AmBank Group

Annual Report **2015**

Your Bank.
Malaysia's Bank.
AmBank.™

Vision

As Malaysia's preferred diversified, internationally connected financial solutions group, we take pride in growing your future with us.

Cover Rationale

Children are our hope for the future. At AmBank Group, they become a symbol of our sustainable progress and immense growth potentials, which is why we take pride in our commitment in investing in their future. In our quest to uphold excellence in all that we do, we are steadfast in shaping the next generation and ensuring that their needs for the future will be fulfilled.

AMMB HOLDINGS BERHAD

(223035-V)
(Incorporated in Malaysia)

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NOTICE OF TWENTY-FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fourth Annual General Meeting of AMMB Holdings Berhad (the "Company") will be held at Manhattan II, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur on Thursday, 20 August 2015 at 10.00 a.m. for the following purposes:

Item	Agenda	Resolution
As Ordinary Business		
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2015 and the Reports of the Directors and Auditors thereon.	
2.	To approve a final single tier dividend of 15.3% for the financial year ended 31 March 2015.	Resolution No. 1
3.	To approve the payment of Directors' fees of RM2,150,411.00 for the financial year ended 31 March 2015.	Resolution No. 2
4.	To re-elect the following Directors who retire by rotation pursuant to Article 89 of the Company's Articles of Association:	
	i. Y Bhg Dato' Rohana binti Mahmood	Resolution No. 3
	ii. Mr Shayne Cary Elliott	Resolution No. 4
5.	To re-elect the following Directors who retire pursuant to Article 97 of the Company's Articles of Association:	
	i. Dato' Seri Ahmad Johan bin Mohammad Raslan	Resolution No. 5
	ii. Mr Chin Yuen Yin	Resolution No. 6
	iii. Ms Suzette Margaret Corr	Resolution No. 7
	iv. Mr Voon Seng Chuan	Resolution No. 8
6.	To consider and if thought fit, to pass the following resolutions pursuant to Section 129 of the Companies Act, 1965:	
	6.1 "THAT Y Bhg Tan Sri Azman Hashim, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting."	Resolution No. 9
	6.2 "THAT Y A Bhg Tun Mohammed Hanif bin Omar, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting."	Resolution No. 10
7.	To re-appoint Messrs Ernst & Young, the retiring Auditors and to authorise the Directors to determine their remuneration.	Resolution No. 11
As Special Business		
To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:		
8.	**Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company, Pursuant to the Company's Executives' Share Scheme** "THAT pursuant to the Company's Executives' Share Scheme ("ESS") as approved at the Extraordinary General Meeting of the Company held on 26 September 2008, the Directors of the Company be and are hereby authorised to allot and issue such number of new ordinary shares in the Company from time to time as may be required for the purpose of the ESS, provided that the total number of new and existing ordinary shares in the Company to be allotted and issued and/or transferred, as the case may be, under the ESS, shall not exceed ten percent (10%) in aggregate of the total issued and paid-up ordinary share capital of the Company at any point of time throughout the duration of the ESS."	Resolution No. 12
9.	**Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company, for the Purpose of the Company's Dividend Reinvestment Plan** "THAT the Directors of the Company be and are hereby authorised to allot and issue such number of new ordinary shares in the Company from time to time as may be required for the purpose of the Company's Dividend Reinvestment Plan as approved at the Extraordinary General Meeting of the Company held on 2 September 2010, which gives the shareholders of the Company the option to elect to reinvest their cash dividend entitlements in new ordinary shares of the Company."	Resolution No. 13

Item	Agenda	Resolution
10.	**Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965** "THAT subject to the approvals from the relevant authorities, where such approval is necessary, full authority be and is hereby given to the Board of Directors pursuant to Section 132D of the Companies Act, 1965 to issue shares in the capital of the Company at any time upon such terms and conditions and for such purposes as the Directors, may, in their discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the issued share capital of the Company for the time being."	Resolution No. 14
11.	To transact any other business of which due notice shall have been received.	

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN that the final single tier dividend of 15.3% for the financial year ended 31 March 2015, if approved by the shareholders at the Twenty-Fourth Annual General Meeting, will be paid on 11 September 2015 to shareholders whose names appear in the Record of Depositors on 28 August 2015.

A depositor shall qualify for entitlement only in respect of:

a. Shares transferred into the depositor's securities account before 4.00 p.m. on 28 August 2015 in respect of ordinary transfers; and

b. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Koid Phaik Gunn (MAICSA 7007433)
Group Company Secretary

Kuala Lumpur
29 July 2015

Notes:

(1) A member of the Company entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint not more than two (2) proxies to attend and vote instead of him. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

(2) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the AGM shall have the same rights as the member to speak at the AGM.

(3) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account. The appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy are specified in the instrument appointing the proxies.

(4) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA. The appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy are specified in the instrument appointing the proxies.

(5) The instrument appointing a proxy in the case of an individual shall be signed by the appointor or of his attorney duly authorised in writing or, in the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.

(6) The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.

(7) Only Members whose names appear on the Record of Depositors of the Company as at 13 August 2015 shall be eligible to attend the AGM.

(8) **Note to Resolution No. 12 – Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company, Pursuant to the Company's Executives' Share Scheme**

Ordinary Resolution No. 12, if passed, will empower the Directors of the Company to allot and issue new ordinary shares in the Company pursuant to the Company's Executives' Share Scheme and in accordance with the By-Laws as set out in Appendix I to the Circular to Shareholders dated 4 September 2008 and as amended on 28 June 2011.

The authority conferred by such renewed mandate/approval will be effective from the date of the forthcoming AGM and unless revoked or varied at a general meeting, will expire at the next AGM.

(9) **Note to Resolution No. 13 - Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company, for the Purpose of the Company's Dividend Reinvestment Plan**

Ordinary Resolution No. 13, if passed, will empower the Directors of the Company to issue new ordinary shares pursuant to the terms and conditions of the Company's Dividend Reinvestment Plan ("DRP") which are contained in the DRP Statement set out in Appendix I to the Circular to Shareholders dated 11 August 2010 (as may be amended in accordance with the provisions of the said DRP).

The authority conferred by such renewed mandate/authority will be effective from the date of the forthcoming AGM and unless revoked or varied at a general meeting, will expire at the next AGM.

The Directors of the Company did not allot, or issue ordinary shares pursuant to the authority given by the shareholders at the previous AGM.

(10) **Note to Resolution No. 14 - Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965**

Ordinary Resolution No. 14, if passed, will give the Directors of the Company, from the date of the forthcoming AGM, authority to allot and issue ordinary shares from the unissued share capital of the Company up to an aggregate amount not exceeding ten percent (10%) of the issued share capital of the Company for the time being, as and when the need or business opportunities arise which the Directors consider would be in the interest of the Company and/or in connection with proposals previously approved by the shareholders for issuance of shares. This authority, unless revoked or varied at a general meeting, will expire at the next AGM.

The Directors of the Company did not allot, or issue ordinary shares pursuant to the authority given by the shareholders at the previous AGM.

(11) Y Bhg Dato' Azlan Hashim, Y Bhg Tan Sri Datuk Clifford Francis Herbert and Y Bhg Tan Sri Datuk Dr Aris Osman @ Othman who retire pursuant to Section 129 of the Companies Act, 1965, will not be seeking re-appointment at the Twenty-Fourth AGM and therefore shall retire at the conclusion of the said AGM.

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to inform you that the Group has delivered its eighth year of consecutive profit growth and improved financial returns. Our net profit grew by 7.6% compared to last year to RM1,918.6 million.

For FY2015, the Board is pleased to propose a final single-tier dividend of 15.3 sen. Together with our interim single-tier dividend of 12.0 sen per share which was paid on 16 December 2014, the group's total dividend payment of 27.3 sen in FY2015 represents a significant increase of 13.3% from 24.1 sen in FY2014. Our total dividend payout ratio has also risen to 43% from 41% in FY2014, and within our investor market guidance of between 40 and 50%.

Our consistent performance was guided by a set of clear strategic priorities and driven by AmBank Group's vision - As Malaysia's preferred diversified, internationally connected financial solutions group, we take pride in growing your future with us, supported by over 11,000 of our dedicated managers and staff, our 'AmBankers'.

To deliver this, we have remained on course with our strategic agenda to: (1) Deliver on focused organic growth; (2) Leverage strategic partnerships and deliver on acquisitions; (3) Continue to optimise efficiency; and (4) Build sustainability.

Customer centricity and branding initiatives

In my FY2014 letter, I mentioned that we are aggressively investing in customer centric initiatives. We have made some progress, but more needs to be done. This includes digital platform expansion and enhancement, targeted segment focus and ongoing customer campaigns.

