

Company No. 295576-U

Amlslamic Bank Berhad
(Incorporated in Malaysia)

Interim Financial Statements
For the Financial Period
1 April 2013 to
31 December 2013
(In Ringgit Malaysia)

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

		31 December 2013 RM'000	31 March 2013 RM'000
	Note		
ASSETS			
Cash and short-term funds		3,942,351	3,540,872
Deposits 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	A8	79,296	1,216,381
Financial investments available-for-sale	A9	2,702,028	1,197,335
Financial investments held-to-maturity	A10	1,450,698	1,920,361
Financing and advances	A11	23,183,876	21,987,307
Statutory deposit with Bank Negara Malaysia		806,500	771,000
Other assets	A12	358,355	315,118
Property and equipment		408	479
Intangible assets		30	50
TOTAL ASSETS		33,052,258	32,505,210
LIABILITIES AND EQUITY			
Deposits and placements of banks and other financial institutions	A13	4,219,966	2,504,721
Recourse obligation on financing sold to Cagamas Berhad		2,069,810	2,073,691
Derivative financial liabilities		10,321	7,893
Deposits from customers	A14	22,645,390	23,211,242
Term funding		550,000	550,000
Bills and acceptances payable		5,401	722,821
Subordinated Sukuk Musharakah		900,000	1,000,000
Deferred tax liability		11,849	15,945
Other liabilities	A15	346,133	290,319
Provision for zakat		2,178	1,639
TOTAL LIABILITIES		30,761,048	30,378,271
Share capital		462,922	462,922
Reserves		1,828,288	1,664,017
Equity attributable to equity holder of the Bank		2,291,210	2,126,939
TOTAL LIABILITIES AND EQUITY		33,052,258	32,505,210
COMMITMENTS AND CONTINGENCIES	A26	7,790,714	8,475,511
NET ASSETS PER SHARE (RM)		4.95	4.59

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2013.

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

	Note	Individual Quarter		Cumulative Quarter	
		31 December 2013	31 December 2012	31 December 2013	31 December 2012
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	A16	417,700	377,254	1,223,925	1,093,908
Income derived from investment of shareholder's funds	A17	22,366	37,575	84,343	112,619
Allowance for impairment on financing and advances	A18	(65,476)	(33,632)	(139,229)	(103,983)
Writeback of provision for/ (Provision for) commitments and contingencies		(4,525)	4,511	(3,831)	800
Transfer to profit equalisation reserve		-	(792)	(9,011)	(5,634)
Total distributable income		370,065	384,916	1,156,197	1,097,710
Income attributable to the depositors	A19	(213,113)	(196,219)	(613,931)	(547,649)
Total net income		156,952	188,697	542,266	550,061
Other operating expenses	A20	(87,864)	(88,959)	(267,728)	(262,029)
Finance cost		(17,385)	(15,003)	(51,302)	(44,438)
Profit before zakat and taxation		51,703	84,735	223,236	243,594
Zakat		(179)	(279)	(986)	(831)
Taxation		(11,338)	(18,938)	(50,589)	(53,852)
Profit for the period		40,186	65,518	171,661	188,911
Earnings per share (sen)					
Basic/Diluted	A21	8.68	15.24	37.08	44.07

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2013.

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

	Individual Quarter		Cumulative Quarter	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	40,186	65,518	171,661	188,911
Other comprehensive income/(loss):				
Item that is or may be reclassified to profit or loss:				
Net change in revaluation of financial investments available-for-sale	(1,531)	435	(9,788)	2,927
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	(1,148)	326	(7,341)	2,195
Total comprehensive income for the period	39,038	65,844	164,320	191,106

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2013.

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2013

	Attributable to Equity Holder of the Bank				Total RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Distributable Retained Earnings RM'000	
At 1 April 2012	428,038	609,068	350,503	327,970	1,715,579
Profit for the period	-	-	-	188,911	188,911
Other comprehensive income	-	-	2,195	-	2,195
Total comprehensive income for the period	-	-	2,195	188,911	191,106
Issuance of ordinary shares	34,884	115,117	-	-	150,001
Transfer to profit equalisation reserve of the Bank	-	-	1,495	-	1,495
Net utilisation of profit equalisation reserve	-	-	884	(884)	-
Transfer of AMMB Holdings Berhad ("AMMB") Executives' Share Scheme ("ESS") shares recharged - difference on purchase price of shares vested	-	-	-	(241)	(241)
At 31 December 2012	462,922	724,185	355,077	515,756	2,057,940
At 1 April 2013	462,922	724,185	418,323	521,509	2,126,939
Profit for the period	-	-	-	171,661	171,661
Other comprehensive loss	-	-	(7,341)	-	(7,341)
Total comprehensive income/(loss) for the period	-	-	(7,341)	171,661	164,320
Net utilisation of profit equalisation reserve	-	-	840	(840)	-
Transfer of AMMB ESS shares recharged - difference on purchase price of shares vested	-	-	-	(49)	(49)
At 31 December 2013	462,922	724,185	411,822	692,281	2,291,210

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2013.

