

AMMB HOLDINGS BERHAD
(223035-V) (Incorporated in Malaysia)
and its subsidiaries

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	31.12.13 RM'000	Group 31.03.13 RM'000 (Restated)	01.04.12 RM'000 (Restated)
ASSETS				
Cash and short-term funds		12,027,130	11,233,573	7,813,159
Securities purchased under resale agreements		47,222	200,605	517,306
Deposits and placements with banks and other financial institutions		2,313,997	2,322,657	1,892,166
Derivative financial assets	A28	607,149	383,257	380,129
Financial assets held-for-trading	A8	5,829,023	7,021,986	10,942,373
Financial investments available-for-sale	A9	10,681,528	7,208,604	6,641,204
Financial investments held-to-maturity	A10	3,866,614	6,219,804	1,429,843
Loans, advances and financing	A11	84,796,833	82,586,332	75,683,401
Statutory deposits with Bank Negara Malaysia	A12	2,994,047	2,907,435	2,582,411
Deferred tax assets		122,042	135,834	205,908
Investment in associate		24,755	20,935	1,101
Other assets	A13	3,247,273	2,864,266	2,457,199
Reinsurance, retakaful assets and other insurance receivables		568,437	601,279	255,913
Investment properties		80,165	80,165	84,715
Property and equipment		395,195	401,618	224,531
Intangible assets		3,418,777	3,351,507	1,954,799
TOTAL ASSETS		131,020,187	127,539,857	113,066,158
LIABILITIES AND EQUITY				
Deposits and placements of banks and other financial institutions	A14	5,729,650	3,152,946	3,914,568
Securities sold under repurchase agreements		-	-	41,195
Recourse obligation on loans and financing sold to Cagamas Berhad		3,323,358	3,337,941	3,126,109
Derivative financial liabilities	A28	622,983	422,655	441,684
Deposits from customers	A15	87,555,642	84,859,987	77,307,156
Term funding		6,456,134	6,255,969	4,957,323
Bills and acceptances payable		19,380	1,964,800	871,948
Debt capital		4,525,900	4,205,232	4,021,231
Deferred tax liabilities		100,195	85,211	12,886
Other liabilities	A16	3,734,473	5,046,439	3,374,186
Insurance, takaful contract liabilities and other insurance payables		5,176,980	5,106,700	3,505,918
Total Liabilities		117,244,695	114,437,880	101,574,204
Share capital		3,014,185	3,014,185	3,014,185
Reserves		9,622,345	9,003,056	8,096,904
Equity attributable to equity holders of the Company		12,636,530	12,017,241	11,111,089
Non-controlling interests		1,138,962	1,084,736	380,865
Total Equity		13,775,492	13,101,977	11,491,954
TOTAL LIABILITIES AND EQUITY		131,020,187	127,539,857	113,066,158
COMMITMENTS AND CONTINGENCIES	A27	99,106,030	102,467,484	99,614,955

AMMB HOLDINGS BERHAD
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UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013 (CONT'D.)

	Note	31.12.13 RM'000	Group 31.03.13 RM'000 (Restated)	01.04.12 RM'000
CAPITAL ADEQUACY RATIO				
	A29			
Before deducting proposed dividends:				
Common Equity Tier 1 ("CET1") Capital		9.220%	9.807%	-
Tier 1 capital Ratio		10.848%	11.493%	-
Total capital Ratio		14.922%	15.235%	-
Core capital ratio		-	-	11.2%
Risk-weighted capital ratio		-	-	15.4%
		<hr/>	<hr/>	<hr/>
After deducting proposed dividends:				
Common Equity Tier 1 ("CET1") Capital		9.220%	9.375%	-
Tier 1 capital Ratio		10.848%	11.061%	-
Total capital Ratio		14.922%	14.803%	-
Core capital ratio		-	-	10.4%
Risk-weighted capital ratio		-	-	14.7%
		<hr/>	<hr/>	<hr/>
NET ASSETS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)				
		<hr/>	<hr/>	<hr/>
		4.19	3.99	3.69

The unaudited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2013

AMMB HOLDINGS BERHAD
(223035-V) (Incorporated in Malaysia)
and its subsidiaries

UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2013

Group	Note	Individual Quarter		Cumulative Quarter	
		31.12.13	31.12.12 (Restated)	31.12.13	31.12.12 (Restated)
		RM'000	RM'000	RM'000	RM'000
Operating revenue	A23	2,426,117	2,340,676	7,214,906	6,358,783
Interest income	A17	1,158,737	1,131,415	3,440,899	3,336,786
Interest expense	A18	(611,362)	(590,046)	(1,806,347)	(1,716,677)
Net interest income		547,375	541,369	1,634,552	1,620,109
Net income from Islamic banking business		226,917	212,959	689,334	652,554
Income from insurance business		502,650	478,467	1,551,744	963,931
Insurance claims and commissions		(366,438)	(409,909)	(1,150,911)	(830,819)
Net income from insurance business	A19	136,212	68,558	400,833	133,112
Other operating income	A20	315,283	305,530	879,542	816,052
Share in result of associate		1,454	333	3,881	333
Net income		1,227,241	1,128,749	3,608,142	3,222,160
Other operating expenses	A21	(534,468)	(524,996)	(1,661,128)	(1,446,605)
Acquisition and business efficiency expenses		(5,888)	(45,646)	(12,364)	(45,646)
Operating profit		686,885	558,107	1,934,650	1,729,909
Writeback/(Allowances) for impairment on loans and financing	A22	(34,879)	(69,241)	(3,844)	(97,527)
Impairment (loss)/writeback on:					
Financial investments		(7,473)	3,350	(8,849)	3,173
Doubtful sundry receivables - net		(17,542)	(5,151)	(41,882)	(15,772)
Foreclosed properties		(210)	(56)	(6,585)	(10,124)
Fixed assets		-	(3)	-	1,347
Intangible assets		-	-	(1,865)	-
(Provision)/Writeback of provision for commitments and contingencies		(3,241)	31,696	4,082	62,921
Transfer (to)/from profit equalisation reserve		-	(792)	(9,011)	(5,634)
Profit before taxation and zakat		623,540	517,910	1,866,696	1,668,293
Taxation and zakat	B5	(175,713)	(125,825)	(468,098)	(429,754)
Profit for the period		447,827	392,085	1,398,598	1,238,539
Attributable to:					
Equity holders of the Company		423,085	396,208	1,329,575	1,219,527
Non-controlling interests		24,742	(4,123)	69,023	19,012
Profit for the period		447,827	392,085	1,398,598	1,238,539
EARNINGS PER SHARE (SEN)	B11				
Basic		14.07	13.20	44.23	40.67
Fully diluted		14.07	13.20	44.12	40.60

The unaudited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2013

AMMB HOLDINGS BERHAD
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UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2013

Group	Note	Individual Quarter		Cumulative Quarter	
		31.12.13	31.12.12 (Restated)	31.12.13	31.12.12 (Restated)
		RM'000	RM'000	RM'000	RM'000
Profit for the period		447,827	392,085	1,398,598	1,238,539
Other comprehensive income/(loss):					
Items that are or may be reclassified to profit or loss					
Exchange differences on translation of					
- foreign operations		(563)	(55)	6,491	(1,193)
- net investment hedge		577	17	6,370	(4,309)
Net movement on cash flow hedges		10,779	4,058	17,139	(4,967)
Net movement on financial investments available-for-sale		(27,505)	(18,468)	(117,374)	(53,115)
Income tax relating to the components of other comprehensive income		3,203	9,885	25,047	15,643
Other comprehensive income/(loss) for the period, net of tax		(13,509)	(4,563)	(62,327)	(47,941)
Total comprehensive income for the period		434,318	387,522	1,336,271	1,190,598
Total comprehensive income for the period attributable to:					
Equity holders of the Company		419,292	392,069	1,282,004	1,181,555
Non-controlling interests		15,026	(4,547)	54,267	9,043
		434,318	387,522	1,336,271	1,190,598

The unaudited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2013

AMMB HOLDINGS BERHAD
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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2013

Group	Attributable to Equity Holders of the Company							Non-controlling Interests	Total Equity
	Non-Distributable				Distributable				
	Ordinary Share Capital	Share Premium	Other Reserves	Shares Held In Trust for ESS	Retained Earnings Non-participating Funds	Retained Earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 April 2012	3,014,185	2,537,372	1,945,591	(154,179)	104,056	3,664,064	11,111,089	380,865	11,491,954
Profit for the period	-	-	-	-	-	1,219,527	1,219,527	19,012	1,238,539
Other comprehensive loss, net	-	-	(37,972)	-	-	-	(37,972)	(9,969)	(47,941)
Total comprehensive income/(loss) for the period	-	-	(37,972)	-	-	1,219,527	1,181,555	9,043	1,190,598
Share-based payment under ESS, net	-	-	37,803	-	-	-	37,803	-	37,803
ESS shares vested to employees of subsidiaries	-	-	(46,422)	75,443	-	-	29,021	-	29,021
Transfer of ESS shares recharged difference on purchase price for shares vested	-	-	-	-	-	(14,316)	(14,316)	(357)	(14,673)
Transfer to profit equalisation reserve	-	-	1,495	-	-	-	1,495	-	1,495
Net utilisation of profit equalisation reserve	-	-	884	-	-	(884)	-	-	-
Unallocated surplus transfer	-	-	-	-	11,550	39,278	50,828	21,782	72,610
Subscription of shares in AmGeneral Holdings Bhd	-	-	-	-	-	-	-	784,000	784,000
Redemption of shares in AmPrivate Equity Sdn Bhd	-	-	-	-	-	-	-	(8,318)	(8,318)
Dividend paid	-	-	-	-	-	(617,908)	(617,908)	(1,260)	(619,168)
At 31 December 2012	3,014,185	2,537,372	1,901,379	(78,736)	115,606	4,289,761	11,779,567	1,185,755	12,965,322

AMMB HOLDINGS BERHAD
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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2013

Group	Attributable to Equity Holders of the Company							Non-controlling Interests RM'000	Total Equity RM'000
	Non-Distributable				Distributable				
	Ordinary Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Shares Held In Trust for ESS RM'000	Retained Earnings Non-participating Funds RM'000	Retained Earnings RM'000	Total RM'000		
At 1 April 2013	3,014,185	2,537,372	1,974,999	(74,937)	110,364	4,471,197	12,033,180	1,100,050	13,133,230
Restatement (Note A32)	-	-	-	-	-	(15,939)	(15,939)	(15,314)	(31,253)
At 1 April 2013 (restated)	3,014,185	2,537,372	1,974,999	(74,937)	110,364	4,455,258	12,017,241	1,084,736	13,101,977
Profit for the period	-	-	-	-	-	1,329,575	1,329,575	69,023	1,398,598
Other comprehensive income, net	-	-	(47,571)	-	-	-	(47,571)	(14,756)	(62,327)
Total comprehensive income for the period	-	-	(47,571)	-	-	1,329,575	1,282,004	54,267	1,336,271
Purchase of shares pursuant to Executives' Share Scheme ("ESS") [^]	-	-	-	(28,949)	-	-	(28,949)	-	(28,949)
Share-based payment under ESS, net	-	-	32,087	-	-	-	32,087	-	32,087
ESS shares vested to employees of subsidiaries	-	-	(38,753)	57,045	-	-	18,292	-	18,292
Transfer of ESS shares recharged difference on purchase price for shares vested	-	-	-	-	-	(1,760)	(1,760)	(41)	(1,801)
Net utilisation of profit equalisation reserve	-	-	840	-	-	(840)	-	-	-
Unallocated surplus transfer	-	-	-	-	39,707	(52,943)	(13,236)	-	(13,236)
Dividend paid	-	-	-	-	-	(669,149)	(669,149)	-	(669,149)
At 31 December 2013	3,014,185	2,537,372	1,921,602	(46,841)	150,071	5,060,141	12,636,530	1,138,962	13,775,492

[^] Represent the purchase of 3,886,400 of the Company's issued ordinary shares from the open market by a trustee appointed by the ESS committee at an average price of RM7.45 per share.