On 11 and 18 June 2014, we celebrated a nationwide 'Customer Appreciation Day' at all branches to express our appreciation to customers for their loyal patronage with AmBank to highlight the 'Appreciative' component in our five brand values – Principled, Proactive, Appreciative, Connected and Evolving (p^2ace). Each customer was warmly greeted and presented with a gift as a token of appreciation. Additionally, we launched the '#givealittle movement', offering opportunities for our customers and the community to experience the warm and caring culture that defines AmBank.

Our brand re-positioning, "Your Bank. Malaysia's Bank. AmBank" was introduced in September 2013. We have progressively aligned our brand propositions across our various business divisions to ensure a holistic and consistent brand experience across all communication channels. Our branches, promotional materials and corporate attire were refreshed with our new brand motif.

We recently rebranded our Islamic business to AmBank Islamic Berhad, with the logo colour changed to red and yellow from red and green, in line with the corporate colours of AmBank. This is to position our brand more prominently against our competitors in the domestic Islamic finance industry and leverage on AmBank's strong brand position. This also enhances the linkage and seamless collaboration between conventional and Islamic offerings within the Group and across all customer touch points.

Wins and achievements – continued regional recognition

AmBank Group has continued to receive awards which recognise our expertise and commitment to excellence. At the 12th RAM League Awards 2014, AmInvestment Bank (AmInvestment) swept a total of five awards, including two Market Pioneer Awards as a testament to our leadership, innovation and development of the sukuk markets in Malaysia:

- First Basel III-compliant Sukuk – AmIslamic Bank Berhad's RM3 billion Subordinated Sukuk Murabahah Programme

- World's First RMB-bond by a Mortgage Corporation – Cagamas Global Sukuk Berhad's US$2.5 billion Multi-Currency Sukuk Programme.

Additionally, AmInvestment received the following awards:

RAM Award of Distinction 2014
- Lead Manager Award Islamic 2014 by Programme Value (2nd)
- Lead Manager Award Islamic 2014 by Number of Issues (Joint 3rd)

Blueprint Award
- New Real-Estate Benchmark Deal – Midciti Sukuk Berhad's Sukuk Murabahah Programme of up to RM3 billion in nominal value.

Under the Islamic Finance New Deals of the Year 2014, AmInvestment won the 'Malaysia Deal of the Year' and the 'Real Estate Deal of the Year'. These were awarded to AmInvestment for their outstanding structuring capabilities in KLCC REIT's special purpose vehicle, Midciti Sukuk's RM1.6 billion Sukuk Murabahah issuance. This transaction represents the first AAA-rated corporate REIT in Malaysia and establishes a wider proof of concept for all REITs to tap into the Islamic capital markets.

At the 8th Annual Alpha Southeast Asia Deal & Solution Awards 2014, AmInvestment won the following:

- Best Islamic REIT Deal of the Year in Southeast Asia

- Most Innovative Deal of the Year in Southeast Asia – Arranger.

AmInvest, the brand representing our fund management business continued to garner multiple awards during the year. AmInvest was honoured as Malaysia's 'Best Pension Fund Manager' and 'Best Institutional House' for the second consecutive year by Asia Asset Management at its 2014 Best of the Best Awards.

At The Edge-Lipper Malaysia Fund Awards 2014, AmInvest received the asset class group award for 'Best Mixed Asset Fund' for the second consecutive year. Additionally, AmDynamic Bond Fund was singled out for the second successive year in the Bond Malaysian Ringgit 10-year performance category for demonstrating consistent strong risk-adjusted returns; and AmIslamic Balanced, a Shariah-compliant mixed-asset fund, was awarded top honours for its 10-year performance in the Mixed Asset MYR Balanced-Malaysia Islamic category.

AmInvest was named the Best Islamic Fund Manager for the second consecutive year at the Global Islamic Finance Awards (GIFA) 2014 by Edbiz Consulting, an international Shariah advisory firm based in London.

At the 15th National Customer Experience Industry Awards organised by the Association of Customer Experience (formerly known as Contact Centre Association of Malaysia), AmBank Contact Centre won four awards in the Outbound, People and Work Force Planning / Quality Assurance categories.

In addition to the many business and performance-based awards, the Group received recognition in the areas of corporate governance and investor relations, a testimony to the Group's commitment towards transparency, good corporate governance and investor relations practices.

We received double recognitions at the 10th Corporate Governance Asia Recognition Awards 2014 Best of Asia and 5th Asian Corporate Director of the Year Award 2014. The awards were 'Icon on Corporate Governance' for AmBank Group, and 'Asian Corporate Director of the Year' which was conferred on Mr Ashok Ramamurthy, our former Group Managing Director.

More recently, AmBank was honoured with three major awards at the 5th Asian Excellence Recognition Awards 2015, organised by Corporate Governance Asia. This award identifies excellence in financial performance, Investor Relations and communications, business ethics, corporate social responsibility and environmental practices in corporations. AmBank won the Best Investor Relations Company in Malaysia and Best Corporate Social Responsibility in Malaysia awards, whilst Ms Mandy Simpson, our Chief Financial Officer was presented with the Asia's Best Chief Financial Officer (Investor Relations) Award.

AmBank Group was awarded with the *Asia's Best Chief Financial Officer, Best Investor Relations Company in Malaysia and Best Corporate Social Responsibility in Malaysia* Awards at the Fifth Asian Excellence Recognition Awards 2015. Accepting the awards on behalf of AmBank Group were Mandy Simpson (left), Chief Financial Officer, AmBank Group and Syed Anuar Syed Ali, Head, Group Corporate Communications & Marketing (right).

Grooming talent for tomorrow

High on the list of our human capital agenda include cultivating a culture of excellence and nurturing leadership capabilities. Priority is placed on developing employees' competencies, retaining talent and creating an environment that fosters continuous learning and development.

Introduced in FY2010, our internal employee engagement survey has provided the direction and focus for the Group's organisational and human capital initiatives. Based on the survey's feedback, we have progressed and achieved milestones in five key areas:

1. Strategy, objectives and directions – unveiled a new Vision, Mission, Values and Brand Charter, together with an employee value proposition
2. Leadership – simplified performance management system and implementing 360-degree assessment for management
3. Communications – upgraded our internal 'Connected' portal to foster a connected community, hosted regular townhalls and teh-tarik / coffee sessions across the Group
4. Career development – enhanced our talent / leadership development programme, introduced individual development planning and new Technical Competency Framework
5. Rewards & recognition – embarked on Total Remuneration Project and more recently introduced Flexible Benefits to cater to the different needs of our people.

We value our people's thoughts and opinion; and the Group is committed towards building a connected organisation which can outperform our peers.

Reaching out to our communities

AmBank continuously contributes to the business ecosystem in the areas where we operate, and programmes and initiatives are implemented with the sustainability of the various sectors in mind. In our Corporate Social Responsibility initiatives, we care for the health and long-term betterment of the marketplace, the community, our staff and the environment. Without the support of these parts of the ecosystem, the Group would not be where it is today. On a broader level, we strive to align our initiatives with the larger effort of contributing to the nation's growth and advancement.

Through the AmBank-MyKasih Community Programme, we aim to help less-fortunate Malaysians irrespective of creed, race and religion. This is carried out not only through our funding of food aid, but also counselling, financial literacy and skills training programmes offered to the recipients. The Group allocates a sum of RM1 million each year for this programme. Food aid recipients use their MyKad to draw upon a fortnightly allowance to shop, select and pay for essential items at retail outlets which are participating in the programme. Similarly, student beneficiaries use their MyKad-linked student smartcard to buy food and drinks at the school canteen, as well as books and stationery at the school bookshop. To date, we have committed to be involved in over 15 locations across Malaysia.

Severe floods affected many families across peninsular Malaysia towards the end of 2014. Our sympathy goes to them. Many of the unfortunate victims are our customers, business partners and staff. We have offered a moratorium of up to six months on affected customers' installments / repayments as well as waivers on all incidental and replacement charges on passbooks, certificates and cards. Customers may contact our hotlines or branches if they require assistance.

We have donated essential and monetary items for the families affected by the flood. For Kampung Pasir Era in Kuala Krai, Kelantan, we contributed RM1 million, half of which is from the Group and the balance from my personal contribution. I have been with many AmBankers to personally visit the flood-affected areas in order to distribute food and other essential items.