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

	31 December 2013	31 December 2012
	RM'000	RM'000
Profit before zakat and taxation	223,236	243,594
Adjustments for non-operating and non-cash items	151,887	122,140
Operating profit before working capital changes	<u>375,123</u>	<u>365,734</u>
Changes in working capital:		
Net changes in operating assets	707,780	(4,076,941)
Net changes in operating liabilities	471,065	5,161,123
Taxation paid	(63,869)	(74,810)
Zakat paid	(448)	(365)
Net cash generated from operating activities	<u>1,489,651</u>	<u>1,374,741</u>
Net cash used in investing activities	(988,172)	(914,581)
Net cash generated from/(used in) financing activities	<u>(100,000)</u>	<u>350,001</u>
Net increase in cash and cash equivalents	401,479	810,161
Cash and cash equivalents at beginning of the financial year	<u>3,540,872</u>	<u>2,328,883</u>
Cash and cash equivalents at end of the financial period	<u><u>3,942,351</u></u>	<u><u>3,139,044</u></u>

For purposes of Statement of Cash Flows, cash and cash equivalents comprise cash and bank balances and deposit and placements maturing within one month ("Cash and short-term funds").

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2013.

Explanatory Notes

A1. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and complies with the International Accounting Standard ("IAS") 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"). 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 Bank for the financial year ended 31 March 2013.

The accounting policies and methods of computation applied in these condensed 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 Bank.

Changes in accounting policies and disclosures

1. Standards effective for financial year ending 31 March 2014:

- MFRS 13, Fair Value Measurement
- Amendments to MFRS 7, Disclosures: Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 101, Presentation of Items of Other Comprehensive Income
- Amendments to MFRSs contained in the document entitled "Annual Improvements 2009–2011 Cycle"

2. Standards issued but not yet effective

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

a. Standards effective for financial year ending 31 March 2015:

- 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

b. Standards effective for financial year ending 31 March 2016:

- MFRS 9, Financial Instruments

A2. AUDIT QUALIFICATION

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2013 was not qualified.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The operations of the Bank were not materially affected by any seasonal or cyclical fluctuation in the current financial quarter and period.

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

There were no unusual items during the current financial quarter and period.

A5. CHANGES IN ESTIMATES

There was no material change in estimates of amounts reported in prior financial years that have a material effect on the financial quarter and period.

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

The Bank had purchased RM100.0 million of the Subordinated Sukuk Musharakah from the market and subsequently cancelled these securities on 19 December 2013. The amount purchased and cancelled represents the portion of the Subordinated Sukuk Musharakah that does not qualify for recognition as Tier 2 capital in the computation of capital adequacy ratio for the calendar year 2013, under the Basel III pronouncements.

Save as above, there were no issuance, resale and repayment of debt securities during the financial quarter and period.

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

A7. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the financial quarter ended 31 December 2013 and no dividends were paid in the current financial quarter and period.

A8. FINANCIAL ASSETS HELD-FOR-TRADING

	31 December 2013 RM'000	31 March 2013 RM'000
At fair value		
Money Market Instruments:		
Government Investment Issues	-	278,127
Bank Negara Monetary Notes	-	374,810
	<u>-</u>	<u>652,937</u>
Unquoted Securities:		
In Malaysia:		
Private debt securities	79,296	502,660
Outside Malaysia:		
Private debt securities	-	60,784
	<u>79,296</u>	<u>1,216,381</u>

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	31 December 2013 RM'000	31 March 2013 RM'000
At fair value		
Money Market Instruments:		
Bank Negara Monetary Notes	558,509	-
Government Investment Issues	198,512	-
Islamic Negotiable instruments of deposit	1,443,025	746,570
	<u>2,200,046</u>	<u>746,570</u>
Unquoted Securities:		
In Malaysia:		
Private debt securities	501,982	425,210
Outside Malaysia:		
Private debt securities	-	25,555
	<u>2,702,028</u>	<u>1,197,335</u>