The unaudited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2013

AMMB HOLDINGS BERHAD
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and its subsidiaries

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2013

Group	31.12.13 RM'000	31.12.12 RM'000
Profit before taxation	1,866,696	1,668,293
Add/(Less) adjustments for:		
Accretion of discount less amortisation of premium	(165,892)	(102,886)
Dividend income from investments	(124,216)	(75,854)
Allowance for losses on loans, advances and financing	3,844	97,527
Net gain on redemption of financial investments held-to-maturity	(7,875)	(41,031)
Net gain on sale of financial investments available-for-sale	(87,799)	(57,318)
Net loss on sale of financial assets held-for-trading	25,014	43,472
Net loss on revaluation of financial assets held-for-trading	48,186	23,590
Net gain on revaluation of derivatives	(63,276)	(38,219)
Other non-operating and non-cash items	163,576	26,632
Operating profit before working capital changes	<u>1,658,258</u>	<u>1,544,206</u>
<i>Decrease/(Increase) in operating assets:</i>		
Securities purchased under resale agreements	153,383	349,296
Deposits and placements with banks and other financial institutions	8,660	201,778
Financial assets held-for-trading	1,127,901	687,786
Loans, advances and financing	(2,214,345)	(5,162,272)
Reinsurance, retakaful assets and other insurance receivables	32,842	400,472
Other assets	(50,776)	671,287
Statutory deposits with Bank Negara Malaysia	(86,612)	(258,819)
<i>Increase/(Decrease) in operating liabilities:</i>		
Deposits and placements of banks and other financial institutions	2,576,704	356,449
Obligations on securities sold under repurchase agreements	-	(118,068)
Recourse obligation on loans sold to Cagamas Berhad	(14,583)	91,240
Deposits from customers	2,695,642	5,255,571
Term funding	200,165	1,488,380
Bills and acceptances payable	(1,945,420)	659,430
Insurance, takaful contract liabilities and other insurance payables	70,280	(567,971)
Other liabilities	(1,564,691)	(831,788)
Cash generated from operations	<u>2,647,408</u>	<u>4,766,977</u>
Taxation paid	(456,288)	(432,059)
Net cash generated from operating activities	<u>2,191,120</u>	<u>4,334,918</u>
Purchase of financial investments - net	(968,188)	(150,117)
Dividends received from other investments	93,162	56,891
Acquisition of subsidiaries	-	(1,910,940)
Return of surplus funds from associate	61	-
Proceeds from disposal of property and equipment	915	601
Purchase of property and equipment and computer software	(191,590)	(113,217)
Net cash used in investing activities	<u>(1,065,640)</u>	<u>(2,116,782)</u>
Proceeds from issue of shares by subsidiaries to non-controlling interests	-	775,682
Proceeds from debt capital	300,000	610,000
Dividends paid by Company to its shareholders	(669,149)	(617,908)
Arising from purchase of shares for ESS by the appointed trustee	(28,949)	-
ESS shares vested to eligible employees	57,045	75,443
Transfer of ESS shares recharged difference on purchase price for shares vested	(1,760)	(14,316)
Dividends paid to non-controlling interests by subsidiaries	-	(1,260)
Net cash (used in)/generated from financing activities	<u>(342,813)</u>	<u>827,641</u>
Net increase in cash and cash equivalents	782,667	3,045,777
Cash and cash equivalents at beginning of period	<u>11,233,573</u>	<u>7,813,159</u>
Cash and cash equivalents at end of period	<u><u>12,016,240</u></u>	<u><u>10,858,936</u></u>

For the purpose of statements of cash flows, cash and cash equivalents consist of cash and short-term funds net of bank overdrafts. Cash and cash equivalents included in the cash flow statements comprise the following financial position amounts:

Group	31.12.13 RM'000	31.12.12 RM'000
Cash and short-term funds	12,027,130	10,872,696
Bank overdrafts	(3,162)	(11,809)
	<u>12,023,968</u>	<u>10,860,887</u>
Effect of exchange rates changes	(7,728)	(1,951)
Cash and cash equivalents	<u><u>12,016,240</u></u>	<u><u>10,858,936</u></u>

The unaudited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2013

AMMB HOLDINGS BERHAD
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EXPLANATORY NOTES :

A1. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia. These financial statements also comply with IAS 34, Interim Financial Reporting.

The financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Group for the financial year ended 31 March 2013 which are available upon request from the Company's registered office at Level 22, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

These condensed consolidated interim financial statements incorporate those activities relating to Islamic banking which have been undertaken by the Group. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under Shariah principles.

The accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2013 except for the adoption of the following financial reporting standards, which did not have any impact on the accounting policies, financial position or performance of the Group:

Standards effective for financial year ending 31 March 2014:

- MFRS 3, Business Combinations (IFRS 3, Business Combinations issued by IASB in March 2004)
- MFRS 10, Consolidated Financial Statements
- MFRS 11, Joint Arrangements
- MFRS 12, Disclosure of Interests in Other Entities
- MFRS 13, Fair Value Measurement
- MFRS 127, Separate Financial Statements
- MFRS 128, Investments in Associates and Joint Ventures
- Amendments to MFRS 7, Disclosures: Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 10, MFRS 11 and MFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
- Amendments to MFRS 101, Presentation of Items of Other Comprehensive Income
- Amendments to MFRSs contained in the document entitled "Annual Improvements 2009–2011 Cycle"

Standards issued but not yet effective

The following are financial reporting standards issued by MASB that will be effective for the Group in future years. The Group intends to adopt the relevant standards when they become effective.

Standards effective for financial year ending 31 March 2015:

- Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities
- Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21: Levies

Standards effective for financial year ending 31 March 2016:

- MFRS 9, Financial Instruments

Accounting for acquisition of AmGeneral Insurance Berhad in previous financial period

Upon completion of the purchase price allocation exercise and allocation of goodwill to the relevant cash generating units, the carrying amount of intangible assets and residual goodwill are adjusted accordingly on a retrospective basis. The financial effects arising from these adjustments are disclosed in Note A32.

A2. AUDIT QUALIFICATION

There was no audit qualification in the annual financial statements for the year ended 31 March 2013.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The operations of the Group are not materially affected by any seasonal or cyclical fluctuation in the current financial quarter.

A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items during the current financial quarter.

A5. CHANGES IN ESTIMATES

Following the revision of Bursa rules, with effect from 2 May 2013, the Group revised its impairment assessment for the stockbroking business to be fully MFRS compliant.

In accordance with MFRS, where there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred.)

Estimated future cash flows evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data and management expert judgement to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Other than as disclosed above, there was no material changes in estimates of amounts reported in the prior financial years that have a material effect on the financial period ended 31 December 2013.

A6. ISSUANCE, REPURCHASE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

The Company has issued an additional tranche of senior medium term notes amounting to RM400.0 million under its Medium Term Note Programme during the financial period ended 31 December 2013.

There were no share buy-backs, share cancellations, shares held as treasury shares nor resale of treasury shares by the Company during the financial quarter.

A7. DIVIDENDS PAID

During the financial period ended 31 December 2013, a final single tier dividend of 15.0% for the financial year ended 31 March 2013 amounting to RM452,127,727 was paid on 12 September 2013 to shareholders whose names appear in the record of Depositors on 30 August 2013.

An interim single tier dividend of 7.2%% for the financial year ending 31 March 2014 amounting to RM217,021,309 was paid on 12 December 2013 to shareholders whose names appear in the record of Depositors on 29 November 2013.

A8. FINANCIAL ASSETS HELD-FOR-TRADING

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
At Fair Value		
Money Market Instruments:		
Malaysia Treasury Bills	9,907	-
Malaysian Government Securities	396,503	240,252
Government Investment Issues	64,015	366,752
Bank Negara Monetary Notes	-	813,112
Negotiable instruments of deposits	-	68,460
	<u>470,425</u>	<u>1,488,576</u>
Quoted Securities:		
In Malaysia:		
Shares	220,315	176,435
Unit trusts	46,948	89,906
Warrants	5,872	4,651
Private debt securities	14,380	23,179
Outside Malaysia:		
Shares	-	4,852
	<u>287,515</u>	<u>299,023</u>
Unquoted Securities:		
In Malaysia:		
Unit trusts	2,798,962	1,566,829
Private debt securities	2,089,548	3,179,357
Outside Malaysia:		
Unit trusts	-	1,940
Private debt securities	182,573	486,261
	<u>5,071,083</u>	<u>5,234,387</u>
Total	<u>5,829,023</u>	<u>7,021,986</u>

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
At Fair Value		
Money Market Instruments:		
Malaysian Government Securities	480,819	-
Government Investment Issues	328,642	31,975
Bank Negara Monetary Notes	1,206,172	-
Negotiable instruments of deposits	420,203	843,075
Islamic negotiable debt securities	1,443,885	745,696
	<u>3,879,721</u>	<u>1,620,746</u>
Quoted Securities:		
In Malaysia:		
Shares	145,144	343,658
Unit trusts	882,314	513,707
Private debt securities	-	5,455
Outside Malaysia:		
Shares	31,864	29,394
	<u>1,059,322</u>	<u>892,214</u>
Unquoted Securities:		
In Malaysia:		
Unit trusts	1,326,590	1,341,251
Private debt securities	3,974,632	2,910,447
Outside Malaysia:		
Unit trusts	2,472	-
Private debt securities	287,367	274,766
	<u>5,591,061</u>	<u>4,526,464</u>
At Cost		
Unquoted Securities:		
In Malaysia:		
Shares	142,877	143,500
Outside Malaysia:		
Shares	8,547	25,680
	<u>151,424</u>	<u>169,180</u>
Total	<u>10,681,528</u>	<u>7,208,604</u>

A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
At Amortised Cost		
Money Market Instruments:		
Bank Negara Monetary Notes	373,959	2,980,844
Foreign Treasury Bills	131,000	-
Unquoted Securities:		
In Malaysia:		
Private debt securities	3,370,256	3,432,969
	3,875,215	6,413,813
Accumulated impairment losses	(8,601)	(194,009)
Total	3,866,614	6,219,804

A11. LOANS, ADVANCES AND FINANCING

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
At Amortised Cost:		
Loans and financing:		
Term loans	25,732,907	26,106,610
Revolving credits	8,759,585	7,143,751
Housing loans/financing	14,028,517	13,198,316
Staff loans	136,485	148,965
Hire-purchase receivables	27,410,845	27,564,925
Credit card receivables	2,110,031	2,191,778
Overdraft	3,126,575	3,139,452
Claims on customers under acceptance credits	3,681,497	3,624,811
Trust receipts	1,013,349	934,900
Bills receivables	588,760	534,726
Others	255,526	171,015
Gross loans, advances and financing	86,844,077	84,759,249
Allowance for impairment on loans, advances and financing:		
Collective allowance	(1,900,476)	(1,986,361)
Individual allowance	(146,768)	(186,556)
	(2,047,244)	(2,172,917)
Net loans, advances and financing	84,796,833	82,586,332

A11. LOANS, ADVANCES AND FINANCING (CONT'D.)