Changes to the Board members and leadership team

Our Board member, Mr Gilles Planté retired on 8 October 2014 upon completion of Bank Negara Malaysia's approved tenure of appointment as a Director. Dato' Larry Gan Nyap Liou @ Gan Nyap Liow, a long-standing Board member, ceased to be an Independent Non-Executive Director of the Group effective 31 December 2014, pursuant to the Group's nine-year limit for Independent Directors. On behalf of the Board, we thank them for their services and contributions to AmBank Group.

I would like to warmly welcome four new Directors to the Board. Dato' Seri Ahmad Johan bin Mohammad Raslan joined us as Executive Director / Senior Adviser on 9 December 2014, Mr Chin Yuen Yin and Mr Voon Seng Chuan joined us as Independent Non-Executive Directors on 20 January 2015 and 18 June 2015 respectively. Last but not least, Ms Suzette Margaret Corr (General Manager, Human Resources Australia and Group General Manager, Talent & Culture from our strategic partner, Australia and New Zealand Banking Group (ANZ)) was appointed as a Non-Independent Non-Executive Director on 23 January 2015.

On the boards of our subsidiaries, AmBank (M) Berhad, AmInvestment Bank Berhad and AmBank Islamic Berhad, Mr Graham Kennedy Hodges, the Deputy Chief Executive Officer of ANZ, has joined us as a Non-Independent Non-Executive Director on 6 February 2015.

We would like to thank Mr Ashok Ramamurthy, who stepped down as Group Managing Director in April 2015 to return to his family in Australia. Ashok joined AmBank Group from ANZ in 2007 as the Group's Chief Financial Officer, and became the Group Managing Director in 2012.

The Board has commenced the process of identifying the next Group Managing Director. This process is being driven by our Group Nomination and Remuneration Committee of the Board, led by Senior Independent Non-Executive Director Tan Sri Datuk Clifford Francis Herbert. Meanwhile, Datuk Mohamed Azmi Mahmood, who was the Deputy Group Managing Director, has been appointed as the Acting Group Managing Director on 2 April 2015.

Outlook and prospects for FY2016

For the coming financial year 2016 (FY2016), Malaysian economic growth is expected to slow from 6.0% in 2014 to 4.5%-5.5% in 2015 (Source: Bank Negara Malaysia Annual Report 2014). This stems from lower crude oil prices amidst expectations of slower government spending and decelerating export growth, coupled with moderating domestic consumption.

Inflation is projected to stay around 2.0% - 3.0%, reflecting the implementation of the Goods and Services Tax since 1 April 2015 and the depreciating Ringgit, partially offset by softer global commodity prices and demand (Source: Bank Negara Malaysia Annual Report 2014).

Business and economic conditions are expected to remain challenging. At the same time, compliance requirements continue to increase. Over the medium-term, the banking sector is expected to experience slower loans growth and narrower net interest spreads while asset quality may come under pressure.

Nevertheless, there are still bright spots for FY2016. Malaysia still has a relatively high savings rate with a low unemployment level, although the latter could be subject to some upward pressure. Our asset management business is expected to grow steadily. Insurance penetration rates in many segments are low, particularly in the non-compulsory segments. We see opportunities for stronger growth in life, education and medical coverage segments as Malaysians become more affluent. Volatility in capital markets may provide sales and trading opportunities.

Given the external opportunities and challenges, we reaffirm that our FY2015 – 2017 strategic agenda to: (1) Deliver on focused organic growth; (2) Leverage strategic partnerships and deliver on acquisitions; (3) Continue to optimise efficiency; and (4) Build sustainability; will strengthen our competitiveness and help deliver on our financial targets.

Value-adding strategic partnership

Our strategic partnerships with global banking and insurance groups give us a unique advantage. Our close collaboration with ANZ, IAG and MetLife will continue to be a key enabler and differentiator for us and we leverage on their global expertise in the areas of resources, expertise, connectivity and regional platforms to better serve our customers.

Acknowledgment

On behalf of AmBank Group's Board of Directors and all our employees, I would like to thank you for your continued confidence in us and in the future of AmBank Group.

Moving ahead, I believe that the talent and dedication of our management team and employees, the relentless support from our customers, business partners, regulators and shareholders will enable us to continue creating value and drive sustainable growth to the Group.

Yours sincerely,

Tan Sri Azman Hashim
Non-Independent Non-Executive Chairman

Kuala Lumpur
30 June 2015

Dear Valued Shareholders,

I am honoured to extend my greetings to you in my new role as the Acting Group Managing Director of AmBank Group on 2 April 2015, exactly 3 years after assuming the position of the Deputy Group Managing Director.

For FY2015, we are pleased to have delivered financial results in line with our earlier market guidance by staying on course with our strategic priorities to (1) Deliver on focused organic growth, (2) Leverage strategic partnerships and deliver on acquisitions, (3) Continue to optimise efficiency, and (4) Build sustainability.

We started the year at a slower pace in tandem with decelerating private consumption growth dampened by higher cost of living and ongoing rationalisation of subsidies, higher interest rate and periodic bouts of market volatility. As the financial year progressed, our business momentum had picked up in selected segments. Nevertheless, the full year performance continued to be weighed down by prevailing weak market sentiments and lower margin environment.

The Group has achieved a 7.6% year-on-year (yoy) increase in profit after tax and minority interests of RM1,918.6 million, which translates to a return on equity (ROE) of 13.8%. Our results benefited from a one-off gain from the sale of approximately 50% stakes in our AmLife and AmFamily Takaful business coupled with lower allowances in line with our emphasis on better credit quality and portfolio rebalancing strategy.

Customer deposits grew by 2.7% yoy to RM92.1 billion, of which low-cost deposit composition was stable at 20%. Net loans contracted by 1.1% yoy to RM86.2 billion, reflecting the Group's ongoing portfolio rebalancing strategy which aims to de-risk selected market segments by targeting preferred customers. Mortgages rose by 6.2% yoy while wholesale loans expanded 2.2% yoy.

Asset quality continued to improve with gross impaired loans ratio declining to 1.8% in FY2015 from 1.9% in FY2014, which translates to a comfortable loan loss coverage of 104.9%, above the industry average of 98.7% as at 31 March 2015. Our capital position, CET-1 of 10.5%, was above our internal FY2015 targeted range of 9.0%±1%.

Customer-centric agenda

We continued to invest in technology and customer-centric initiatives to drive sustainable growth. We are enhancing digital platforms which will improve our brand appeal and enable more convenient customer access via the internet and social media, which leverages on multiple collaborations with our business partners. Notwithstanding significant investments in technology, infrastructure, customer-centric measures and enhancements to risk and compliance management, our operating expenses was well contained with a flat annual growth.

Customer focus remains the Group's top priority, and each business division is executing tactical action plans with the intention to step up service delivery. These include the consolidation of the Group's Wholesale Banking business which enable relationship managers to be single points of contact for customers while being supported by product specialists. The implementation of Retail Banking's Service Culture Transformation programme and digital enhancements such as the TRUE Lab crowd-sourcing platform.

In General Insurance, customers can now buy or renew their insurance policies online anytime and anywhere at their convenience. **AmAssurance Express**, an express motor claims settlement service was introduced during the year. Recently, **Kurnia One Touch** mobile application was launched, which enables motor insurance customers to send road assistance requests during road emergencies and report their claims.

AmAssurance Express launched 9 October 2014, an express motor claims settlement service.

Strengthening strategic partnerships

In FY2015, Australia and New Zealand Banking Group (ANZ) has appointed new and additional board representatives to the Group and its subsidiaries, re-emphasising the importance and commitment to the strategic partnership between AmBank Group and ANZ.

The partnership between IAG with our General Insurance business also marked another milestone with the completion of Kurnia's integration and commencement of a new CEO from IAG. In Life and Family Takaful, we sealed our strategic partnership with MetLife International Holdings Inc. with the aim of creating a modern and innovative customer-centred life insurer in Malaysia.

Contributions from business divisions

Wholesale Banking's profit after tax (PAT) declined by 1.1% yoy to RM974.2 million due to weaker corporate loans growth and capital market activities in the first half of the financial year, partly offset by lower expenses from right-sizing initiatives and lower provisions which benefited from pursuing higher quality assets.

Improved contributions from broking, equity derivatives, funds management, and private banking were offset by margin compression and subdued foreign exchange and derivative trading activities.

Average assets under management grew by RM4 billion yoy; whilst we maintained our top 3 market share rankings for Initial Public Offering (IPO), debt and Islamic capital markets based on Bloomberg league tables.

The Wholesale Banking division remained the largest earnings contributor of the group with a lower 47.6% share of Group's PAT in FY2015, down from 52.6% in FY2014, largely due to the one-off gain from the sale of 50% equity stakes in AmLife and AmFamily Takaful business.