A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	31 December 2013 RM'000	31 March 2013 RM'000
At amortised cost:		
Money Market Instruments:		
Bank Negara Monetary Notes	118,913	697,390
Unquoted Securities:		
In Malaysia:		
Private debt securities	1,331,785	1,222,971
	<u>1,450,698</u>	<u>1,920,361</u>

A11. FINANCING AND ADVANCES

	31 December 2013 RM'000	31 March 2013 RM'000
At amortised cost:		
Cash lines	788,080	718,718
Term financing	6,742,356	6,557,431
Revolving credit	2,865,885	2,037,140
Housing financing	1,014,756	826,510
Hire purchase receivables	10,822,512	10,884,005
Bills receivables	2,870	468
Credit card receivables	322,093	328,326
Trust receipts	82,403	49,329
Claims on customers under acceptance credits	1,066,868	1,090,241
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)	(14,451)
Net financing and advances	<u>23,183,876</u>	<u>21,987,307</u>

* Included in financing and advances are exposures to the Restricted Profit Sharing Investment Accounts ("RPSIA"), an arrangement between the Bank and AmBank (M) Berhad ("AmBank") whereby the profit is shared based on pre-agreed ratio. AmBank is exposed to the risks and rewards on the RPSIA financing and it shall account for all allowances for impairment arising from the RPSIA financing.

A11. FINANCING AND ADVANCES (CONTD.)

A11a. Gross financing and advances analysed by contract are as follows:

	31 December 2013 RM'000	31 March 2013 RM'000
Bai' Bithaman Ajil	5,186,915	4,931,567
Ijarah/Al-Ijarah Thumma Al-Bai'	10,822,705	10,969,715
Musarakah	19,629	7,934
Murabahah	1,260,405	1,254,362
Other Islamic contracts	6,418,169	5,328,590
Gross financing and advances	<u>23,707,823</u>	<u>22,492,168</u>

A11b. Gross financing and advances analysed by type of customer are as follows:

	31 December 2013 RM'000	31 March 2013 RM'000
Domestic non-bank financial institutions	38,688	13,597
Domestic business enterprises		
- Small medium enterprises	3,445,363	2,799,718
- Others	6,584,015	6,125,067
Government and statutory bodies	384,157	381,005
Individuals	13,178,556	13,154,413
Other domestic entities	11,707	10,044
Foreign entities	65,337	8,324
Gross financing and advances	<u>23,707,823</u>	<u>22,492,168</u>

A11c. All financing and advances reside in Malaysia.

A11. FINANCING AND ADVANCES (CONTD.)

A11d. Gross financing and advances analysed by profit rate sensitivity are as follows:

	31 December 2013 RM'000	31 March 2013 RM'000
Fixed rate		
- Housing financing	215,158	235,394
- Hire purchase receivables	9,552,305	9,497,105
- Other fixed rate financing	4,858,906	5,108,570
Variable rate		
- Base financing rate plus	3,743,401	3,369,148
- Cost plus	5,338,053	4,281,951
Gross financing and advances	<u>23,707,823</u>	<u>22,492,168</u>

A11e. Gross financing and advances analysed by sector are as follows:

	31 December 2013 RM'000	31 March 2013 RM'000
Agriculture	663,328	539,450
Mining and quarrying	39,884	38,274
Manufacturing	2,211,802	2,339,470
Electricity, gas and water	131,441	129,920
Construction	1,713,637	1,377,520
Wholesale and retail trade and hotel and restaurants	687,517	782,493
Transport, storage and communication	949,467	610,273
Finance and insurance	48,389	13,597
Real estate	2,283,434	1,884,837
Business activities	765,483	564,052
Education and health	309,702	746,870
Household of which :	13,243,893	13,161,741
- purchase of residential properties	1,016,564	823,587
- purchase of transport vehicles	9,805,992	10,214,396
- others	2,421,337	2,123,758
Others	659,846	303,671
Gross financing and advances	<u>23,707,823</u>	<u>22,492,168</u>

A11. FINANCING AND ADVANCES (CONTD.)

A11f. Gross financing and advances analysed by residual contractual maturity are as follows:

	31 December 2013 RM'000	31 March 2013 RM'000
Maturing within one year	4,560,596	4,138,935
Over one year to three years	2,528,637	2,639,831
Over three years to five years	3,650,695	3,108,537
Over five years	12,967,895	12,604,865
Gross financing and advances	<u>23,707,823</u>	<u>22,492,168</u>

A11g. Movements in impaired financing and advances are as follows:

	31 December 2013 RM'000	31 March 2013 RM'000
Balance at beginning of financial year	268,443	237,724
Impaired during the period/year	398,663	296,001
Reclassified as non-impaired	(46,450)	(51,999)
Recoveries	(52,134)	(32,716)
Amount written off	(203,933)	(180,567)
Balance at end of financial period/year	<u>364,589</u>	<u>268,443</u>
Gross impaired financing and advances as % of gross financing and advances	<u>1.5%</u>	<u>1.2%</u>
Financing loss coverage (excluding collateral values)	<u>143.7%</u>	<u>188.1%</u>

A11h. All impaired financing and advances reside in Malaysia.