(a) Gross loans, advances and financing analysed by type of customer are as follows:

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
Domestic non-bank financial institutions	266,757	1,788,780
Domestic business enterprises:		
Small and medium enterprises	11,483,725	10,278,020
Others	26,794,475	25,791,379
Government and statutory bodies	448,859	417,382
Individuals	47,219,160	45,978,280
Other domestic entities	23,482	23,053
Foreign entities	607,619	482,355
	<u>86,844,077</u>	<u>84,759,249</u>

(b) Gross loans, advances and financing analysed by geographical distribution are as follows:

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
In Malaysia	85,654,382	83,879,206
Outside Malaysia	1,189,695	880,043
	<u>86,844,077</u>	<u>84,759,249</u>

(c) Gross loans, advances and financing analysed by interest rate/rate of return sensitivity are as follows:

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
Variable rate:		
Base lending rate plus	27,755,262	26,619,422
Cost plus	20,208,905	19,751,119
Other variable rates	3,187,199	1,426,700
	<u>51,151,366</u>	<u>47,797,241</u>
Fixed rate:		
Housing loans/financing	545,662	867,867
Hire purchase receivables	24,650,550	24,454,794
Other fixed rate loans/financing	10,496,499	11,639,347
	<u>35,692,711</u>	<u>36,962,008</u>
	<u>86,844,077</u>	<u>84,759,249</u>

A11. LOANS, ADVANCES AND FINANCING (CONT'D.)

(d) Gross loans, advances and financing analysed by sector are as follows:

	Group	
	31.12.13 RM'000	31.03.13 RM'000
Agriculture	3,741,090	3,265,118
Mining and quarrying	2,793,747	1,785,481
Manufacturing	8,259,255	7,871,984
Electricity, gas and water	655,812	685,621
Construction	3,923,319	3,463,982
Wholesale and retail trade and hotels and restaurants	5,197,029	5,486,758
Transport, storage and communication	2,890,093	2,732,877
Finance and insurance	308,203	1,788,776
Real estate	7,715,567	7,437,154
Business activities	2,010,274	1,995,123
Education and health	1,166,600	1,793,139
Household of which:	47,032,317	45,938,601
Purchase of residential properties	14,334,159	13,353,097
Purchase of transport vehicles	24,658,997	25,495,818
Others	8,039,161	7,089,686
Others	1,150,771	514,635
	86,844,077	84,759,249

(e) Gross loans, advances and financing analysed by residual contractual maturity are as follows:

	Group	
	31.12.13 RM'000	31.03.13 RM'000
Maturing within one year	15,880,580	18,645,901
Over one year to three years	9,097,241	9,259,486
Over three years to five years	13,958,821	12,991,840
Over five years	47,907,435	43,862,022
	86,844,077	84,759,249

(f) Movements in impaired loans, advances and financing are as follows:

	Group	
	31.12.13 RM'000	31.03.13 RM'000
Gross		
Balance at beginning of financial period/year	1,680,471	1,906,176
Impaired during the period/year	1,390,876	1,253,501
Reclassified as non-impaired	(278,423)	(292,479)
Recoveries	(339,377)	(408,636)
Amount written off	(736,965)	(793,677)
Repurchase of impaired loans	-	2,888
Arising from acquisition of subsidiary	-	12,698
Balance at end of financial period/year	1,716,582	1,680,471
Gross impaired loans, advances and financing as % of gross loans, advances and financing	2.0%	2.0%
Loan loss coverage excluding collateral values	119.3%	129.3%

A11. LOANS, ADVANCES AND FINANCING (CONT'D.)

(g) Impaired loans, advances and financing analysed by geographical distribution are as follows:

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
In Malaysia	1,704,817	1,680,471
Outside Malaysia	11,765	-
	1,716,582	1,680,471

(h) Impaired loans, advances and financing analysed by sector are as follows:

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
Agriculture	21,122	20,598
Mining and quarrying	4,678	17,888
Manufacturing	238,649	254,786
Electricity, gas and water	24,054	25,906
Construction	36,478	51,111
Wholesale and retail trade and hotels and restaurants	49,955	49,908
Transport, storage and communication	57,393	18,593
Finance and insurance	1,643	28,287
Real estate	8,155	18,244
Business activities	15,304	18,898
Education and health	19,922	56,066
Household of which:	1,220,529	1,109,222
Purchase of residential properties	494,611	547,409
Purchase of transport vehicles	611,043	439,164
Others	114,875	122,649
Others	18,700	10,964
	1,716,582	1,680,471

(i) Movements in allowances for impaired loans, advances and financing are as follows:

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
Collective allowance		
Balance at beginning of financial period/year	1,986,361	2,048,758
Allowance made during the financial period/year, net	375,399	455,228
Amount written off and others	(463,136)	(563,368)
Arising from acquisition of subsidiary	-	40,536
Exchange fluctuation adjustments	1,852	5,207
Balance at end of financial period/year	1,900,476	1,986,361
Collective allowance as % of gross loans, advances and financing less individual allowance	2.2%	2.3%
Individual allowance		
Balance at beginning of financial period/year	186,556	134,792
Allowance made during the financial period/year, net	194,357	287,718
Amount written off	(234,145)	(235,954)
Balance at end of financial period/year	146,768	186,556

A12. STATUTORY DEPOSIT WITH BANK NEGARA MALAYSIA

The non-interest bearing statutory deposits pertaining to investment banking, commercial and Islamic banking subsidiaries are maintained with Bank Negara Malaysia in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act, 1958 (revised 1994), the amounts of which are determined as a set percentage of total eligible liabilities.

A13. OTHER ASSETS

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
Trade receivables, net of allowance for doubtful debts	543,017	973,257
Other receivables, deposits and prepayments, net of allowance for impairment	1,994,899	1,161,287
Interest receivables, net of allowance for impairment	220,740	217,152
Fee receivable, net of allowance for impairment	43,406	47,269
Amount due from Originators	366,307	379,657
Amount due from agents, brokers and reinsurers	12,077	12,812
Foreclosed properties, net of allowance for impairment	66,827	72,832
	<u>3,247,273</u>	<u>2,864,266</u>

Amount due from Originators represents housing loans and personal financing acquired from originators for onward sale to Cagamas Berhad with recourse.

A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
Deposits from:		
Licensed banks	3,090,688	233,412
Licensed investment banks	207,695	402,298
Bank Negara Malaysia	443,667	863,663
Other financial institutions	1,987,600	1,653,573
	<u>5,729,650</u>	<u>3,152,946</u>

A15. DEPOSITS FROM CUSTOMERS

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
Demand deposits	12,080,648	11,776,089
Savings deposits	5,204,976	5,071,454
Term/Investment deposits	70,214,231	67,928,630
Negotiable instruments of deposits	55,787	83,814
	<u>87,555,642</u>	<u>84,859,987</u>

The deposits are sourced from the following types of customers:

Business enterprises	41,124,984	39,348,222
Individuals	34,159,132	33,952,401
Government and statutory bodies	9,363,045	9,852,981
Others	2,908,481	1,706,383
	<u>87,555,642</u>	<u>84,859,987</u>

A16. OTHER LIABILITIES

	Group	
	31.12.13 RM'000	31.03.13 RM'000
Trade payables	402,700	930,052
Other payables and accruals	2,439,604	3,060,408
Interest payable	700,171	712,719
Lease deposits and advance rentals	21,171	29,401
Provision for commitments and contingencies	83,547	204,795
Bank overdrafts	3,162	-
Profit equalisation reserve	2,669	1,659
Provision for taxation	81,449	107,405
	<u>3,734,473</u>	<u>5,046,439</u>

A17. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.12.13 RM'000	31.12.12 RM'000	31.12.13 RM'000	31.12.12 RM'000
Short-term funds and deposits with financial institutions	66,596	52,404	166,703	157,880
Financial assets held-for-trading	14,495	75,211	68,595	220,781
Financial investments available-for-sale	52,435	53,619	145,866	158,079
Financial investments held-to-maturity	44,617	17,817	153,511	37,738
Loans and advances	976,449	927,376	2,891,096	2,743,042
Impaired loans and advance	2,173	537	3,770	3,992
Others	1,972	4,451	11,358	15,274
	<u>1,158,737</u>	<u>1,131,415</u>	<u>3,440,899</u>	<u>3,336,786</u>

A18. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	31.12.13 RM'000	31.12.12 RM'000	31.12.13 RM'000	31.12.12 RM'000
Deposits from customers	466,691	444,184	1,392,770	1,323,468
Deposit and placements of banks and other financial institutions	11,970	19,277	31,168	41,371
Senior notes	51,330	45,425	145,587	118,144
Credit-Linked Note	4,185	6,260	14,803	19,130
Recourse obligation on loans sold to Cagamas Berhad	10,310	10,324	30,742	30,773
Term loans	6,535	7,405	20,031	19,183
Subordinated deposits and term loans	5,512	5,977	16,672	17,692
Interest on bonds	94	-	94	-
Medium term notes	20,875	27,066	62,398	71,334
Hybrid and Innovative Tier 1 capital securities	20,529	20,031	61,135	60,391
Others	13,331	4,097	30,947	15,191
	<u>611,362</u>	<u>590,046</u>	<u>1,806,347</u>	<u>1,716,677</u>

A19. NET INCOME FROM INSURANCE BUSINESS

Group	Individual Quarter		Cumulative Quarter	
	31.12.13 RM'000	31.12.12 RM'000	31.12.13 RM'000	31.12.12 RM'000
Income from Insurance Business:				
Premium income from general insurance business	386,000	364,875	1,164,620	648,583
Premium income from life and family takaful insurance business	116,650	113,592	387,124	315,348
	<u>502,650</u>	<u>478,467</u>	<u>1,551,744</u>	<u>963,931</u>
Insurance Claims and Commissions:				
Insurance commission ¹	46,565	41,209	144,770	71,775
General insurance claims	242,741	240,026	733,932	403,223
Life and family takaful insurance claims	77,132	128,674	272,209	355,821
	<u>366,438</u>	<u>409,909</u>	<u>1,150,911</u>	<u>830,819</u>
Total income from insurance business, net	<u>136,212</u>	<u>68,558</u>	<u>400,833</u>	<u>133,112</u>

¹ Net of bancassurance commission paid/payable to fellow subsidiaries of the Group of RM25,699,000 (31 December 2012: RM29,532,000) eliminated upon consolidation.

A20. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.12.13 RM'000	31.12.12 RM'000	31.12.13 RM'000	31.12.12 RM'000
Fee and commission income:				
Fees on loans, financing and securities	61,063	60,377	194,362	159,474
Corporate advisory	7,468	7,170	32,100	22,580
Guarantee fees	12,559	11,983	37,370	30,351
Underwriting commissions	1,628	6,805	3,438	14,045
Portfolio management fees	8,766	5,762	25,792	20,702
Unit trust management fees	25,328	27,876	76,010	76,259
Brokerage rebates	109	145	412	311
Property trust management fees	1,570	2,362	4,727	5,259
Brokerage fees and commissions	17,123	17,286	63,281	56,802
Wealth management fees	6,720	6,701	17,581	18,268
Other fee and commission income	21,507	23,614	65,277	70,612
	<u>163,841</u>	<u>170,081</u>	<u>520,350</u>	<u>474,663</u>
Investment and trading income:				
Net gain/(loss) from sale of financial assets held-for-trading	(4,583)	10,847	(26,803)	38,388
Net gain from sale of financial investments available-for-sale	57,579	4,431	88,684	55,736
Net gain on redemption of financial investments held-to-maturity	416	5,332	7,875	41,031
Net gain/(loss) on revaluation of financial assets held-for-trading	(7,406)	23,559	(49,798)	(20,944)
Net foreign exchange gain ²	36,831	27,095	90,353	75,667
Net gain on derivatives	6,596	(3,389)	63,276	38,219
Gross dividend income from:				
Financial assets held-for-trading	17,122	7,781	39,748	18,164
Financial investments available-for-sale	29,216	30,756	84,468	57,690
Others	-	12,915	(6)	12,668
	<u>135,771</u>	<u>119,327</u>	<u>297,797</u>	<u>316,619</u>

A20. OTHER OPERATING INCOME (CONT'D.)