Retail Banking registered a 30.1% yoy decrease in PAT to RM429.2 million due to:

i) 5.1% loan contraction in line with the Group's policy of de-risking of its auto finance portfolio; and

ii) Margin compression from the ongoing portfolio rebalancing efforts towards higher quality assets;

Excluding the auto finance segment, gross loans grew by 1.5% yoy, supported by strong mortgage growth of 6.2% yoy.

Customer deposits grew by 5.8% yoy, supported by segment solutions targeting small businesses and young professionals.

The lower earnings, coupled with the one-off exceptional item this year, caused the share of this division's PAT to the Group to decrease from 32.8% in FY2014 to 21.0% in FY2015.

General Insurance's PAT grew 46.5% yoy to RM256.4 million from higher investment gains, improved claims management and lower management expenses. On the life insurance segment, **Life Assurance and Family Takaful's** net profit contribution fell from RM12.9 million to RM4.6 million, reflecting equity accounting impact from the completion of equity stake sales to MetLife on 1 May 2014 and higher reserves required from lower yields of Malaysian Government Securities and investments.

Overall, the stronger performance of the insurance business has caused its contribution of PAT to the Group to rise from 10.0% in FY2014 to 12.8% in FY2015.

FY2015 progress round-up

Last year, we set ambitious targets and unveiled the strategic agenda for FY2015 – FY2017. Our progress during the year is as follows:

(1) Deliver on focused organic growth in Wholesale Banking, Retail Banking, General Insurance and Islamic Banking divisions.

The Wholesale Banking business model was consolidated from five divisions to two, with product specialist and coverage teams set up to focus on penetrating customers' share of wallet. The purpose is to enhance our customers' experience by referring to our relationship managers as single points of contact across all product sales, solutions and services; and enable the delivery of the right product, pricing terms and operational support through dedicated specialist teams.

In Retail Banking, we made good progress in our focus on building small business and emerging affluent segments. In the fourth quarter of 2014, we rolled out new Small Business Banking solutions (SBB) nationwide, offering a refreshed and extended suite of solutions for small business owners. SBB's tagline, "In Partnership, We Grow", represents our value proposition to customers. We aim to be a 'partner' to our SBB customers, closely understanding their business as well as personal financial needs, and thereby matching these needs with tailored solutions.

small Business Banking
In partnership, we grow

We have introduced a new value proposition and solution called **TRUE**, which caters to young professionals. TRUE is a customer-focused everyday banking solution which aims to deliver a simple and relevant banking experience to customers through digital channels. In December 2014, our first TRUE offering – TRUE Lab was launched. TRUE Lab is Malaysia's first digitally-enabled crowd-sourcing community banking platform, designed to crowd-source ideas from young professionals for their desired banking solutions. This online community platform allows customers to contribute and vote for ideas on banking solutions to promote engagement and ownership among customers.

We have launched the first TRUE products with the TRUE Debit MasterCard, which comes with a built-in TRUE Transact Account and TRUE Savers Account that offers free unlimited online Interbank GIRO transactions, 5 free MEPS withdrawals per month in any bank's ATM and attractive interest rates.

In General Insurance, we maintained our No. 1 position in motor insurance in Malaysia. A new CEO (Chief Executive Officer), Derek Roberts from our strategic partner, Insurance Australia Group, was appointed to spearhead tactical action plans to drive premium growth, enhance a performance-driven culture and lead the upcoming de-tariffed market with our pricing capability.

Recently, we welcomed a new CEO, Eqhwan Mokhzanee bin Muhammad, for AmBank Islamic to accelerate the growth of the business and synergise cross-selling opportunities with the rest of the conventional banking group. We also welcome Mohamad Salihuddin bin Ahmad, who has assumed the role of Chief Executive Officer of AmMetLife Takaful effective on 14 May 2015.

(2) Leverage Strategic partnerships and deliver on acquisitions.

The system integrations were completed for Kurnia Motor and MBF Cards during the year, which will position our general insurance and credit card segments on a stronger platform to re-focus on driving revenue growth.

In our Life Assurance and Family Takaful businesses, we welcomed MetLife International as our strategic partner following the completion of the share sale agreement on 30 April 2014. A new leadership team was appointed, including a new CEO and board members. 'AmMetLife' brand was launched together with a new corporate website.

A series of 'Live Ready' campaigns were rolled out as part of the brand enhancement strategy. AmMetLife adopts a multi-channel approach and has recently deployed insurance specialist teams for both Life and Family Takaful solutions. We will continue to leverage on our combined strengths to offer customer-centric and modern life assurance / family takaful solutions to Malaysians.

AmMetLife 'Live Ready' proposition on the KLIA gantry

(3) Continue to optimise efficiency via building a lean and scalable customer service delivery capability, streamlining operating levels, simplifying business and operating models, and managing our capital efficiently. We have commenced Phase 2 of our new core banking system implementation, which is expected to be completed within this calendar year.

On simplifying business and operating models, we are rationalising our subsidiaries and non-core operations for greater efficiencies and to release dormant capital. During the year, we have wound-up several dormant subsidiaries, consolidated our fund management companies and disposed our stockbroking subsidiaries in Singapore and Indonesia. Internally, the streamlining of our organisation structure is an on-going process.

(4) Build sustainability by enhancing corporate governance, compliance culture, human capital and customer experience.

As the Chairman mentioned in his message, changes were made to the Board compositions in the Group and subsidiaries. We continued to invest in governance and compliance enhancement projects, of which the key initiatives and progress are detailed under the 'Group Risk Management' of our annual report.

On our people agenda, we embarked on a Total Target Remuneration Project to align and enhance rewards and recognition throughout the organisation. Recently, we introduced Flexible Benefits to AmBankers which provide flexibility on the type and level of employee benefits catering to different demographics and changing needs of our people.

The Group continued to invest in customer-centric initiatives and focus on segment plays to provide customised solutions and services to our clients. Our corporate website facelift, which is mobile and tablet responsive, was launched in November 2014 to promote engagement and participation from our customers through user-friendly navigation.

We progressively rolled out online enhancements with new features and functions to improve user experience and security. Retail Banking has also initiated a 'Service Culture Transformation' programme to further develop a service-oriented culture and staff capabilities across all customer touch points.

Setting out strategic priorities for FY2016

Advancing into FY2016, we remain confident in our FY2015 – 2017 strategic agenda and will continue to be guided by it.

On **(1) Deliver on focused organic growth:**

Wholesale Banking is prioritising growth in targeted markets with higher flow businesses across all asset classes, simplifying its processes to improve speed of service to customers, enhancing collaboration amongst its various services to cross-sell with right products and pricing, driving deposits and trade utilisation through integrated propositions and leveraging ANZ's connectivity on trade finance.

Retail Banking will focus on strengthening relationships with business partners, improve service culture, upgrade its digital platforms, execute its simplification agenda and continue to target small businesses and the emerging affluent, particularly the young professionals.

General Insurance aims to maintain its top position in motor, build a customer-oriented organisation, drive premium growth via focused action plans in penetrating new markets, improve supply chain management, strengthen alliances with key partners and leverage on its pricing capability to lead the impending de-tariffed market.

Islamic Banking will focus on enhancing collaboration across the Group's business units, offering tailored products for higher value segments, driving growth in low-cost deposits and inculcating brand awareness of Shariah-compliant products. AmIslamic Bank has also changed its name to 'AmBank Islamic' to position our brand more prominently in the domestic Islamic finance industry, leverage on the AmBank's strong brand position and enhance linkage of conventional and Islamic offerings.

AmBank Islamic branch in Putrajaya

As part of **(2) Leverage strategic partnerships and deliver on acquisitions**, we will continue to leverage on MetLife's global best practices particularly on brand enhancements, product innovations, distribution and system capabilities. With the completion of system integrations of MBF Cards and Kurnia Motor, the Group will re-focus on accelerating revenue growth in the credit card and general insurance segments.

Next, **(3) Continue to optimise efficiency**, we will continue to build scalable customer service delivery capabilities and simplify our business and operating models. For capital management, the Group is progressively optimising its holding company structure and capital allocation.

Lastly **(4) Build sustainability**, our focus remains unchanged – strengthen risk management, develop human capital and improve customer experience. We will continue to enhance our governance in risk management, control systems and compliance culture.

On human capital, initiatives are progressively being rolled out to improve employee engagement and talent management in supporting a connected team culture.

Our ongoing investments in technology and customer-centricity projects are expected to deliver superior customer experience and strengthen our capabilities in expanding our presence in targeted market segments.