A11. FINANCING AND ADVANCES (CONTD.)

A11i. Impaired financing and advances by sector are as follows:

	31 December 2013 RM'000	31 March 2013 RM'000
Agriculture	2,175	359
Mining and quarrying	225	22
Manufacturing	28,838	16,725
Electricity, gas and water	122	106
Construction	10,223	1,997
Wholesale and retail trade and hotel and restaurants	9,090	7,599
Transport, storage and communication	5,902	211
Finance and insurance	458	-
Real estate	8,058	9,124
Business activities	2,046	4,375
Education and health	9,701	13,017
Household of which :	287,295	214,908
- purchase of residential properties	36,059	31,339
- purchase of transport vehicles	222,225	149,502
- others	29,011	34,067
Others	456	-
Impaired financing and advances	364,589	268,443

A11. FINANCING AND ADVANCES (CONTD.)

A11j. Movements in the allowances for impaired financing and advances are as follows:

	31 December 2013 RM'000	31 March 2013 RM'000
Collective allowance		
Balance at beginning of financial year	490,410	460,411
Allowance made during the period/year, net	159,411	195,964
Transferred to AmBank *	-	(1,871)
Amount written off and others	(130,435)	(164,094)
Balance at end of financial period/year	<u>519,386</u>	<u>490,410</u>
Collective allowance as % of gross financing and advances (excluding RPSIA financing) less individual allowance	<u>2.2%</u>	<u>2.2%</u>
Individual allowance		
Balance at beginning of financial year	14,451	16,324
Allowance during the period/year, net	39,419	13,171
Amount written off	(49,309)	(15,044)
Balance at end of financial period/year	<u>4,561</u>	<u>14,451</u>

* As at 31 December 2013, the gross exposure and collective allowance relating to the RPSIA financing amounted to RM465.5 million and RM2.6 million respectively (31 March 2013: RM500.9 million and RM2.1 million respectively). The collective allowance was recognised in the financial statements of AmBank.

There was no individual allowance provided on the RPSIA financing.

A12. OTHER ASSETS

	31 December 2013 RM'000	31 March 2013 RM'000
Other receivables and prepayments	78,116	40,534
Amount due from originators	119,713	123,610
Profit receivable	42,188	35,517
Tax recoverable	43,021	31,391
Deferred charges	75,317	84,066
	<u>358,355</u>	<u>315,118</u>

A13. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	31 December 2013 RM'000	31 March 2013 RM'000
<u>Non-Mudharabah</u>		
Licensed Islamic banks	863,933	-
Licensed banks	346,206	341,234
Licensed investment banks	198,814	173
Other financial institutions	152,422	154,046
Bank Negara Malaysia	37,724	35,133
	<u>1,599,099</u>	<u>530,586</u>
<u>Mudharabah</u>		
Licensed Islamic banks	-	50,000
Licensed bank	465,200	500,397
Licensed investment banks	488,534	191,584
Other financial institutions	1,667,133	1,232,154
	<u>2,620,867</u>	<u>1,974,135</u>
	<u>4,219,966</u>	<u>2,504,721</u>

The Mudharabah deposits from a licensed bank includes the RPSIA placed by AmBank on 28 December 2012 for tenure of 490 days. These deposits are used to fund certain specific financing. The RPSIA is a contract based on the Shariah concept of Mudharabah between two parties, that is, investor and entrepreneur to finance a business venture where the investor provides capital and the business venture is managed solely by the entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratio. Losses shall be borne solely by the investor.