Group	Individual Quarter		Cumulative Quarter	
	31.12.13 RM'000	31.12.12 RM'000	31.12.13 RM'000	31.12.12 RM'000
Other income:				
Net non-trading foreign exchange gain/(loss)	1,001	813	(200)	688
Net gain/(loss) on disposal of property and equipmen	25	(75)	400	(1,693)
Rental income	1,471	3,354	5,314	6,138
Others	13,174	12,030	55,881	19,637
	<u>15,671</u>	<u>16,122</u>	<u>61,395</u>	<u>24,770</u>
	<u>315,283</u>	<u>305,530</u>	<u>879,542</u>	<u>816,052</u>

² Foreign exchange gain includes gains and losses from spot and forward contracts and other currency derivatives.

A21. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	31.12.13 RM'000	31.12.12 RM'000	31.12.13 RM'000	31.12.12 RM'000
Personnel costs:				
Salaries, allowances and bonuses	249,364	229,341	759,034	661,465
Shares/options granted under Group Executives'				
Share Scheme	10,323	13,346	32,087	37,804
Others	69,566	59,818	214,061	183,709
	<u>329,253</u>	<u>302,505</u>	<u>1,005,182</u>	<u>882,978</u>
Establishment costs:				
Depreciation of property and equipment	17,709	16,887	50,473	44,790
Amortisation of intangible assets	22,115	38,391	72,113	64,179
Computerisation costs	43,768	49,916	138,724	135,852
Rental of premises	25,393	24,630	76,054	72,286
Cleaning, maintenance and security	5,237	6,436	19,624	19,940
Others	10,561	10,417	33,001	24,389
	<u>124,783</u>	<u>146,677</u>	<u>389,989</u>	<u>361,436</u>
Marketing and communication expenses:				
Sales commission	2,675	942	8,558	1,507
Advertising, promotional and other marketing activities	19,037	15,478	50,376	37,188
Telephone charges	1,696	5,094	12,052	14,168
Postage	3,801	3,689	12,698	11,615
Travel and entertainment	5,746	7,523	18,940	17,666
Others	7,484	8,588	25,839	19,917
	<u>40,439</u>	<u>41,314</u>	<u>128,463</u>	<u>102,061</u>
Administration and general expenses:				
Professional services	30,632	21,809	94,110	66,179
Donations	81	135	5,576	714
Administration and management expenses	158	103	431	600
Others	27,044	18,133	73,741	47,112
	<u>57,915</u>	<u>40,180</u>	<u>173,858</u>	<u>114,605</u>
Expenses capitalised	(17,922)	(5,680)	(36,364)	(14,475)
	<u>534,468</u>	<u>524,996</u>	<u>1,661,128</u>	<u>1,446,605</u>

A22. ALLOWANCE FOR IMPAIRMENT ON LOANS AND FINANCING

Group	Individual Quarter		Cumulative Quarter	
	31.12.13 RM'000	31.12.12 RM'000	31.12.13 RM'000	31.12.12 RM'000
Allowance for impaired loans, advances and financing:				
Individual allowance, net	54,621	137,114	194,357	203,801
Collective allowance, net	110,351	64,958	375,399	333,193
Recovery from loans sold to Danaharta	(2,950)	(3,880)	(2,950)	(3,880)
Impaired loans, advances and financing:				
Written off	-	38	-	38
Recovered, net	(127,143)	(128,989)	(562,962)	(435,625)
	<u>34,879</u>	<u>69,241</u>	<u>3,844</u>	<u>97,527</u>

A23. BUSINESS SEGMENT ANALYSIS

Group 31.12.13	Retail Banking RM'000	Business Banking RM'000	Investment Banking RM'000	Corporate and Institutional Banking RM'000	Insurance RM'000	Markets RM'000	Group Functions and Others RM'000	Total RM'000
Operating revenue	2,265,538	653,527	308,391	1,328,766	1,752,959	226,877	678,848	7,214,906
Income	1,495,340	476,388	305,146	378,207	562,747	199,633	190,681	3,608,142
Expenses	(686,794)	(79,068)	(190,018)	(55,774)	(302,582)	(50,885)	(308,371)	(1,673,492)
Profit/(Loss) before provisions	808,546	397,320	115,128	322,433	260,165	148,748	(117,690)	1,934,650
(Provisions)/Writeback of provisions	(138,077)	(23,354)	(53,778)	28,112	(5,793)	(483)	125,419	(67,954)
Profit after provisions	670,469	373,966	61,350	350,545	254,372	148,265	7,729	1,866,696
Taxation and zakat	(165,877)	(92,404)	(29,932)	(72,758)	(76,655)	(36,569)	6,097	(468,098)
Net profit for the period	504,592	281,562	31,418	277,787	177,717	111,696	13,826	1,398,598

Other information:

Cost to income ratio	45.9%	16.6%	62.3%	14.7%	53.8%	25.5%	161.7%	46.4%
Gross loans/ financing	49,481,348	18,504,373	1,193,434	17,308,036	231,777	-	125,109	86,844,077
Net loans/ financing	48,460,006	18,318,507	1,174,678	17,196,934	230,624	-	(583,916)	84,796,833
Gross impaired loans, advances and financing	1,395,688	140,103	15,050	-	-	-	165,741	1,716,582
Total deposits	39,886,613	10,191,189	53,145	39,767,306	-	374,890	3,012,149	93,285,292

A23. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group	Retail Banking	Business Banking	Investment Banking	Corporate and Institutional Banking	Insurance	Markets	Group Functions and Others	Total
31.12.12	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Operating revenue	2,074,977	611,210	263,665	1,358,627	1,134,043	249,248	667,013	6,358,783
Income	1,380,444	469,649	260,827	412,183	273,693	222,372	202,992	3,222,160
Expenses	(597,218)	(78,854)	(185,393)	(60,778)	(221,557)	(55,480)	(292,971)	(1,492,251)
Profit before provisions	783,226	390,795	75,434	351,405	52,136	166,892	(89,979)	1,729,909
(Provisions)/Writeback of provisions	(199,135)	(32,334)	(3,353)	64,935	(12,697)	9,250	111,718	(61,616)
Profit/(Loss) after provisions	584,091	358,461	72,081	416,340	39,439	176,142	21,739	1,668,293
Taxation and zakat	(146,093)	(88,685)	(24,939)	(92,113)	(25,438)	(43,867)	(8,619)	(429,754)
Net profit/(loss) for the period	437,998	269,776	47,142	324,227	14,001	132,275	13,120	1,238,539

Other information

Cost to income ratio	43.3%	16.8%	71.1%	14.7%	81.0%	24.9%	144.3%	46.3%
Gross loans/ financing	48,735,569	17,276,462	840,902	16,335,703	120,660	-	94,272	83,403,568
Net loans/ financing	47,636,698	17,032,692	834,697	16,226,353	120,227	-	(569,769)	81,280,898
Gross impaired loans, advances and financing	1,296,243	158,698	3,977	-	-	-	237,232	1,696,150
Total deposits	35,249,701	8,466,559	134,512	40,842,622	-	373,465	1,767,164	86,834,023

The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia except for FIPL and its subsidiaries, AMCI, AmCapital (B) Sdn Bhd, AmSecurities (H.K.) Limited and AmTrade Services Limited, activities of which are principally conducted in Singapore, Indonesia, Brunei and Hong Kong respectively. These activities are not significant in relation to the Group's activities in Malaysia.

Certain comparative figures have been restated to conform with current period's presentation.

A24. VALUATION OF PROPERTY AND EQUIPMENT

Property and equipment are stated at cost less accumulated depreciation and impairment losses.

A25. EVENTS SUBSEQUENT TO REPORTING DATE

There were no other significant events subsequent to reporting date other than as disclosed in Note B6.

A26. CHANGES IN THE COMPOSITION OF THE GROUP AND THE COMPANY

There were no material changes in the composition of the Group and the Company for the current financial quarter.

A27. COMMITMENTS AND CONTINGENCIES

In the normal course of business, AmBank (M) Berhad, AmInvestment Bank Berhad, AmIslamic Bank Berhad and AmInternational (L) Ltd, make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions other than those where provision had been made in the financial statements. The commitments and contingencies are not secured against the Group's assets.

As at the reporting date, the commitments and contingencies are as follows:

Group	31.12.13	31.03.13
	Principal Amount RM'000	Principal Amount RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
up to one year	19,160,326	19,414,354
over one year	6,824,947	6,925,080
Unutilised credit card lines	4,276,836	3,789,713
Forward asset purchases	35,183	108,266
	<u>30,297,292</u>	<u>30,237,413</u>
Contingent Liabilities		
Direct credit substitutes	1,501,366	1,505,620
Transaction related contingent items	5,045,901	4,393,242
Obligations under underwriting agreements	425,000	330,000
Short term self liquidating trade related contingencies	680,720	676,655
	<u>7,652,987</u>	<u>6,905,517</u>
Derivative Financial Instruments		
Interest/Profit rate related contracts:	35,981,453	36,341,198
One year or less	3,099,376	4,548,404
Over one year to five years	28,230,993	22,110,387
Over five years	4,651,084	9,682,407
Foreign exchange related contracts:	23,737,708	27,176,687
One year or less	19,373,455	22,898,737
Over one year to five years	3,459,162	3,440,503
Over five years	905,091	837,447
Credit related contracts:	613,442	863,536
One year or less	-	267,510
Over one year to five years	306,998	298,275
Over five years	306,444	297,751
Equity and commodity related contracts:	823,148	943,133
One year or less	491,069	395,123
Over one year to five years	332,079	547,989
Over five years	-	21
	<u>61,155,751</u>	<u>65,324,554</u>
	<u>99,106,030</u>	<u>102,467,484</u>

A27. COMMITMENTS AND CONTINGENCIES (CONT'D.)

As at the reporting date, other commitments and contingencies of the Group and of the Company are as follows:

- (a) The Company has given unsecured guarantees amounting to RM150,000,000 (31 March 2013: RM225,000,000) on behalf of a subsidiary for the payment and discharge of all monies due on trading accounts maintained by customers with the said subsidiary.
- (b) The Company has given a continuing undertaking totalling SGD40,000,000 (31 March 2013: SGD40,000,000) to the Monetary Authority of Singapore on behalf of AmFraser Securities Pte Ltd to meet its liabilities and financial obligations and requirements.
- (c) AmBank (M) Berhad has given a continuing guarantee to Labuan Financial Services Authority ("LFSA") on behalf of AmInternational (L) Ltd ("AMIL"), AmBank's offshore banking subsidiary, to meet all its liabilities and financial obligations and requirements.
- (d) The Company has given a guarantee to HSI Services Limited ("HSI") and Hang Seng Data Services Limited ("HSDS") on behalf of its subsidiary, AmLife Insurance Berhad ("AmLife"), for the performance and discharge by AmLife of its obligations under the licence agreement with HSI and HSDS for use of the Hang Seng China Enterprise Index in respect of AmLife's investment-linked product called AmAsia Link-Capital Guaranteed Fund.
- (e) AmTrustee Berhad ("AmTrustee") was served with a Writ and Statement of Claim dated 12 December 2005 by solicitors acting for Meridian Asset Management Sdn Bhd ("Meridian") for alleged loss and damage amounting to RM27,606,169.65 together with interest and costs arising from the provision of custodian services by AmTrustee to Meridian ("Meridian Suit").