Appreciation

Over the past months in my role as the Acting Group Managing Director, I have been impressed with the dedication of our AmBankers. I am deeply grateful for their trust and continued support.

Looking forward, the Central Bank of Malaysia expects the Malaysian economy to register a growth of 4.5% - 5.5%, compared to a GDP growth of 6.0% in 2014. The Goods and Services Tax, introduced at the start of our financial year, will likely have an impact on consumer spending. Decelerating export expansion and a slowdown in capital expenditure in the oil and gas sector may dampen growth expectations this year.

While we recognise that there are looming headwinds ahead for the economy and banking sector in the coming year, we remain committed to deliver sustainable risk-adjusted returns and growth to all our shareholders and will rise to these challenges.

To our business partners and customers, thank you for allowing us to be **Your Bank. Malaysia's Bank. AmBank.**

Yours sincerely,

Datuk Mohamed Azmi Mahmood
Acting Group Managing Director

Kuala Lumpur
30 June 2015

PRINCIPLED
PROACTIVE
APPRECIATIVE
CONNECTED
EVOLVING

p²ace

The AmBank Group's Value are centred around the concept of "p²ace" Principled, Proactive, Appreciative, Connected and Evolving.

Principled	Integrity and professionalism remain the thrust of all we do, and we take accountability for all our actions.
Proactive	We approach every challenge positively, initiate change responsibly and always anticipate the needs of all our colleagues, customers and our community.
Appreciative	We value and recognise everyone's role and contribution, and always provide support to our customers and colleagues.
Connected	We are connected in everything we do. We are part of an organisation that fosters teamwork and open communication.
Evolving	We strive to seek new and relevant ways of growing ourselves, our customers, our business and our community in a sustainable manner.

AmBank Group has enjoyed considerable success over the last three decades. Together, we have built one of the largest and fastest-growing financial institutions in the country.

Tracing our early history, Arab-Malaysian Development Bank Berhad was incorporated on 5 August 1975 as a joint venture between Malaysian Industrial Development Finance Berhad, with a 55.0% shareholding, Arab Investments for Asia (Kuwait) with a 33.0% shareholding, and the National Commercial Bank (Saudi Arabia) holding 12.0%.

We commenced operations on 1 April 1976, and in December 1983 became known as Arab-Malaysian Merchant Bank Berhad, a name by which we were known for over three decades until our rebranding in June 2002. Today, we have grown into a Group with a staff strength of more than 12,000. With our extensive nationwide branch network, ATMs, and Internet banking services, we are proud to acknowledge that AmBank Group, as one of the largest financial services group in the country, is only a brick andclick away.

1976

- The Group commenced operations on 1 April 1976 as a joint venture comprising Arab and Malaysian shareholders.

1977

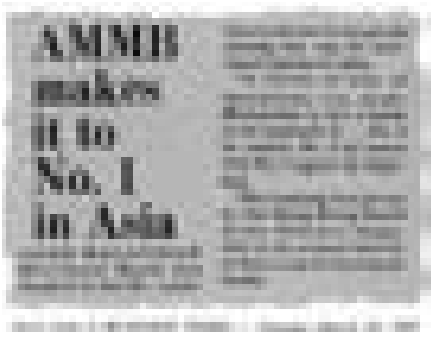
- The Group acquired a 70.0% shareholding in Malaysian Industrial Finance Company Limited ("MIFCL"), which was later renamed Arab-Malaysian Finance Berhad ("AMFB").

1980

- AMMB co-lead managed the USD200.0 million, 12-Year Syndicated Term Loan for the Government of Malaysia.
- AMMB initiated the formation of Malaysian Kuwaiti Investment Company Sdn Bhd, a joint venture between Perbadanan Nasional Berhad and Kuwait Real Estate Investment Consortium and Public Institution for Social Security, Kuwait.
- AMMB acted as Adviser to Kuwait Real Estate Investment Consortium, Singapore.
- AMFB became the first private sector institution in Malaysia to issue public bonds – RM20.0 million 8.5% Guaranteed Bonds 1987, listed on the Kuala Lumpur Stock Exchange ("KLSE"). The Bonds, guaranteed by the Bank, marked a new chapter in the history of private sector fund raising in the capital markets.

1982

- Y Bhg Tan Sri Azman Hashim acquired 100.0% shareholding in the Group.
- The Group acquired the remaining 30.0% shareholding of AMFB, making it a wholly-owned finance company subsidiary.


AMMB makes it to No. 1 in Asia

1983

- The Group established a credit and leasing company, Arab-Malaysian Credit Berhad.

1984

- The Group launched the first venture capital company to undertake private equity investments – Malaysian Ventures Berhad.
- The Group arranged the first leveraged lease facility in the country for Sistem Televisyen Malaysia Berhad – TV3.
- AMMB completed its Government assigned study on the privatisation of Jabatan Telekom.
- The Group acquired Arab-Malaysian Insurance Berhad, a general insurance company formerly known as Teguh Insurance Company Sdn Bhd.

1985

- The Group acquired Perima Assurance Berhad, a life insurance company. Both the life and general insurance companies were later merged in 1987, holding composite insurance licences, and the entity's name changed to Arab-Malaysian Eagle Assurance Berhad (now known as AmLife Insurance Berhad and AmG Insurance Berhad).

1986

- The Group acquired a stockbroking firm, Kris Securities Sdn Bhd, later renamed as AmSecurities Sdn Bhd.
- The Group relocated to its corporate headquarters at Jalan Raja Chulan.
- In December 1986, Antah Holdings Berhad and the Tokai Bank Limited, Japan acquired 20.0% shareholding each in the Group.
- Launched Arab-Malaysian Unit Trusts Berhad, to manage unit trust funds.

1987

- On 22 January 1987, AMMB launched the first unit trust to invest 90.0% in Malaysian Government securities, called the Arab-Malaysian Gilts, to provide tax-exempt income to individual investors on their short term funds.
- In July 1987, AMMB launched the AMIGOS (Arab-Malaysian Individuals' Government Securities) programme to enable retail investors to invest in government securities.
- AMMB sponsored the establishment of The Malaysia Fund Inc, a close ended investment fund listed on the New York Stock Exchange, to invest in equities of Malaysian companies listed on the KLSE. The Malaysia Fund raised USD87.0 million.

1988

- AMMB became the first merchant bank to be listed on the KLSE.
- AMMB was appointed as Adviser to the Government to formulate the National Privatisation Masterplan.
- AMMB launched the first equity unit trust fund, called the Arab-Malaysian First Fund.

1989

- On 21 April 1989, AMMB together with the Nikko Securities Co. Ltd Tokyo and the International Finance Corporation, Washington launched a US Dollar denominated unit trust fund, The Malaysia Growth Fund, aimed primarily at Japanese investors.
- On 28 September 1989, the Arab-Malaysian Property Trust became the first property trust to be listed on the KLSE.

1990

- AMMB was appointed as Adviser and Managing Underwriter for the flotation of Telekom Malaysia Berhad.
- AMFB acquired First Malaysia Finance Berhad.

1991

- In July 1991, the Group acquired a 49.0% equity stake in Fraser International Pte Ltd, the holding company of Fraser Securities, Singapore.
- AMMB, in collaboration with The Nikko Securities Co. Ltd. In Japan, sponsored the establishment of Malaysia Fund (Labuan), the first offshore unit trust fund in the Federal Territory of Labuan.
- Incorporation of AMMB Holdings Berhad, as the vehicle for the implementation of a corporate restructuring scheme. Pursuant to the restructuring scheme, AMMB Holdings Berhad became the holding company of the Arab-Malaysian Banking Group, and assumed the listing status of AMMB.
- Arab-Malaysian Finance Berhad, the Group's finance company, was listed on the KLSE.
- Establishment of AMMB Labuan (L) Ltd to provide offshore funds management.

1992

- AMMB Holdings Berhad won the Asian Management Award for Financial Management from Asian Institute of Management.

1993

- AMMB launched Tabung Ittikal Arab-Malaysian, the first Islamic Unit Trust Fund on 12 January 1993.
- AMMB was Co-Manager of General Electric Corporation's USD300.0 million Dragon Bonds Issue.
- AMMB acted as Manager and Arranger for the RM240.0 million Syndicated Credit Facility for the construction of Menara Kuala Lumpur.

1994

- On 1 August 1994, the Group ventured into commercial banking with the acquisition of the Malaysian operations of Security Pacific Asian Bank Limited from Bank of America (Asia) Limited. Commencement of commercial banking operations under Arab-Malaysian Bank Berhad.