A14. DEPOSITS FROM CUSTOMERS

	31 December 2013 RM'000	31 March 2013 RM'000
(i) <u>By type of deposit:</u>		
<u>Non-Mudharabah</u>		
Demand deposits	3,438,646	4,865,376
Savings deposits	1,806,491	1,738,366
Negotiable instruments of deposits	21,052	20,560
Term deposits	1,908,653	1,020,285
	<u>7,174,842</u>	<u>7,644,587</u>
<u>Mudharabah</u>		
Demand deposits	32,678	30,621
Savings deposits	5,937	5,586
General investment deposits	15,377,711	15,396,062
Structured deposits	54,222	134,386
	<u>15,470,548</u>	<u>15,566,655</u>
	<u>22,645,390</u>	<u>23,211,242</u>
(ii) The deposits are sourced from the following types of customers:		
Government and other statutory bodies	5,170,076	4,410,332
Business enterprises	12,199,000	12,404,273
Individuals	4,068,089	5,771,131
Others	1,208,225	625,506
	<u>22,645,390</u>	<u>23,211,242</u>
(iii) The maturity structure of negotiable instruments of deposits, term deposits, general investment deposits and structured deposits are as follows:		
Due within six months	14,958,093	14,593,080
Over six months to one year	2,204,800	1,659,410
Over one year to three years	163,337	306,670
Over three years to five years	35,408	12,133
	<u>17,361,638</u>	<u>16,571,293</u>

A15. OTHER LIABILITIES

	31 December 2013 RM'000	31 March 2013 RM'000
Profit payable	162,528	143,880
Other creditors and accruals	143,186	107,692
Advance rental	6,576	9,563
Profit equalisation reserve	2,669	1,659
Amount due to related companies	1,304	1,486
Provision for commitments and contingencies	29,870	26,039
	<u>346,133</u>	<u>290,319</u>

A16. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Individual Quarter		Cumulative Quarter	
	31 December 2013 RM'000	31 December 2012 RM'000	31 December 2013 RM'000	31 December 2012 RM'000
Income derived from investment of:				
- General investment deposits	275,452	260,974	807,071	745,011
- Special investment deposits	6,800	312	20,842	312
- Other deposits	135,448	115,968	396,012	348,585
	<u>417,700</u>	<u>377,254</u>	<u>1,223,925</u>	<u>1,093,908</u>

A16. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS (CONTD.)

	Individual Quarter		Cumulative Quarter	
	31 December 2013 RM'000	31 December 2012 RM'000	31 December 2013 RM'000	31 December 2012 RM'000
Income derived from investment of general investment deposits				
<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income	257,726	243,224	751,308	679,670
- Financing income on impaired financing	379	83	474	244
Financial assets held- for-trading	999	12,484	8,699	30,994
Financial investments available-for-sale	756	-	889	-
Financial investments held-to-maturity	4,626	11	7,489	968
	<hr/>	<hr/>	<hr/>	<hr/>
Total finance income and hibah	264,486	255,802	768,859	711,876
<u>Other operating income:</u>				
Fee and commission income:				
- Brokerage fees, commission and rebates	6	29	15	61
- Fees on financing, advances and securities	6,157	8,584	18,201	27,280
- Guarantee fees	1,973	1,186	5,658	3,838
- Remittances	19	15	52	43
- Service charges and fees	345	388	1,088	1,146
- Underwriting commission	(1)	20	137	266
- Others	778	832	2,555	4,372
Foreign exchange	1,110	2,032	7,676	4,685
Gain/(Loss) from sale of financial assets held-for-trading	(517)	127	1,173	3,644
Gain/(Loss) on revaluation of financial assets held-for-trading	1,105	1,912	1,670	(2,233)
Loss from sale of financial assets available-for-sale	(8)	-	(8)	-
Others	(1)	(9,953)	(5)	(9,967)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other operating income	10,966	5,172	38,212	33,135
	<hr/>	<hr/>	<hr/>	<hr/>
Total	275,452	260,974	807,071	745,011

A16. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS (CONTD.)

	Individual Quarter		Cumulative Quarter	
	31 December 2013 RM'000	31 December 2012 RM'000	31 December 2013 RM'000	31 December 2012 RM'000
Income derived from investment of specific investment deposits				
<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income	6,800	312	20,842	312
Total finance income and hibah	6,800	312	20,842	312

Income derived from investment of other deposits

<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income	82,272	66,055	224,818	203,225
- Financing income on impaired financing	115	23	142	73
Financial assets held- for-trading	376	7,508	4,846	16,292
Financial investments available-for-sale	230	-	266	-
Financial investments held-to-maturity	13,205	11,180	49,721	30,082
Short-term funds and deposits and placements with other financial institutions	35,684	28,638	105,799	88,401
Total finance income and hibah	131,882	113,404	385,592	338,073

A16. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS (CONTD.)

Income derived from investment of other deposits (Contd.)