AmTrustee was served on 24 March 2006 with a Writ and Statement of Claim dated 25 January 2006 by solicitors acting for Malaysian Assurance Alliance Berhad ("MAA") for alleged loss and damages amounting to RM19,602,119.23 together with interest and costs ("MAA Suit"). MAA had appointed Meridian as an external fund manager for certain of its insurance funds, and part of the insurance funds were deposited by Meridian with AmTrustee. The claim by MAA in the MAA Suit is part of the portion of the claim as mentioned in the above Meridian Suit. Just before the trial proceeded, MAA added Meridian as a Co-Defendant in the MAA Suit.

AmTrustee was also served on 2 September 2009 with a copy of a Third Party Notice dated 12 August 2009 by solicitors acting for Meridian. The Third Party Notice was taken against AmTrustee by Meridian to indemnify Meridian on a suit filed by Kumpulan Wang Persaraan (DiPerbadankan) ("KWAP") against Meridian in 2007. AmTrustee filed an application to strike out the Third Party Notice. The court allowed AmTrustee's application. Meridian appealed against this decision to the Court of Appeal and the Court of Appeal dismissed the appeal on 1 November 2010 ("Order"). With this Order, AmTrustee is no longer involved in KWAP's claim against Meridian. Decision was handed down by the High Court against Meridian in KWAP's claim on 5 May 2012 for a sum of RM7,254,050.42 with interest on the said sum from the date of the misappropriation of the said sum to the date of judgment and a further interest of 8% on the said sum from the date of judgment to the date of settlement of the judgment sum.

In the MAA Suit, prior to the commencement of the trial, MAA amended its Statement of Claim to include Meridian as a second Defendant. Prior to this MAA's amendment, AmTrustee had already filed a Third Party Notice against Meridian on 6 November 2006 in the MAA Suit seeking indemnification/contribution from Meridian. Meridian in turn filed a counter claim against AmTrustee over AmTrustee's Third Party Notice which in essence introduced the same argument and claim as in their Meridian Suit.

Parties filed several interim applications in the Meridian Suit amongst which was an application by Meridian to:-
- add another subsidiary of the Banking Group, namely AmInvestment Bank Berhad as Co-Defendant; and
- to increase the alleged loss and damage from RM27,606,169.65 to RM36,967,166.84.

The High Court dismissed Meridian's application to add AmInvestment Bank Berhad as a party to the Meridian's Suit "Order" but allowed Meridian's application to increase its claim against AmTrustee from RM27,606,169.65 to RM36,967,166.84. No appeal was filed by Meridian against this "Order", hence no litigation is pending today against AmInvestment Bank Berhad by Meridian.

As facts of both the Meridian and MAA suit are similar in nature with the same parties involved, the court has ordered that these two suits are to be heard together.

Trial proceeded on 3rd to 5th of December 2012 and on 10th and 13th December 2012 and continued on 18th to 20th February 2013. Matter was fixed for decision and or clarification on 11 April 2013.

After clarification of the matter on 11 April 2013 the court decided as follows ("Decision"):

A27. COMMITMENTS AND CONTINGENCIES (CONT'D.)

(e) In the MAA Suit:

- the court dismissed MAA's claim against AmTrustee with costs of RM100,000.00 and interest at 5% on the cost from the date of the decision to the date of settlement. Meridian on the other hand was found to be fully liable to MAA and was ordered to pay the sum of RM19,602,119.23 with interest from the date of filing of the writ to the date of realization and costs of RM100,000.00 with interest at 5% on the cost from the date of the decision to the date of settlement.

In the Meridian Suit:

- the court found that AmTrustee is liable to contribute and indemnify Meridian for 40% of the amount that Meridian has been found liable to MAA and KWAP.

This essentially means that Meridian has to pay MAA and KWAP for all the damages claimed by MAA and KWAP and AmTrustee has to pay 40% of that amount that Meridian has paid to MAA and KWAP. Court further awarded Meridian to pay AmTrustee cost of RM20,000.00.

Both Meridian and MAA to date have filed their appeals (against the Decision on 8 May 2013 and 9 May 2013 respectively). The appeals were called up for Case Management on 20 June 2013, wherein parties were directed to take steps prior to the actual hearing of the appeals and is now refixed for further Case Management on 6 August 2013.

Am Trustee obtained solicitors advice on MAA appeal and Meridian appeal. AmTrustee's solicitors advised Am Trustee to file its cross appeals against MAA's appeal and Meridian's appeal so as to reduce Am Trustee's 40% contribution of amount that Meridian has paid to MAA and KWAP. Am Trustee's solicitors are of the view that Am Trustee has a fair chance of succeeding in its cross-appeals.

On 6 August 2013, the Court of Appeal ordered MAA and Meridian to file their Supplementary Record of Appeal by 23 August 2013 and AmTrustee to file its notice of cross-appeals by 2 September 2013.

On 23 August 2013, MAA and Meridian filed their Supplementary Record of Appeal on 23 August 2013 and AmTrustee filed its notice of cross-appeals on 30 August 2013.

Altogether, there will be 6 appeals by the parties in the Court of Appeal:

- MAA Suit:
- (i) MAA's appeal against the Decision in the MAA Suit;
 - (ii) Meridian's appeal against the Decision in the MAA Suit;
 - (iii) AmTrustee's cross-appeal against MAA's appeal in the MAA Suit;
 - (iv) AmTrustee's cross-appeal against Meridian's appeal in the MAA Suit;
- Meridian's Suit:
- (v) Meridian's appeal against the Decision in the Meridian Suit;
 - (vi) AmTrustee's appeal against Meridian's appeal in the Meridian Suit.

The Court of Appeal was fixed the appeals for further case management on 5 September 2013 for parties to update Court of Appeal on the status of their appeals. On 5 September 2013 the Court of Appeal fixed 29 January 2014 for the parties to file Written Submissions. The Court of Appeal also had fixed the hearing on the appeals and cross appeals on 14 February 2014.

On 22 November 2013, the Court of Appeal notified that hearing for the appeals is now re-scheduled to 21 April 2014 .

A28. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

Group	31.12.13			31.03.13		
	Contract/ Notional Amount RM'000	Fair Value		Contract/ Notional Amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
Interest rate related contracts:	32,711,453	210,030	215,109	34,316,198	214,474	229,217
- One year or less	2,919,376	2,513	2,687	4,103,404	5,343	6,297
- Over one year to three years	10,281,911	31,230	41,314	8,643,427	36,959	55,507
- Over three years	19,510,166	176,287	171,108	21,569,367	172,172	167,413
Foreign exchange related contracts:	23,737,708	355,054	361,183	27,176,687	149,127	141,108
- One year or less	19,373,455	115,662	125,060	22,898,737	77,451	64,887
- Over one year to three years	3,454,492	138,038	146,263	1,615,738	18,008	20,965
- Over three years	909,761	101,354	89,860	2,662,212	53,668	55,256
Credit derivative contracts:	613,442	27,363	6,266	863,536	12,932	6,113
- One year or less	-	-	-	267,510	-	2,140
- Over one year to three years	306,998	5,057	-	-	-	-
- Over three years	306,444	22,306	6,266	596,026	12,932	3,973
Equity and commodity related contracts:	823,148	6,183	31,445	943,133	6,191	29,585
- One year or less	491,070	5,537	30,800	488,457	1,528	20,210
- Over one year to three years	332,078	646	645	454,655	4,661	9,375
- Over three years	-	-	-	21	2	-
	<u>57,885,751</u>	<u>598,630</u>	<u>614,003</u>	<u>63,299,554</u>	<u>382,724</u>	<u>406,023</u>
Hedging derivatives						
Interest rate related contracts,						
Interest rate swaps:						
Cash flow hedge	3,270,000	8,519	8,980	2,025,000	533	16,632
- One year or less	180,000	-	642	445,000	-	1,391
- Over one year to three years	1,420,000	1,214	6,509	1,480,000	-	15,241
- Over three years	1,670,000	7,305	1,829	100,000	533	-
	<u>3,270,000</u>	<u>8,519</u>	<u>8,980</u>	<u>2,025,000</u>	<u>533</u>	<u>16,632</u>
Total	<u>61,155,751</u>	<u>607,149</u>	<u>622,983</u>	<u>65,324,554</u>	<u>383,257</u>	<u>422,655</u>

Purpose of engaging in financial derivatives

Financial derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices. They include swaps, forward rate agreements, futures, options and combinations of these instruments. Derivatives are contracts that transfer risks, mainly market risks. Financial derivative is one of the financial instruments engaged by the Group both for client solutions generating revenue for future as well as to manage the Group's own market risk exposure.

The principal foreign exchange rate contracts used are forward foreign exchange contracts, cross currency swaps and foreign exchange options. Forward foreign exchange contracts are agreements to buy or sell a specified quantity of foreign currency on a specified future date at an agreed rate. A cross currency swap generally involves the exchange, or notional exchange, of equivalent amounts of two currencies and a commitment to exchange interest periodically until the principal amounts are re-exchanged on a future date. A foreign exchange option is a financial derivative that provides the buyer of the option with the right, but not obligation, to buy/sell a specified amount of one currency for another currency at a nominated strike rate during a certain period of time or on a specific date.

A28. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONT'D.)

Purpose of engaging in financial derivatives (Cont'd.)

An Interest Rate Option ("IRO") is a financial derivative that provides the buyer of the option with the right, but not obligation, to buy/sell a specified underlying interest rate related asset e.g. the KLIBOR index at a nominated strike rate during a certain period of time or on a specific date. Basic IRO includes interest rate cap and interest rate floor.

The principal interest rate contracts used are interest rate futures, interest rate swaps and forward rate agreements. Forward rate agreements are contracts for the payment of the difference between a specified interest rate and a reference rate on a notional deposit at a future settlement date. There is no exchange of principal. An interest rate futures contract is an exchange traded contract whose value is based on the difference between a specific interest rate and a reference rate on a notional deposit or fixed income security at a future settlement date. Interest rate swap transactions generally involve the exchange of fixed and floating interest payment obligations without the exchange of the underlying principal amounts.

The principal equity contracts used are equity option, equity futures and equity swaps. An equity option is a financial derivative that represents a contract sold by one party (option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) an equity at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). An equity futures contract is an exchange traded contract to buy specific quantities of an equity at a specified price with delivery set at a specified time in the future. Equity Swaps are one of the most basic equity derivatives products and are usually traded over-the-counter ("OTC") with financial institutions and corporates. It is a contractual agreement between parties to exchange two streams of payments, one based on a predetermined index or equity price, and the other based on a reference interest rate (ie KLIBOR or LIBOR). The underlying reference for Equity Swaps is usually to an index, a basket of stocks or a single underlying stock.

The Group maintains trading positions in these instruments and engages in transactions with customers to satisfy their needs in managing their respective interest rate, equity and foreign exchange rate exposures. Derivative transactions generate income for the Group from the buy-sell spreads. The Group also takes conservative exposures, within acceptable limits, to carry an inventory of these instruments in order to provide market liquidity and to earn potential gains on fluctuations in the value of these instruments.

As part of the asset and liability exposure management, the Group uses derivatives to manage the Group's market risk exposure. As the value of these financial derivatives are principally driven by interest rate and foreign exchange rate factors, the Group uses them to reduce the overall interest rate and foreign exchange rate exposures of the Group. These are performed by entering into an exposure in derivatives that produces opposite value movements vis-à-vis exposures generated by other non-derivative activities of the Group. The Group manages these risks on a portfolio basis. Hence, exposures on derivatives are aggregated or netted against similar exposures arising from other financial instruments engaged by the Group.