1995

- On 1 April 1995, AMMB International (L) Ltd commenced offshore banking operations in Labuan, the first merchant bank to offer offshore banking services.
- AMMB Futures Sdn Bhd commenced futures broking business.

1996

- AMMB Holdings Berhad's annual report won the 'Overall Award for the Most Outstanding Annual Report' for six consecutive years from 1991 to 1996 in the NACRA competition.
- Macquarie Bank Limited, Australia acquired 30.0% shareholding in AMMB Futures Sdn Bhd.
- Macquarie Bank Limited, Australia acquired 30.0% shareholding in AMMB Asset Management Sdn Bhd and Arab-Malaysian Unit Trusts Berhad.
- The 1996 Far Eastern Economic Review Survey of Asia's 200 Leading Companies ranked AMMB first in the overall category of "Innovative in Responding to Customer Needs" and third in terms of "Overall Leadership".
- Visa International awarded the AmBank Al-Taslif VISA Card the "1996 Member Excellence Award for the Most Creative Card Programme in Asia".

1997

- AMMB Securities (HK) Limited commenced stock broking operations in Hong Kong.
- The Group's website was awarded the'Internet Website of the Year' for 1997 by the Association of Computer Industry Malaysia ("PIKOM").

1998

- AMFB acquired the assets and liabilities of Abrar Finance Berhad, in line with the Government's plan to consolidate the industry.
- AMMB received 'Derivatives OTC National Award' from Malaysian Monetary Exchange Berhad.

2000

- CFO Asia selected AMMB Holdings Bhd's Annual Report FY2000 as one of the top three annual reports in Malaysia.

2001

- AMFB acquired MBf Finance Berhad.
- AmBank and AMFB together with the State Government of Selangor Darul Ehsan, launched Tabung Perumahan Ehsan, a special housing loan scheme for the lower income group in the State.

2002

- Merger of Arab-Malaysian Finance Berhad and MBf Finance Berhad, following the vesting of the assets and liabilities of AMFB into MBf Finance Berhad. MBf Finance Berhad changed its name to AmFinance Berhad. AMFB was converted into a holding company

2003

- Bangunan AmFinance, now known as Menara AmBank, was officially launched by the then Prime Minister, YABhg Tun Dr Mahathir Mohamad.

2005

- Completed privatisation of AMFB Holdings Berhad.
- Listed AmInvestment Group Berhad ("AIGB"), the Group's investment banking operations, on Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 18 May 2005.
- On 1 June 2005, the merger of AmBank and AmFinance took place to create AmBank (M) Berhad, the sixth largest domestic bank in the country.

2006

- In January 2006, AmPrivate Equity, a private equity fund, was launched.
- On 10 March 2006, Insurance Australia Group Limited ("IAG"), Australia acquired 30.0% shareholding in AmAssurance Berhad.
- On 20 April 2006, Am ARA REIT Managers Sdn Bhd was incorporated with AIGB holding 70.0% equity and ARA Asset Management (Malaysia) Limited 30.0%, to manage the AmFIRST REIT listing on Bursa Malaysia.
- On 1 May 2006, AmIslamic Bank commenced operations, with the vesting of the Islamic assets and liabilities of AmBank (M) Berhad into a separate subsidiary company.
- On 21 December 2006, AmFIRST REIT listed on Bursa Malaysia.
- The AmInvestment Group was awarded seven RAM League Awards by Rating Agency Malaysia for its outstanding achievements in the domestic bond market.

2007

- The AmBank Group completed the integration exercise of AmSecurities Sdn Bhd into AmInvestment Bank on 3 March 2007. The AmInvestment Bank began operating as a full fledged investment bank effective 5 March 2007, offering both merchant banking and stockbroking services.
- On 18 May 2007, AmBank Group commemorated the entry of Australia and New Zealand Banking Group Limited ("ANZ") as its strategic partner and major investor.
- A Memorandum of Understanding ("MOU") was signed between AmInvestment Bank Berhad and Woori Investment & Securities Co Ltd, on 29 November 2007 to promote the parties' mutual interests for cooperation in the investment banking business.

2008

- Completed the AMMB Holdings Berhad ("AMMB") rights issue and privatisation of AIGB on 15 January 2008, with AIGB effectively becoming a wholly-owned subsidiary of AMMB.
- Completed the transfer of the Fund Based Activities of AmInvestment Bank to AmBank (M) Berhad and AmIslamic Bank Berhad on 12 April 2008 as part of AMMB's internal corporate restructuring post the AIGB privatisation.
- Establishment of AmG Insurance Berhad to facilitate the separation of the composite insurance business of AmAssurance Berhad into general insurance and life insurance businesses.
- Malaysian Ventures Management Incorporated Sdn Bhd ("MVMI"), the private equity fund management subsidiary of AMMB, entered into a joint venture agreement with Konzen Capital Pte Ltd, a member of Konzen Group, to manage a USD320.0 million Pioneering Water Fund in Asia.
- AmBank and ANZ enter into a technical services agreement to establish the AmBank Group foreign exchange, interest rate and commodities derivatives business.
- Islamic Stockbroking (window service) was launched under the brand of AmIslamic, the universal brand of Islamic products and services across all subsidiaries of the AmBank Group.
- On 9 December 2008, Friends Provident plc (renamed Friends Life FPL Limited from 1 July 2011) acquired 30.0% stake in AmLife Insurance Berhad (formerly known as AmAssurance Berhad).
- IAG increased its stakeholding in AmG Insurance Berhad to 49.0% from 30.0%.

2009

- AmIslamic Funds Management Sdn Bhd obtains licence for Islamic funds management from the Securities Commission to carry out management of offshore and domestic Islamic financial instruments for institutional and retail investors.

- AmCapital (B) Sdn Bhd officially opened on 11 May 2009, bringing expertise in funds management, Islamic finance and investment advisory to Brunei Darussalam.

- Y Bhg Tan Sri Dato' Sri Dr Zeti Akhtar Aziz, Governor, Bank Negara Malaysia launches the Malaysia Corporate Bond Handbook by AmBank Group, a first-of-its-kind one-stop source of corporate bond information in Malaysia.

- ANZ exchanged its exchangeable bonds into 194,915,254 new ordinary shares, increasing its shareholding to 23.91%.

2010

- AmBank (M) Berhad on 25 March successfully issued RM1.42 billion senior notes under its newly established 30-year RM7.0 billion Senior Notes Issuance Programme, being the first financial institution to issue senior notes in Malaysia.

- AmBank Group continues its rollout of the RM1.0 million AmBank-MyKasih Community Programme in Kuching, Kota Bharu, Subang Jaya, Kota Kinabalu, Klang Valley (Cheras, Klang and Pandan Jaya) and the programme is renewed in Sentul and Pulau Pinang where hard core poor families are provided food allowance through the use of their MyKad.

- AmBank Group launched the Kechara Soup Kitchen ("KSK") building after sponsoring the renovation as well as the cost of furniture and fixtures of the premises with a total amount of RM350,000.

- AmIslamic Bank successfully issued RM550.0 million Senior Sukuk under its newly established 30-year RM3.0 billion Senior Sukuk Musyarakah Programme.

- On 15 December, Standard & Poor's Rating Services ("S&P") raised its foreign currency longterm counterparty credit rating on AmBank (M) Berhad to 'BBB' from 'BBB-' and the short term rating to 'A-2' from'A-3'. S&P also raised the long-term counterparty credit rating on AmInvestment Bank Berhad to 'BBB' from 'BBB-', and its short term rating to 'A-2' from 'A-3'.

- AmInvestment Bank receives two Best Equity House awards, from Finance Asia and Alpha South East Asia.

2011

- The Group continues to be recognised as an industry leader with awards including:
  - Best Domestic Bond House in Malaysia, from The Asset Triple A Country Awards 2010, for second consecutive year.
  - Best Bond Group at The Edge-Lipper Malaysia Fund Awards
  - Five awards at the RAM League Awards 2011 for excellence in the bond markets.
  - Best Chief Financial Officer for Investor Relations – Large Capaward at the MIRA Inaugural Malaysia Investor Relations Awards.
  - Best of Asia Award at the Corporate Governance Asia Recognition Awards 2011.

- On 8 December, Standard & Poor's Rating Services (S&P) raised its foreigner currency longterm counterparty Credit Rating on both AmBank (M) Berhad and AmInvestment Bank Berhad to BBB+ from BBB.

2012

- AmBank Group and ANZ sign Business Principles Agreement to collaborate in areas of banking businesses including Islamic banking, transaction banking and wealth management across 27 countries, including Australia, China, Indonesia, Singapore and Vietnam.