	Individual Quarter		Cumulative Quarter	
	31 December 2013 RM'000	31 December 2012 RM'000	31 December 2013 RM'000	31 December 2012 RM'000
<u>Other operating income:</u>				
Fee and commission income:				
- Brokerage fees, commission and rebates	2	8	5	18
- Fees on financing, advances and securities	1,968	2,281	5,446	8,157
- Guarantee fees	629	314	1,693	1,148
- Remittances	5	4	15	13
- Service charges and fees	112	104	326	342
- Underwriting commission	1	3	41	80
- Others	251	195	764	1,307
Foreign exchange	401	567	2,297	1,401
Gain/(Loss) from sale of financial assets held-for-trading	(137)	(68)	616	1,439
Gain/(Loss) on revaluation of financial assets held-for-trading	336	2,132	(780)	(413)
Loss from sale of financial assets available-for-sale	(2)	-	(2)	-
Others	-	(2,976)	(1)	(2,980)
Total other operating income	3,566	2,564	10,420	10,512
Total	135,448	115,968	396,012	348,585

A17. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDER'S FUNDS

	Individual Quarter		Cumulative Quarter	
	31 December 2013 RM'000	31 December 2012 RM'000	31 December 2013 RM'000	31 December 2012 RM'000
<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income	-	25,960	22,324	79,103
Financial investments available-for-sale	20,056	8,218	51,998	22,963
Total finance income and hibah	20,056	34,178	74,322	102,066
<u>Other operating income:</u>				
Fee and commission income:				
- Bancassurance commission	558	1,598	2,300	3,450
- Brokerage fees, commission and rebates	7	3	18	18
- Fees on financing, advances and securities	1	1	2	2
- Remittances	1,165	47	4,017	139
- Service charges and fees	1,559	1,742	4,535	5,342
- Others	2	6	15	20
Gain/(Loss) from sale of financial investments available-for-sale	(982)	-	(866)	1,582
Total other operating income	2,310	3,397	10,021	10,553
Total	22,366	37,575	84,343	112,619

A18. ALLOWANCE FOR IMPAIRMENT ON FINANCING AND ADVANCES

	Individual Quarter		Cumulative Quarter	
	31 December 2013 RM'000	31 December 2012 RM'000	31 December 2013 RM'000	31 December 2012 RM'000
Allowance for impairment on financing and advances:				
Individual allowance	17,952	(404)	39,419	4,230
Collective allowance	64,843	52,121	159,411	157,173
Impaired financing and advances recovered, net	<u>(17,319)</u>	<u>(18,085)</u>	<u>(59,601)</u>	<u>(57,420)</u>
Total	<u>65,476</u>	<u>33,632</u>	<u>139,229</u>	<u>103,983</u>

A19. INCOME ATTRIBUTABLE TO THE DEPOSITORS

	Individual Quarter		Cumulative Quarter	
	31 December 2013 RM'000	31 December 2012 RM'000	31 December 2013 RM'000	31 December 2012 RM'000
Deposit from customers				
- Mudharabah fund	121,578	124,772	363,094	359,809
- Non-Mudharabah fund	<u>37,601</u>	<u>24,481</u>	<u>103,343</u>	<u>60,896</u>
	<u>159,179</u>	<u>149,253</u>	<u>466,437</u>	<u>420,705</u>
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	18,437	17,027	52,662	32,226
- Non-Mudharabah fund	<u>13,541</u>	<u>8,342</u>	<u>28,058</u>	<u>30,362</u>
	<u>31,978</u>	<u>25,369</u>	<u>80,720</u>	<u>62,588</u>
Others	<u>21,956</u>	<u>21,597</u>	<u>66,774</u>	<u>64,356</u>
Total	<u>213,113</u>	<u>196,219</u>	<u>613,931</u>	<u>547,649</u>

A20. OTHER OPERATING EXPENSES

	Individual Quarter		Cumulative Quarter	
	31 December 2013 RM'000	31 December 2012 RM'000	31 December 2013 RM'000	31 December 2012 RM'000
Personnel costs				
– Pension costs - defined contribution plan	353	299	998	913
– Salaries, allowances and bonuses	2,206	1,874	6,252	5,723
– Shares and options granted under AMMB ESS	83	261	454	707
– Social security cost	12	10	34	32
– Others	138	185	452	827
	<u>2,792</u>	<u>2,629</u>	<u>8,190</u>	<u>8,202</u>
Establishment costs				
– Amortisation of intangible assets	7	17	25	74
– Cleaning, maintenance and security	14	8	37	25
– Computerisation costs	22	16	47	31
– Depreciation of property and equipment	35	36	108	116
– Rental of premises	150	150	450	450
– Others	111	96	341	259
	<u>339</u>	<u>323</u>	<u>1,008</u>	<u>955</u>
Marketing and communication expenses				
– Communication, advertising and marketing	808	1,118	2,716	3,520
– Others	31	33	87	110
	<u>839</u>	<u>1,151</u>	<u>2,803</u>	<u>3,630</u>
Administration and general expenses				
– Card operation charges	5,719	-	11,123	-
– Others	1,377	1,005	3,878	2,842
	<u>7,096</u>	<u>1,005</u>	<u>15,001</u>	<u>2,842</u>
Service transfer pricing expenses - net	<u>76,798</u>	<u>83,851</u>	<u>240,726</u>	<u>246,400</u>
	<u>87,864</u>	<u>88,959</u>	<u>267,728</u>	<u>262,029</u>