Risk associated with financial derivatives

As derivatives are contracts that transfer risks, they expose the holder to the same type of market and credit risk as other financial instruments, and the Group manages these risks in a consistent manner under the overall risk management framework.

Market risk of derivatives used for trading purposes

Market risk arising from the above interest rate-related, foreign exchange-related and equity-related derivatives contracts measures the potential losses to the value of these contracts due to changes in market rates/prices. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions.

The contractual amounts of these contracts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk, Value at risk method is used to measure the market risk from these contracts. Value at risk, is a statistical measure that estimates the potential changes in portfolio value that may occur, brought about by daily changes in market rates over a specified holding period at a specific confidence level under normal market condition.

A28. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONT'D.)

General disclosure for derivatives and counterparty credit risk

Market related credit risk is present in market instruments (derivatives and forward contracts), and comprises counterparty risk (default at the end of contract) and pre-settlement risk (default at any time during the life of contract). Market related credit risk requires a different method in calculating the pre-settlement risk because actual and potential market movements impact the Group's exposure. The markets covered by this treatment for transactions entered by the Group include interest rates, foreign exchange, credit default swaps and equities.

Exposure to the counterparty risk is governed by setting a credit limit to manage such exposure. This limit is governed under the Group Risk Appetite Framework approved by the Board.

Other than credit limit setting, the Group's primary tool to mitigate counterparty credit risk by having collateral arrangement with the counterparty. Standard market documentation governs the amount of collateral required and the re-margining frequency between counterparties. Some of the standard market documentation has link between the amount of collateral required and external ratings, as well as minimum transfer amounts. This means that if the Group's or a counterparty's external rating were downgraded, the Group or the counterparty would likely to be required to place additional collateral. The amount required to be placed would depend upon the underlying instruments and the state of the markets, so would be different at each re-margining interval.

Liquidity risk of derivatives

Two types of liquidity risk are associated with derivatives: market liquidity risk and funding risk.

Market liquidity risk arises when a position cannot be sold or closed out quickly or risk be eliminated by entering into an offsetting position. In general, an over-the counter ("OTC") market tends to offer less liquidity than an exchange market due to the customized nature of some OTC contracts. OTC contracts include foreign exchange contracts, cross currency swaps, interest rate swaps and FX options while interest rate futures, equity futures and equity options are examples of exchange traded derivatives. The liquidity risk of a position can be estimated by the notional amount of contracts held and the market value of the contract position. Both the OTC and exchange markets have liquid and illiquid contracts.

Funding risk is the risk of derivative activities placing an adverse funding and cash flow pressure on the Group, arising from the need to post collateral (i.e. like a margin call due to mark-to-market valuations) to compensate for an existing out of the money position (note: if collateral isn't posted, the counterparty can close out their position and claim such mark-to-market loss from the Group. This would also result in the Group no longer being hedged).

Generally, the Group measures and monitors funding risk through the cash flow gap analysis according to specified time interval. The Group's access to deposits and funding markets is dependent on its credit rating. A downgrading in the credit rating could adversely affect its access to liquidity, as well as the competitive position, and could increase the cost of funding.

The primary objective of funding risk management is to ensure the availability of sufficient funds at a reasonable cost to honour all financial commitments as they fall due under normal market condition and on contingency basis.

A28. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONT'D.)

Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are recognised at fair value upon inception in the statements of financial position, and are subsequently remeasured at fair value. Fair values of exchange-traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including the discounted cash flows method and option pricing models. Financial derivatives are classified as assets when their fair values are positive and as liabilities when their fair values are negative.

The Group enters into derivative transactions for trading and for hedging purposes. For derivatives held-for-trading, fair value changes are recognised in the income statements. For derivative transactions that meet the specific criteria for hedge accounting, the Group applies either fair value, cash flow or net investment hedge accounting.

At the time a financial instrument is designated as a hedge, the Group formally documents the relationship between the hedging instrument and the hedged item, including the nature of the risk to be hedged, the risk management objective and strategy for undertaking the hedge and the method used to assess hedge effectiveness. Hedges are expected to be highly effective and are assessed on an ongoing basis to ensure that they remain highly effective throughout the hedge period. For actual effectiveness to be achieved, the changes in fair value or cash flows of the hedging instrument and the hedged item must offset each other in the range of 80% to 125%.

The Group discontinues hedge accounting if the hedging instrument expires, is sold, terminated or exercised or if the hedge no longer meets the criteria for hedge accounting or is revoked.

(i) Fair value hedge

Fair value hedges are hedges against exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment that is attributable to a particular risk and could affect profit or loss. For qualifying fair value hedges, the changes in fair value of the hedging instrument and the hedged item relating to the hedged risk are recognised in the income statements. In the event the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to the income statements over the expected life of the hedged item.

(ii) Cash flow hedge

Cash flow hedges are hedges of the exposure to variability in future cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit or loss. For qualifying cash flow hedges, the effective portion of the change in fair value of the hedging instrument is taken to equity as a cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in the income statements. Amounts accumulated in equity are released to the income statements in the periods when the hedged forecast transactions affect the income statements. If the hedged forecast transactions result in the recognition of a non-financial asset or a non-financial liability, the gain and loss previously deferred in equity is transferred from equity and included in the initial measurement of the cost of the asset or liability.

A29. CAPITAL ADEQUACY RATIO

(a) The capital adequacy ratios of our regulated banking subsidiaries and a pro-forma Group view are as follows:

	31.12.13			
	AmBank	AmIslamic Bank	AmInvestment Bank	Group *
Before deducting proposed dividends:				
Common Equity Tier 1 ("CET1") Capital	8.598%	9.604%	19.185%	9.220%
Tier 1 capital ratio	10.799%	9.604%	19.185%	10.848%
Total capital ratio	14.652%	14.612%	19.185%	14.922%
After deducting proposed dividends:				
Common Equity Tier 1 ("CET1") Capital	8.598%	9.604%	19.185%	9.220%
Tier 1 capital ratio	10.799%	9.604%	19.185%	10.848%
Total capital ratio	14.652%	14.612%	19.185%	14.922%

	31.03.13			
	AmBank (Restated)	AmIslamic Bank	AmInvestment Bank	Group * (Restated)
Before deducting proposed dividends:				
Common Equity Tier 1 ("CET1") Capital	9.196%	9.470%	25.749%	9.807%
Tier 1 capital ratio	11.450%	9.470%	25.749%	11.493%
Total capital ratio	14.792%	14.620%	25.749%	15.235%
After deducting proposed dividends:				
Common Equity Tier 1 ("CET1") Capital	8.619%	9.470%	25.749%	9.375%
Tier 1 capital ratio	10.872%	9.470%	25.749%	11.061%
Total capital ratio	14.215%	14.620%	25.749%	14.803%

* Notes:

- The capital adequacy ratios on a consolidated basis of the banking institution include the financial related services within the Group. The Group have adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk. With effect from 1 January 2013, the capital adequacy ratios are computed in accordance with BNM's guidelines on Capital Adequacy Framework (Capital Components) issued on 28 November 2012, which is based on the Basel III capital accord. The minimum regulatory capital adequacy requirements are as follows:

	Calendar Year		
	2013	2014	2015
Common Equity Tier 1 ("CET 1")	3.5%	4.0%	4.5%
Tier 1 capital ratio	4.5%	5.5%	6.0%
Total capital ratio	8.0%	8.0%	8.0%

- Group* figures presented in this Report represent an **aggregation** of the consolidated capital positions and risk weighted assets ("RWA") of our regulated banking institutions. The consolidated positions of each entity are published at www.ambankgroup.com.
- The capital position and RWA of AmBank refers to the combined capital base and RWA of AmBank (M) Bhd and its wholly-owned offshore banking subsidiary, AmInternational (L) Ltd ("AMIL")

A29. CAPITAL MANAGEMENT (CONT'D.)

(b) The aggregated components of Tier 1 and Tier 2 Capital of the Group are as follows:

	31.12.13			Group *
	AmBank RM'000	AmIslamic Bank RM'000	AmInvestment Bank RM'000	
<u>Common Equity Tier 1 ("CET1") Capital</u>				
Ordinary shares	820,364	462,922	200,000	1,483,286
Share premium	942,844	724,185	-	1,667,029
Retained earnings	3,734,283	652,753	125,077	4,486,615
Unrealised gains/(losses) on available-for-sale ("AFS") financial instruments	(51,902)	(14,597)	1,730	(65,255)
Foreign exchange translation reserve	(1,000)	-	-	33,411
Statutory reserve	980,969	424,266	200,000	1,605,235
Capital reserve	-	-	-	2,815
Merger reserve	48,516	-	-	111,805
Cash flow hedging reserve	210	-	-	210
Less: Regulatory adjustments applied on CET1 capital				
Goodwill	-	-	-	(11,243)
Intangible assets	(325,082)	(30)	(1,911)	(331,657)
Deferred tax assets	(49,073)	-	(10,531)	(112,825)
Cash flow hedging reserve	(210)	-	-	(210)
55% of cumulative gains of AFS financial instruments	-	-	(951)	(980)
Deduction in excess of Tier 2 capital**	-	-	(211,221)	(23,446)
CET1 capital	6,099,919	2,249,499	302,193	8,844,790
<u>Additional Tier 1 ("T1") capital</u>				
Additional Tier 1 capital instruments (subject to gradual phase-out treatment)	1,561,590	-	-	1,561,590
Tier 1 capital	7,661,509	2,249,499	302,193	10,406,380
<u>Tier 2 ("T2") capital</u>				
Tier 2 capital instruments meeting all relevant criteria for inclusion	400,000	-	-	400,000
Tier 2 capital instruments (subject to gradual phase-out treatment)	1,557,800	900,000	-	2,457,800
Collective allowance and regulatory reserves	784,363	273,114	3,586	1,056,841
Less: Regulatory adjustments applied on Tier 2 capital	(8,610)	-	(3,586)	(6,350)
Tier 2 capital	2,733,553	1,173,114	-	3,908,291
Total Capital	10,395,062	3,422,613	302,193	14,314,671
Credit RWA	62,749,058	22,314,601	974,772	85,944,137
Less: Credit RWA absorbed by Restricted Profit Sharing Investment Account	-	(465,465)	-	(465,465)
Total Credit RWA	62,749,058	21,849,136	974,772	85,478,672
Market RWA	3,248,081	107,113	213,530	3,569,516
Operational RWA	4,950,108	1,466,509	386,818	6,879,649
Large exposure risk RWA for equity holdings	642	-	-	642
Total Risk Weighted Assets	70,947,889	23,422,758	1,575,120	95,928,479

** The portion of regulatory adjustments not deducted from Tier 2 (as the AmInvestment Bank does not have enough Tier 2 to satisfy the deduction) is deducted from the next higher level of capital as per paragraph 31.1 of the Bank Negara Malaysia's Capital Adequacy Framework (Capital Components).

A29. CAPITAL MANAGEMENT (CONT'D.)