- AmSignature Priority Banking is launched, delivering personalised banking to affluent segment.

- AmBank-ANZ Get Set solution offers students intending to study in Australia convenience of preopening an account in Malaysia to facilitate fund transfers.

- On 9 January 2012, AmFamily Takaful Berhad commences Family Takaful business.

- The Funds Management Division of AmInvestment Bank celebrates 30 years of milestones with its highest assets under management to date, in excess of RM30.0 billion.

- The Group's new corporate social responsibility platform, AmKasih is launched.

- AMMB Holdings Berhad changes its stock short name to AMBANK.

- AmBank Group completes acquisition of Kurnia Insurans (Malaysia) Berhad, emerging as Malaysia's No. 1 motor insurer.

- AmBank Group completes acquisition of MBF Cards (M'sia) Sdn Bhd.

2013

- Maiden issuance of Exchange Traded Bonds and Sukuk (ETBS) on Bursa Malaysia by DanaInfra Nasional Berhad, creating new asset class on the Exchange, with AmInvestment Bank as one of the Lead Arrangers.

- AmInvest unveiled its Private Retirement Scheme (PRS) with the AmPRS-Growth Fund, AmPRSModerate Fund and AmPRSConservative Fund on 2 April 2013.

- Moody's Investor Services upgrades AmBank (M) Berhad's credit rating to Baa1/P-2 from Baa2/P-3.

- AmBank Group clinched the prestigious Bank of the Year in Malaysia 2013 award (The Banker Magazine) in recognition of the Group's strong management, sound business model and prudent risk management.
- AmBank Group launches three coffee table books, featuring the Group's Camel Collection, Art Collection and Collection of Drawings by Datuk Mohd Nor Khalid, better known as Lat. The launch was witnessed by Tan Sri Dato' Sri Dr. Zeti Akhtar Aziz, Governor of Bank Negara Malaysia.
- AmBank Group launches brand repositioning on 19 September 2013, marking a new chapter for the Group and its family of companies, with positioning line "Your Bank. Malaysia's Bank. AmBank."
- AmBank Group contributes RM5.0 million to AmBank Financial Services Chair at University of Malaya.
- AmBanCS, the Group's new core banking system succesfully goes live on 18 November 2013.
- RAM Ratings upgrades the financial institution ratings of AmBank (M) Bhd, AmIslamic Bank Bhd and AmInvestment Bank Bhd from AA3/Positive/P1 to AA2/Stable/P1. The corporate rating of AMMB Holdings Bhd has also been upgraded from A1/Positive/P1 to AA3/Stable/P1.

2014

- AmIslamic Bank issued Malaysia's first capital market Basel III-compliant Tier 2 Subordinated Sukuk.
- AmBank unveils new retail banking website, www.ambank.com.my, with more informative access and user friendly navigation.
- AMMB Holdings Berhad's wholly-owned subsidiary, AMAB Holdings Sdn Bhd, and MetLife Inc.'s subsidiary, MetLife International Holdings Inc., entered into a share sale agreement on 28 April 2014, which involves the sale of equity interest of AmLife Insurance Bhd and AmFamily Takaful Berhad. The signing was witnessed by YAB Datuk Seri Najib Tun Razak, Prime Minister of Malaysia and

President of the United States of America, Barack Obama. This marks the commencement of strategic partnership for our Life Assurance and Family Takaful businesses.

- Unveil the new brand news of AmMetLife and AmMetLife Takaful, reflecting the new strategic partnership between AmBank Group and MetLife Inc.
- On 23 June 2014, Tan Sri Azman Hashim, Chairman, AmBank Group officially opened AmBank's first airport branch and first Bureau de Change (BDC) to provide ease and convenience for both travellers and shoppers at the new local and international low cost airport in Kuala Lumpur – klia2. The BDC offers currency exchange service of up to 29 types of currencies and is open 24 hours a day and 7 days a week.
- In line with the Retail Banking aspiration for FY15 to continue to drive business approach for low-cost deposits and to provide customers with a wider range of holistic customer centric solutions, Small Business Banking (SBB) was launched in October 2014.
- AmBank launched TRUE Lab, a digitally enabled crowd sourcing community platform designed to crowd-source ideas from young professionals on banking solutions that they desire.

2015

- The second TRUE offering – TRUE Products, comprising of the TRUE Transact Account, TRUE Savers Account, TRUE Debit MasterCard and TRUE Visa Credit Card was launched.
- In a move to harmonise the linkage of the Islamic brand under the umbrella brand of the AmBank Group, the "AmIslamic Bank" brand is now rebranded to "AmBank Islamic". Correspondingly, the legal entity name will also be changed from AmIslamic Bank Berhad to AmBank Islamic Berhad.

LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The following are the Company's subsidiaries and associated companies grouped under the major business lines.

COMPANIES	EFFECTIVE SHAREHOLDINGS (%)
Commercial and Retail Banking	
AmBank (M) Berhad	100.00%
AmBank Islamic Berhad *(formerly known as AmIslamic Bank Berhad)*	100.00%
Capital Market	
AmInvestment Bank Berhad	100.00%
AmFutures Sdn Bhd	100.00%
AmResearch Sdn Bhd	100.00%
Life and General Insurance/Takaful Operator	
AmGeneral Insurance Berhad	51.00%
AmMetLife Insurance Berhad *(formerly known as AmLife Insurance Berhad)*	50.00% - 1 share
AmGeneral Holdings Berhad	51.00%
AmMetLife Takaful Berhad *(fomerly known as AmFamily Takaful Berhad)*	50.00% + 1 share
Asset Management	
AmInvestment Services Berhad	100.00%
AmIslamic Funds Management Sdn Bhd	100.00%
AmPrivate Equity Sdn Bhd	80.00%
Am ARA REIT Managers Sdn Bhd	70.00%
Malaysian Ventures Management Incorporated Sdn Bhd	100.00%
AmCapital (B) Sdn Bhd	100.00%
AmAsia Water Management (GP) Limited	100.00%
Trustee/Custodian/Investment Services	
AmTrustee Berhad	80.00%
AMMB Nominees (Tempatan) Sdn Bhd	100.00%
AMMB Nominees (Asing) Sdn Bhd	100.00%
AMSEC Nominees (Tempatan) Sdn Bhd	100.00%
AMSEC Nominees (Asing) Sdn Bhd	100.00%
AM Nominees (Tempatan) Sdn Bhd	100.00%
AM Nominees (Asing) Sdn Bhd	100.00%
MBf Trustees Berhad	60.00%
MBf Nominees (Tempatan) Sdn Bhd	100.00%

COMPANIES	EFFECTIVE SHAREHOLDINGS (%)
Investment Holding Companies/Others	
AMFB Holdings Berhad	100.00%
AmInvestment Group Berhad	100.00%
AmSecurities Holding Sdn Bhd	100.00%
Am ARA REIT Holdings Sdn Bhd	70.00%
AMAB Holdings Sdn Bhd	100.00%
AMBB Capital (L) Ltd	100.00%
AmFraser International Pte Ltd	100.00%
AmProperty Holdings Sdn Bhd	100.00%
Bougainvillaea Development Sdn Bhd	100.00%
MBf Information Services Sdn Bhd	100.00%
AmCard Services Berhad	100.00%
AmPremier Capital Berhad	100.00%
AmMortgage One Berhad	100.00%
MBF Cards (M'sia) Sdn Bhd	100.00%
AmLabuan Holdings (L) Ltd *(formerly known as AmInternational (L) Ltd)*	100.00%
Bonuskad Loyalty Sdn Bhd	33.33%
Dormant	
Malco Properties Sdn Bhd	81.51%
Teras Oak Pembangunan Sendirian Berhad	100.00%
AmInvestment Management Sdn Bhd	100.00%
AmSecurities (HK) Limited	100.00%
AmGlobal Investments Pte Ltd	100.00%
AmTrade Services Limited	100.00%
Under Members' Voluntary Winding-up	
AmEquities Sdn Bhd	100.00%
AmProperty Trust Management Berhad	100.00%
Everflow Credit & Leasing Corporation Sdn Bhd	100.00%
Komuda Credit & Leasing Sdn Bhd	100.00%
AMSEC Holdings Sdn Bhd	100.00%
Economical Enterprises Sendirian Berhad	100.00%
AmWater Investments Management Pte Ltd	100.00%