A21. EARNINGS PER SHARE (EPS)

Basic/Diluted

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

Diluted earnings per share is calculated by dividing the net profit attributable to equity holder of the Bank by the adjusted weighted average number of ordinary shares in issue and issuable during the financial period.

	Individual Quarter		Cumulative Quarter	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Net profit attributable to equity holder of the Bank (RM'000)	40,186	65,518	171,661	188,911
Number of ordinary shares at beginning of financial year and end of period representing weighted average number of ordinary shares in issue ('000)	462,922	429,934	462,922	428,672
Basic/Diluted earnings per share (sen)	8.68	15.24	37.08	44.07

A22. BUSINESS SEGMENT ANALYSIS

For the period ended 31 December 2013

	Retail Banking	Business Banking	Corporate and Institutional Banking	Markets	Group Functions and Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	479,245	165,320	412,458	22,920	228,325	1,308,268
Net income	374,172	120,108	70,428	16,804	61,523	643,035
Other operating expenses	(172,797)	(25,775)	(5,674)	(3,131)	(60,351)	(267,728)
Profit before provisions	201,375	94,333	64,754	13,673	1,172	375,307
Provisions	(92,074)	(4,196)	(3,987)	-	(51,814)	(152,071)
Profit/(Loss) before zakat and taxation	109,301	90,137	60,767	13,673	(50,642)	223,236
Zakat and taxation	(27,325)	(22,534)	(15,192)	(3,418)	16,894	(51,575)
Profit/(Loss) for the period	81,976	67,603	45,575	10,255	(33,748)	171,661

Other information

Cost to income ratio	46.2%	21.5%	8.1%	18.6%	98.1%	41.6%
Gross financing and advances	14,287,500	5,778,489	3,690,671	-	(48,837)	23,707,823
Net financing and advances	13,993,894	5,727,073	3,675,546	-	(212,637)	23,183,876
Impaired financing and advances	330,892	21,026	-	-	12,671	364,589
Deposits	6,652,250	2,261,557	15,241,175	204,222	2,506,152	26,865,356

A22. BUSINESS SEGMENT ANALYSIS (CONTD.)

For the period ended 31 December 2012

	Retail Banking	Business Banking	Corporate and Institutional Banking	Markets	Group Functions and Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	459,932	154,791	377,710	24,443	189,651	1,206,527
Net income	376,637	113,707	59,284	16,332	48,480	614,440
Other operating expenses	(175,303)	(21,511)	(4,869)	(3,690)	(56,656)	(262,029)
Profit/(Loss) before provisions	201,334	92,196	54,415	12,642	(8,176)	352,411
Provisions	(111,565)	16,932	(5,510)	61	(8,735)	(108,817)
Profit/(Loss) before zakat and taxation	89,769	109,128	48,905	12,703	(16,911)	243,594
Zakat and taxation	(22,442)	(27,282)	(12,227)	(3,176)	10,444	(54,683)
Profit/(Loss) for the period	<u>67,327</u>	<u>81,846</u>	<u>36,678</u>	<u>9,527</u>	<u>(6,467)</u>	<u>188,911</u>

Other information

Cost to income ratio	46.5%	18.9%	8.2%	22.6%	116.9%	42.6%
Gross financing and advances	14,266,819	4,798,940	2,847,239	-	(59,616)	21,853,382
Net financing and advances	13,974,077	4,737,805	2,832,189	-	(196,307)	21,347,764
Impaired financing and advances	257,071	15,028	-	-	22	272,121
Deposits	5,835,277	2,082,018	14,805,032	288,363	1,185,018	24,195,708

Note:

- 1 The financial information by geographical segment is not presented as the Bank's activities are principally conducted in Malaysia.
- 2 Certain comparative figures have been restated to conform with current period's presentation.