(b) The aggregated components of Tier 1 and Tier 2 Capital of the Group are as follows:

	31.03.13			Group *
	AmBank RM'000 (Restated)	AmIslamic Bank RM'000	AmInvestment Bank RM'000	
<u>Common Equity Tier 1 ("CET1") Capital</u>				
Ordinary shares	820,364	462,922	200,000	1,483,286
Share premium	942,844	724,185	-	1,667,029
Retained earnings	3,501,590	521,327	118,308	4,155,650
Less: proposed dividend - final	(400,338)	-	-	(400,338)
Unrealised gains/(losses) on available-for-sale ("AFS") financial instruments	(8,402)	(7,256)	3,110	(13,268)
Foreign exchange translation reserve	(14,760)	-	-	15,228
Statutory reserve	980,969	424,266	200,000	1,605,235
Capital reserve	-	-	-	2,815
Merger reserve	507,017	-	-	578,129
Cash flow hedging reserve	(12,644)	-	-	(12,644)
Less: Regulatory adjustments applied on CET1 capital				
Goodwill	-	-	-	(11,243)
Intangible assets	(235,655)	(50)	(2,347)	(238,108)
Deferred tax assets	(120,523)	-	(11,512)	(135,531)
Cash flow hedging reserve	12,644	-	-	12,644
55% of cumulative gains of AFS financial instruments	-	-	(1,711)	(1,739)
Deduction in excess of Tier 2 capital**	-	-	(110,010)	(23,267)
CET1 capital	5,973,106	2,125,394	395,837	8,683,878
<u>Additional Tier 1 ("T1") capital</u>				
Additional Tier 1 capital instruments (subject to gradual phase-out treatment)	1,561,590	-	-	1,561,590
Tier 1 capital	7,534,696	2,125,394	395,837	10,245,468
<u>Tier 2 ("T2") capital</u>				
Tier 2 capital instruments (subject to gradual phase-out treatment)	1,557,800	900,000	-	2,457,800
Collective allowance and regulatory reserves	758,815	255,665	2,789	1,013,216
Less: Regulatory adjustments applied on Tier 2 capital	(133)	-	(2,789)	(4,744)
Tier 2 capital	2,316,482	1,155,665	-	3,466,272
Total Capital	9,851,178	3,281,059	395,837	13,711,740
Credit RWA	60,705,227	20,954,069	1,118,859	82,822,720
Less: Credit RWA absorbed by Restricted Profit Sharing Investment Account	-	(500,866)	-	(500,866)
Total Credit RWA	60,705,227	20,453,203	1,118,859	82,321,854
Market RWA	3,722,181	583,120	9,366	4,318,447
Operational RWA	4,875,083	1,406,226	409,052	5,988,974
Large exposure risk RWA for equity holdings	713	-	-	713
Total Risk Weighted Assets	69,303,204	22,442,549	1,537,277	92,629,988

** The portion of regulatory adjustments not deducted from Tier 2 (as the AmInvestment Bank does not have enough Tier 2 to satisfy the deduction) is deducted from the next higher level of capital as per paragraph 31.1 of the Bank Negara Malaysia's Capital Adequacy Framework (Capital Components).

The risk weighted assets of the Group are derived by aggregating the consolidated risk weighted assets of the banking subsidiaries. The aggregated Operational risk weighted assets of the Group has been adjusted to reflect the disposal of AmIslamic Bank by AmBank to the Company on 28 February 2011.

A31. ISLAMIC BANKING BUSINESS

The state of affairs as at 31 December 2013 and the results for the period ended 31 December 2013 of the Islamic banking business of the Group and included in the financial statements after elimination of intercompany transactions and balances are summarised as follows:

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
ASSETS		
Cash and short-term funds	3,948,224	3,546,395
Deposit and placements with banks and other financial institutions	518,383	1,548,383
Derivative financial assets	10,333	7,924
Financial assets held-for-trading	79,296	1,216,381
Financial investments available-for-sale	2,702,028	1,197,335
Financial Investments held-to-maturity	1,450,698	1,920,361
Financing and advances	23,183,876	21,987,306
Statutory deposit with Bank Negara Malaysia	806,500	771,000
Deferred tax assets	207	212
Other assets	374,827	332,467
Property and equipment	437	519
Intangible assets	32	54
TOTAL ASSETS	33,074,841	32,528,337
LIABILITIES AND ISLAMIC BANKING FUNDS		
Deposits and placements of banks and other financial institutions	4,067,058	2,349,592
Recourse obligation on financing sold to Cagamas Berhad	2,069,810	2,073,690
Derivative financial liabilities	10,321	7,894
Deposits from customers	22,609,764	23,176,547
Term funding	550,000	550,000
Bills and acceptances payable	5,401	722,821
Subordinated Sukuk Musharakah	900,000	1,000,000
Deferred tax liabilities	11,849	15,945
Other liabilities	397,369	351,098
TOTAL LIABILITIES	30,621,572	30,247,587
Share capital/Capital funds	495,761	495,761
Reserves	1,957,508	1,784,989
TOTAL ISLAMIC BANKING FUNDS	2,453,269	2,280,750
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	33,074,841	32,528,337
COMMITMENTS AND CONTINGENCIES	7,868,364	8,553,161

A31. ISLAMIC BANKING BUSINESS (CONT'D.)

**UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2013**

Group	Individual Quarter		Cumulative Quarter	
	31.12.13 RM'000	31.12.12 RM'000	31.12.13 RM'000	31.12.12 RM'000
Income derived from investment of depositors' funds and others	415,871	377,260	1,222,088	1,093,932
Allowance for impairment on financing and advances (Provision)/Writeback for commitments and contingencies	(65,476)	(33,632)	(139,229)	(103,983)
Impairment writeback/(loss) for sundry debtors	51	-	51	-
Transfer from profit equalisation reserve	-	(792)	(9,011)	(5,634)
Total attributable income	345,921	347,347	1,070,068	985,115
Income attributable to the depositors	(210,129)	(194,932)	(608,469)	(543,932)
Profit attributable to the Group	135,792	152,415	461,599	441,183
Income derived from Islamic Banking Funds	25,483	38,946	93,352	121,667
Total net income	161,275	191,361	554,951	562,850
Operating expenditure	(89,150)	(89,919)	(269,985)	(265,125)
Finance cost	(17,384)	(15,004)	(51,302)	(44,439)
Profit before taxation and zakat	54,741	86,438	233,664	253,286
Taxation and zakat	(12,304)	(19,652)	(54,091)	(57,147)
Profit for the period	42,437	66,786	179,573	196,139

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2013**

Group	Individual Quarter		Cumulative Quarter	
	31.12.13 RM'000	31.12.12 RM'000	31.12.13 RM'000	31.12.12 RM'000
Profit for the period	42,437	66,786	179,573	196,139
Other comprehensive income/(loss):				
Net change in revaluation of financial investments available-for-sale	(1,531)	434	(9,788)	2,926
Exchange differences on translation of foreign operations	31	2	337	(11)
Income tax relating to the components of other comprehensive income	383	(109)	2,447	(732)
Other comprehensive income/(loss) for the period, net of tax	(1,117)	327	(7,004)	2,183
Total comprehensive income for the period	41,320	67,113	172,569	198,322

A31. ISLAMIC BANKING BUSINESS (CONT'D.)

(a) Financing and Advances

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
Hire purchase	10,822,512	10,884,005
Term financing	6,742,356	6,557,430
Revolving credit	2,865,885	2,037,140
Claims on customers under acceptance credit	1,066,867	1,090,241
Credit card receivables	322,093	328,326
Trust receipts	82,403	49,329
Other financing	1,805,707	1,545,697
Gross financing and advances	<u>23,707,823</u>	<u>22,492,168</u>
Allowance for impairment on financing and advances:		
Collective allowance	(519,386)	(490,410)
Individual allowance	(4,561)	(14,452)
	<u>(523,947)</u>	<u>(504,862)</u>
Net financing and advances	<u>23,183,876</u>	<u>21,987,306</u>

(i) Movements in impaired financing and advances are as follows:

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
Balance at beginning of period/year	268,443	237,724
Impaired during the period/year	398,663	296,001
Reclassification to non-impaired financing	(46,450)	(51,999)
Recoveries	(52,134)	(32,716)
Amount written off	(203,933)	(180,567)
Balance at end of period/year	<u>364,589</u>	<u>268,443</u>
Impaired financing and advances as % of total financing and advances	<u>1.5%</u>	<u>1.2%</u>

A31. ISLAMIC BANKING BUSINESS (CONT'D.)

(a) Financing and Advances (Cont'd.)

(ii) Movements in allowances for impaired financing and advances are as follows:

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
Collective allowance		
Balance at beginning of period/year	490,410	460,411
Allowance made during the period/year	159,411	195,964
Amount written off and others	(130,435)	(165,965)
Balance at end of period/year	<u>519,386</u>	<u>490,410</u>
% of total financing and advances (including Islamic	<u>2.2%</u>	<u>2.2%</u>
Individual allowance		
Balance at beginning of period/year	14,452	16,324
Allowance made during the period/year	39,419	13,171
Amount written off	(49,310)	(15,043)
Balance at end of period/year	<u>4,561</u>	<u>14,452</u>

(b) Deposits From Customers

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
Mudharabah Fund:		
Demand deposits	32,678	30,621
Saving deposits	5,937	5,586
General investment deposits	15,342,083	15,361,368
Structured deposits	54,222	134,386
	<u>15,434,920</u>	<u>15,531,961</u>
Non-Mudharabah Fund:		
Demand deposits	3,438,648	4,865,376
Saving deposits	1,806,491	1,738,366
Term deposits	1,908,653	1,020,284
Negotiable instruments of deposits	21,052	20,560
	<u>7,174,844</u>	<u>7,644,586</u>
	<u>22,609,764</u>	<u>23,176,547</u>

(c) Other Liabilities

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
Other payables and accruals	310,443	255,276
Taxation and zakat payable	26,186	23,136
Provision for commitments and contingencies	29,870	26,039
Amount owing to head office	21,625	35,425
Advance rentals	6,576	9,563
Profit equalisation reserve	2,669	1,659
	<u>397,369</u>	<u>351,098</u>

A32. CHANGE IN COMPARATIVES

Arising from restatement on accounting for acquisition of AmGeneral Insurance Berhad in previous financial period and certain comparative numbers to conform with current period's presentation.

(i) Reconciliation of equity

	As previously recorded RM'000	Restatement RM'000	As restated RM'000
As at 31 March 2013			
Assets			
Deferred tax assets	136,244	(410)	135,834
Reinsurance, retakaful assets and other insurance receivables	166,627	434,652	601,279
Property and equipment	395,147	6,471	401,618
Intangible assets	3,245,653	105,854	3,351,507
Liabilities			
Deferred tax liabilities	32,043	53,168	85,211
Insurance, takaful contract liabilities and other insurance payables	4,582,048	524,652	5,106,700
Equity			
Reserves	9,018,995	(15,939)	9,003,056
Non-controlling interests	1,100,050	(15,314)	1,084,736
	As previously recorded RM'000	Other restatement RM'000	As restated RM'000
As at 1 April 2012			
Assets			
Reinsurance, retakaful assets and other insurance receivables	112,535	143,378	255,913
Liabilities			
Insurance, takaful contract liabilities and other insurance payables	3,362,540	143,378	3,505,918

(ii) Reconciliation of consolidated income statements

	As previously recorded RM'000	restatement RM'000	As restated RM'000
Third quarter ended 31 December 2012			
Net income from Islamic banking business	214,557	(1,598)	212,959
Net income from insurance business	58,230	10,328	68,558
Other operating income	314,260	(8,730)	305,530
Other operating expenses	(500,557)	(24,439)	(524,996)
Taxation and zakat	(132,120)	6,295	(125,825)
Non-controlling interests	4,768	(8,891)	(4,123)
Cumulative quarter ended 31 December 2012			
Net income from Islamic banking business	656,004	(3,450)	652,554
Net income from insurance business	103,580	29,532	133,112
Other operating income	842,134	(26,082)	816,052
Other operating expenses	(1,422,166)	(24,439)	(1,446,605)
Taxation and zakat	(436,049)	6,295	(429,754)
Non-controlling interests	27,903	(8,891)	19,012

B1. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP

Year-on-year (yoy), the Group's earnings grew 9.0% to RM1,329.6 million, supported by good income growth and acquisitions.

