to 5.3% in 2015 from 5.0% in 2014 with post-election normalisation in economic activities and the increase in infrastructure and government spending. Interest rate was cut by 25bps on 17 Feb 2015 to 7.50% and we expect another 25bps cut this year to 7.25%, coupled with measures to ease lending rules e.g. raising banks’ LDR to 94% subject to meeting targets on SME lending and bad loans and raising the financing limit for first-time house buyers. In 2014 our focus was in building the scale for Syariah banking through rapid expansion of branches via optimizing the infrastructure that we have in BII. This was subsequently followed by a bank-wide implementation of Syariah First strategy to ensure that we elevate the readiness of internal staff across the Bank in offering Syariah banking products. Continuing our effort in 2014, Bank Internasional Indonesia Unit Usaha Syariah (“BII UUS”)’s focus in 2015 will be on enhancing our brand visibility in the retail and corporate segments through market outreach and awareness.

As highlighted in the International Monetary Fund’s (IMF) recent staff discussion note on Islamic finance industry as a whole, we see increasing traction and uncovered opportunities in the industry that are being explored. We are excited by these developments in the industry and are constantly evaluating the role that we can play to further shape the industry and remain relevant to our customers. In doing so we will also continue to focus on value adding to cross-border propositions leveraging on our ASEAN links as well as intensifying our role as an enabler for economic integration through our innovative products and services.