A23a. PERFORMANCE REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2013

The Bank recorded a profit before zakat and taxation ("Pre-tax profit") of RM223.2 million for the period ended 31 December 2013 compared to RM243.6 million for the corresponding period in the previous year.

The decrease in Pre-tax profit was mainly due to higher allowances for impaired financing and advances, higher other operating expenses and finance cost, mitigated by higher net financing income.

The higher allowance from impaired financing and advances was due to higher allowances, mitigated by higher recoveries from financing written-off. The higher other operating expenses was mainly due to increase in card operation expenses mitigated by lower service transfer pricing expenses charged for the current period.

The increase in income was mainly due to higher financing income of RM57.3 million or 6.0% increase attributable to growth in financing and higher income of RM40.0 million or 21.1% from securities and deposits and placements with banks and other financial institutions.

The Bank's total capital ratio remains strong at 14.6% as at the end of the current financial period.

A23b. PROSPECTS FOR THE FINANCIAL YEAR ENDING 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 AmBank Group (AMMB Holdings Berhad and its subsidiaries) 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/financing demand may soften given the various responsible lending measures to address household debts/financing 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.

A24. VALUATION OF PROPERTY AND EQUIPMENT

The Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

A25. EVENTS SUBSEQUENT TO REPORTING DATE

There were no significant events subsequent to the reporting date.

A26. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the Bank's assets.

	31 December 2013 RM'000	31 March 2013 RM'000
Contingent Liabilities		
Direct credit substitutes	140,751	121,738
Transaction related contingent items	649,919	580,655
Short-term self liquidating trade-related contingencies	65,669	58,850
Obligations under underwriting agreements	25,000	80,000
	<u>881,339</u>	<u>841,243</u>
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	4,038,467	4,896,985
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,170,370	1,066,005
Unutilised credit card lines	601,885	467,164
	<u>5,810,722</u>	<u>6,430,154</u>
Derivative Financial Instruments		
Foreign exchange related contracts:		
- One year or less	658,987	623,738
Equity and commodity related contracts:		
- One year or less	118,591	159,844
- Over one year to five years	321,075	420,532
	<u>1,098,653</u>	<u>1,204,114</u>
Total	<u>7,790,714</u>	<u>8,475,511</u>

A27. CAPITAL ADEQUACY

(a) The capital adequacy ratios of the Bank are as follows:

	31 December 2013	31 March 2013
Common Equity Tier 1	9.604%	9.470%
Tier 1 Capital Ratio	9.604%	9.470%
Total Capital Ratio	14.612%	14.620%

The Bank has 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 set out as follows:

	Calender year 2013	Calender year 2014	Calender year 2015 onwards
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%

A27. CAPITAL ADEQUACY (CONTD.)

- (b) The components of Common Equity Tier 1, Additional Tier 1, Tier 2 and Total Capital of the Bank are as follows:

	31 December 2013 RM'000	31 March 2013 RM'000
<u>Common Equity Tier 1 ("CET1") capital</u>		
Ordinary shares	462,922	462,922
Share premium	724,185	724,185
Retained earnings	652,753	521,327
Unrealised losses on available-for-sale ("AFS") financial instruments	(14,597)	(7,256)
Statutory reserve	424,266	424,266
Less : Regulatory adjustments applied on CET1 capital		
- Intangible assets	(30)	(50)
CET1 capital	<u>2,249,499</u>	<u>2,125,394</u>
<u>Additional Tier 1 ("T1") capital</u>		
Additional Tier 1 capital instruments (subject to gradual phase-out treatment)	-	-
Less : Regulatory adjustments applied on T1 capital	-	-
T1 capital	<u>2,249,499</u>	<u>2,125,394</u>
<u>Tier 2 ("T2") capital</u>		
Tier 2 capital instruments (subject to gradual phase-out treatment)	900,000	900,000
Collective allowance and regulatory reserves	273,114	255,665
Less : Regulatory adjustments applied on T2 capital	-	-
Tier 2 capital	<u>1,173,114</u>	<u>1,155,665</u>
Total Capital	<u>3,422,613</u>	<u>3,281,059</u>

The breakdown of the risk-weighted assets("RWA") in various categories of risk are as follows:

Credit RWA	22,314,601	20,954,069
Less : Credit RWA absorbed by Restricted Profit Sharing Investment Account	(465,465)	(500,866)
Total Credit RWA	<u>21,849,136</u>	<u>20,453,203</u>
Market RWA	107,113	583,120
Operational RWA	1,466,509	1,406,226
Total Risk Weighted Assets	<u>23,422,758</u>	<u>22,442,549</u>