Divisional performance for 9MFY2014 compared to 9MFY2013:

Retail Banking: Higher profits from integrating MBF Cards and better asset quality

PAT rose 15.2% yoy to RM504.6 million partly benefiting from integration of MBF Cards and better asset quality. Strong customer deposits and low cost deposits growth underpinned by new integrated campaigns, new segment based strategies, and leveraging existing and new channels as well as alliances.

Business Banking: Improved asset quality, stronger deposits growth

PAT up 4.4% yoy to RM281.6 million underpinned by higher net interest income in line with stronger loans growth and lower provisions. Low cost deposits registered strong growth.

Corporate and Institutional Banking: Sustained loans growth

PAT at RM277.5 million in the absence of last year's non-recurring private equity divestment gains. Lower deposits reflect management of depositors concentration.

Investment Banking: Diversified contribution across businesses

PAT at RM31.4 million, good diversified contributions across all businesses offset by proactive provisioning relating to AmFraser.

Markets: Performance impacted by continued volatility in market

PAT at RM111.7 million, healthy volume flows from foreign exchange and derivatives sales made up for the paucity of trading revenue, especially from Fixed Income. High market volatility caused temporary deferment of deal flows.

General Insurance: Higher premium from integration of Kurnia

PAT rose 54.8% to RM137.4 million from enlarged scale from the integration of Kurnia as well as stronger investment and trading income. Integrations on track, continue focusing on both motor and niche general insurance segments.

Life Assurance & Family Takaful: Stronger gross written premiums growth

PAT rose to RM40.3 million with stronger gross written premiums from both agency and corporate channels.

The Group's PAT increased by RM55.7 million in the current reporting quarter as compared to the previous year corresponding quarter. Earnings improvement was broad based across a few divisions.

B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION

The Group reported a higher pre-tax profit of RM623.5 million for the third quarter ended 31 December 2013 as compared to RM602.5 million for the second quarter ended 30 September 2013. This was contributed by lower expenses reported from other operating expenses by RM22.0 million and lower impairments on sundry receivables and foreclosed properties by RM15.0 million and RM5.9 million. In addition, higher incomes are reported from other operating income and net interest income by RM33.7 million and RM16.0 million respectively. There was no impairment on property, equipment and intangible assets and transfer to profit equalisation reported for current reporting quarter as compared to previous quarter totalling RM3.7 million.

This was offset by impairment on loans and advances and provision for commitments and contingencies of RM34.9 million and RM3.2 million as compared to writeback of RM10.6 million and 15.5 million for the previous quarter. Besides, higher impairment on financial investments by RM6.3 million and lower net income from insurance business by RM5.9 million were reported for current reporting quarter.

B3. PROSPECTS FOR 31 MARCH 2014

For full year 2013, our projection on Malaysia economy to grow 4.6% year-on-year (yoy) remains unchanged. Moving into 2014, the Group expects a moderate growth of 4.8% yoy driven by private investments and supported by exports. Private investment will benefit from improved speed on the implementation of Economic Transformation Programme, more value-added foreign direct investments flowing in and positive impacts from exports complemented by Visit Malaysia Year 2014.

As the authorities continue to adopt prudent and pragmatic macroeconomic policies, reining in fiscal deficit and public debt, domestic demand is expected to moderate. Consumer loans demand may soften given the various responsible lending measures to address household debts and easing consumer spending from on-going rationalization of subsidy.

At AmBank Group, we remain agile and adaptive to the changing environment and will continue our disciplined approach in executing to our strategic priorities. Our medium term strategic priorities remain unchanged, (1) Integrate acquisitions and deliver synergies; (2) Simplify business model and streamline processes; (3) Accelerate organic growth with focus on cross-sell, flow business, small business, and emerging affluent customers; (4) Build scale in specialist businesses with strategic partners; and (5) Optimise capital and holding company structures.

B4. VARIANCE FROM PROFIT FORECAST AND SHORTFALL FROM PROFIT GUARANTEE

This is not applicable to the Group.

B5. TAXATION

Group	Individual Quarter		Cumulative Quarter	
	31.12.13 RM'000	31.12.12 RM'000	31.12.13 RM'000	31.12.12 RM'000
Estimated current tax payable	167,727	(19,444)	396,122	335,007
Deferred tax	(14,310)	145,246	51,701	95,058
	<u>153,417</u>	<u>125,802</u>	<u>447,823</u>	<u>430,065</u>
Over provision of current taxation in respect of prior years	22,115	(256)	19,288	(1,142)
Taxation	<u>175,532</u>	<u>125,546</u>	<u>467,111</u>	<u>428,923</u>
Zakat	181	279	987	831
Taxation and zakat	<u>175,713</u>	<u>125,825</u>	<u>468,098</u>	<u>429,754</u>

The total tax charge of the Group for the financial quarter ended 31 December 2013 and 2012 reflect an effective tax rate which is higher than the statutory tax rate mainly due to disallowances of certain expenses.

B6. CORPORATE PROPOSALS

- As at 31 December 2013, the trustee of the ESS held 6,828,600 ordinary shares (net of ESS shares vested to employees) representing 0.23% of the issued and paid-up capital of the Company. These shares are held at a carrying amount of RM46,841,228.
- The Company announced on 16 October 2012 that it has obtained the approval of Bank Negara Malaysia ("BNM") for the Company to commence negotiations with Friends Life FPL Limited ("Friends Life") for the proposed repurchase of the 30% equity interest held by Friends Life in the two joint ventures, namely, AmLife Insurance Berhad ("AmLife") and AmFamily Takaful Berhad ("AmTakaful").

Subsequently, on 31 December 2012 the Company announced that it has received the notification of BNM (via letter dated 28 December 2012) that the Minister of Finance has approved the repurchase. The approval for the repurchase is subject to the Company or AMAB Holdings Sdn Bhd completing the sale of part of its stake in AmLife and AmTakaful to a new strategic partner within one year of the completion of the repurchase. On 7 January 2013, the Company announced that the repurchase was completed on 4 January 2013 at an aggregate cash consideration of RM245 million.

On 26 August 2013, the Company announced that BNM (via letter dated 26 August 2013) has no objection in principle for the Company to commence negotiations with several shortlisted global insurers in relation to the establishment of a new strategic partnership for its life insurance and family takaful businesses. This exercise is subject to the prior approval of the Minister of Finance/BNM before the Company and the selected strategic partner may enter into any agreement in relation thereto.

On 19 December 2013, the Company announced that it has reached an agreement with MetLife International Holdings Inc. ("MetLife"), a wholly-owned subsidiary of MetLife Inc. to seek regulatory approval of a proposed strategic partnership involving AmLife and AmTakaful (the "Proposal").

Upon receipt of regulatory approvals and satisfaction of certain other conditions, the Proposal will result in MetLife owning fifty percent plus one share in AmLife with the remaining shares to be owned by the Group, and the Group owning fifty percent plus one share in AmTakaful with the remaining shares to be owned by MetLife. In addition, the Proposal will see AmLife and AmTakaful entering into exclusive twenty-year bancassurance and bancatakaful agreements for the distribution of life insurance and family takaful products through the distribution network of the Company's banking subsidiaries, AmBank (M) Berhad and AmIslamic Bank Berhad, across Malaysia. The total consideration for the Proposal payable by MetLife is RM812 million upon completion, subject to customary adjustment.

The Proposal is subject to the prior written approval of Bank Negara Malaysia and/or the Minister of Finance. Upon the receipt of the aforesaid regulatory approvals, the Company and MetLife will execute definitive agreements, after which the Proposal will close upon the satisfaction of certain other conditions. Further announcements in relation to the Proposal will be made at the appropriate time.

B7. BORROWINGS

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
(i) Deposits from customers		
Six months or less	71,479,883	68,798,106
Over six months to one year	12,321,208	13,119,691
Over one year to three years	2,761,130	2,630,397
Over three years to five years	993,421	311,793
	<u>87,555,642</u>	<u>84,859,987</u>
(ii) Deposits and placements of banks and other financial institutions		
Six months or less	5,136,404	1,539,831
Over six months to one year	33,129	351,503
Over one year to three years	326,525	1,042,797
Over three years to five years	233,592	218,815
	<u>5,729,650</u>	<u>3,152,946</u>
(iii) Term funding		
(a) Unsecured senior notes		
Due within one year	1,569,439	495,000
More than one year	3,241,035	4,013,771
(b) Credit-Linked Note		
Due within one year	-	138,173
More than one year	277,251	274,469
(c) Term loans and revolving credits		
Due within one year		
Secured	474,981	480,563
Unsecured	206,000	206,000
More than one year		
Unsecured	687,428	647,993
	<u>6,456,134</u>	<u>6,255,969</u>
(iv) Debt capital		
(a) Unsecured bonds		
More than one year	1,300,000	1,000,000
(b) Medium Term Notes		
More than one year	1,557,800	1,557,800
(c) Hybrid capital		
More than one year	683,100	662,432
The above hybrid capital includes amounts denominated in USD. Principal amount - USD200.0 million		
(d) Non-Innovative Tier 1 Capital Securities		
More than one year	500,000	500,000
(e) Innovative Tier 1 Capital Securities		
More than one year	485,000	485,000
	<u>4,525,900</u>	<u>4,205,232</u>

B8. REALISED AND UNREALISED PROFITS OR LOSSES

In accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad, the breakdown of the retained earnings as at the end of the reporting period, into realised and unrealised profits or losses is as follows:

	Group	
	31.12.13	31.03.13
	RM'000	RM'000
Total retained earnings		
- Realised	7,764,742	7,377,695
- Unrealised	611,944	391,392
Total share of retained earnings from associate:		
- Realised	5,620	1,646
- Unrealised	15	4
Less: consolidation adjustments	(3,322,180)	(3,315,478)
Total retained earnings as per consolidated financial statements	<u>5,060,141</u>	<u>4,455,259</u>

Disclosure of the above is solely for purposes of complying with the disclosure requirements of Bursa Malaysia Securities Berhad Listing Requirements and should not be applied for any other purposes.

B9. MATERIAL LITIGATION

The Group and the Company do not have any material litigation which would materially affect the financial position of the Group and the Company. For other litigations, please refer to Note A27(e).

B10. DIVIDENDS

There has been no dividend proposed for the current financial quarter.

B11. EARNINGS PER SHARE (SEN)

a. Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial quarter.

	Individual Quarter		Cumulative Quarter	
	31.12.13	31.12.12	31.12.13	31.12.12
	RM'000/000	RM'000/000	RM'000/000	RM'000/000
Net profit attributable to equity holders of the Company	423,085	396,208	1,329,575	1,219,527
Weighted average number of ordinary shares in issue	3,007,060	3,000,674	3,006,132	2,998,256
Basic earnings per share (Sen)	14.07	13.20	44.23	40.67

b. Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the adjusted weighted average number of ordinary shares in issue and dilutive effect of Share Options vested and not exercised by eligible executives under ESS as at the reporting date.

The Share Options are dilutive when they would result in the issue of ordinary shares for less than the average market price of ordinary shares during the period. The amount of the dilution is the average market price of ordinary shares during the period minus the issue price.

	Individual Quarter		Cumulative Quarter	
	31.12.13	31.12.12	31.12.13	31.12.12
	RM'000/000	RM'000/000	RM'000/000	RM'000/000
Net profit attributable to equity holders of the Company	423,085	396,208	1,329,575	1,219,527
Weighted average number of ordinary shares in issue (as in (a) above)	3,007,060	3,000,674	3,006,132	2,998,256
Effect of options vested under ESS	-	83	7,146	5,640
Adjusted weighted average number of ordinary shares in issue / issuable	3,007,060	3,000,757	3,013,278	3,003,896
Fully diluted earnings per share (Sen)	14.07	13.20	44.12	40.60