CORPORATE INFORMATION

BOARD OF DIRECTORS

Y Bhg Tan Sri Azman Hashim
Non-Independent Non-Executive Chairman

Y Bhg Dato' Azlan Hashim
Non-Independent Non-Executive Deputy Chairman

Y A Bhg Tun Mohammed Hanif Bin Omar
Non-Independent Non-Executive Director

Y Bhg Tan Sri Datuk Clifford Francis Herbert
Senior Independent Non-Executive Director

Y Bhg Tan Sri Datuk Dr Aris Othman
Independent Non-Executive Director

Y Bhg Dato' Rohana Tan Sri Mahmood
Independent Non-Executive Director

Y Bhg Dato' Seri Ahmad Johan Bin Mohammad Raslan
Executive Director/Senior Adviser

Mr Chin Yuen Yin
Independent Non-Executive Director

Mr Voon Seng Chuan
Independent Non-Executive Director

Mr Shayne Cary Elliott
Non-Independent Non-Executive Director

Mr Mark David Whelan
Non-Independent Non-Executive Director

Ms Suzette Margaret Corr
Non-Independent Non-Executive Director

Mr Soo Kim Wai
Non-Independent Non-Executive Director

Mr Alistair Marshall Bulloch
(Alternate Director to Mr Shayne Cary Elliott, Mr Mark David Whelan and Ms Suzette Margaret Corr)

GROUP COMPANY SECRETARY

Ms Koid Phaik Gunn
MAICSA 7007433
Chartered Secretary (ICSA)
Bachelor of Laws (Hons)
Fellow of The Malaysian Institute of Chartered Secretaries and Administrators

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REGISTRAR

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AUDITORS

Messrs Ernst & Young
Chartered Accountants

PRINCIPAL BANKER

AmBank (M) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad (13.02.92)

WEBSITE

ambankgroup.com

INVESTOR RELATIONS

ir@ambankgroup.com

AmBank Group

Your Bank. Malaysia's Bank. AmBank.™

AmBank Group

AmBank Group

AmBank Group is one of Malaysia's premier financial solutions groups with nearly 40 years of legacy in understanding Malaysians and provides a wide range of both conventional and Islamic financial solutions and services, including retail banking, wholesale banking, as well as the underwriting of general insurance, life assurance and family takaful.

The Group's mission of "Connecting, Growing and Outperforming" accentuates our commitment in *connecting* with customers, people as well as stakeholders and the Group's continuous initiatives in *growing* to further cement our position in the industry as we aspire to exceed expectations by consistently *outperforming*. This mission underpins the Group's vision as Malaysia's preferred diversified, internationally connected financial solutions group. Our brand – "Your Bank. Malaysia's Bank. AmBank." portrays us as a modern Malaysian diversified financial solutions partner that understands and meets the diverse needs of modern Malaysians.

The Group receives strong support from the Australia and New Zealand Banking Group ("ANZ") (one of Australia's leading banks) particularly in Board and senior management representations, risk and financial governance, products offering and new business developments. In the general insurance business, the Group has partnered with Insurance Australia Group Ltd ("IAG"). Whilst in the life assurance and family takaful businesses, the Group has a partnership with MetLife International Holdings Inc. ("MetLife"). The Group continues to benefit in terms of expertise transfer from IAG and MetLife.

AMMB Holdings Berhad is the holding company of AmBank Group and is a public listed company on the Main Market of Bursa Malaysia.

AmBank (M) Berhad

AmBank

AmBank (M) Berhad ("AmBank"), part of the AmBank Group, is a one-stop financial institution driven by innovation and a commitment to deliver outstanding customer service. AmBank offers a comprehensive suite of financial solutions which includes deposits, loans & financing, credit cards, wealth management, priority banking, insurance, small business banking, trade finance, cash management, young professional solutions, foreign currency exchange and remittance services. Supported by a strong network of 175 branches & Electronic Banking Centres (EBCs) nationwide (which includes a total of 1,376 self-service machines), a 24-hour contact centre and digital banking, access to AmBank's financial solutions and services is made simple and convenient.

AmInvestment Bank Berhad

AmInvestment Bank

AmInvestment Bank Berhad ("AmInvestment Bank"), part of the AmBank Group, is Malaysia's leading investment bank with over 30 years of track record. It provides a full range of wholesale banking related products and services that include Corporate Finance, Equity Markets, Debt Markets, Islamic Capital Markets, Markets and Private Banking.

AmInvestment Bank's experience and track record in the debt, equity and Islamic capital markets have won the confidence of a large roster of corporates and other clients, and repeatedly over the years, we have received numerous local and international industry awards.

AmInvest

AmInvest is the brand for the funds management business of AmBank Group which manages both conventional and Shariah-compliant funds. It is one of the leading fund management houses in Malaysia and has an award-winning track record spanning more than three decades. As at 31 January 2015, AmInvest has approximately RM39 billion assets under management ("AUM").

AmInvest manages unit trust and wholesale funds, institutional mandates, exchange-traded funds and Private Retirement Scheme funds, encompassing both conventional and Shariah-compliant funds.

AmBank Islamic Berhad

AmBank Islamic Berhad (formerly knows as AmIslamic Bank Berhad) is the full-fledged Islamic banking subsidiary of AmBank Group. Established in May 2006, AmBank Islamic has built a solid reputation in serving the banking needs of corporates and individuals since its beginnings as AmBank Group's Islamic Banking Division in 1993.

Being the first-to-market in the region through numerous product innovations, AmBank Islamic provides a wide range of Shariah-compliant retail banking, business banking and related financial services, which also include investment advisory as well as treasury products. Striving to be the premier Islamic bank of choice, AmBank Islamic continues to grow while providing our customers a complete range of innovative Shariah-compliant financial solutions.

AmGeneral Insurance Berhad

AmGeneral Insurance Berhad ("AmGeneral") is one of the largest motor and general insurance companies in Malaysia with over four million policy holders. It is backed by a strong partnership between AmBank Group and IAG International Pty Ltd.

Trading under its two trusted brands, AmAssurance and Kurnia, AmGeneral generates business from a comprehensive range of general insurance solutions distributed through a network of 32 insurance branches servicing 7,000 agents and dealers, as well as through AmBank branches and customer touch points nationwide.

AmMetLife Insurance Berhad

AmMetLife Insurance Berhad ("AmMetLife") is a strategic partnership between AmBank Group and MetLife. AmMetLife offers a comprehensive range of life assurance and wealth protection solutions distributed through a combination of over 200 AmBank and AmMetLife branded branch offices, in addition to the strength of its authorised life insurance agents nationwide.

The strategic partnership combines the international expertise and financial strength of MetLife with the local strength and reach of AmBank Group to create a customer-centric and modern life assurance solutions provider in Malaysia.

AmMetLife Takaful Berhad

AmMetLife Takaful Berhad ("AmMetLife Takaful") is a strategic partnership between AmBank Group and MetLife. The strategic partnership combines the international expertise and financial strength of MetLife with the local strength and reach of AmBank Group.

AmMetLife Takaful offers a comprehensive range of takaful solutions distributed by its authorised takaful agents and AmBank branches nationwide. With our passion for the provision of excellent services, together with a deep and respectful knowledge of Shariah principles and values, we aim to create a customer centric and modern takaful operator in Malaysia.

Y BHG TAN SRI AZMAN HASHIM
Non-Independent Non-Executive Chairman

Y Bhg Tan Sri Azman Hashim, a Malaysian, aged 76, was appointed to the Board of AMMB Holdings Berhad on 15 August 1991 and has been the Chairman of the Company since 1991. He is the Non-Independent Non-Executive Chairman of the Company.

Tan Sri Azman is also the Chairman of the board of several subsidiaries of the Company, namely AmBank (M) Berhad, AmInvestment Bank Berhad, AmBank Islamic Berhad (formerly known as AmIslamic Bank Berhad), AmGeneral Insurance Berhad, AmMetLife Insurance Berhad (formerly known as AmLife Insurance Berhad), AmMetLife Takaful Berhad (formerly known as AmFamily Takaful Berhad), AmGeneral Holdings Berhad, AmInvestment Group Berhad and AMFB Holdings Berhad.

Tan Sri Azman, a Chartered Accountant (FCPA), a Fellow of the Institute of Chartered Accountants and a Fellow of the Institute of Chartered Secretaries and Administrators, has been in the banking industry since 1960 when he joined Bank Negara Malaysia and served there until 1964. He practised as a Chartered Accountant in Azman Wong Salleh and Co. from 1964 to 1971. He then joined the board of Malayan Banking Berhad from 1966 until 1980 and was its Executive Director from 1971 until 1980. He was the Executive Chairman of Kwong Yik Bank Berhad, a subsidiary of Malayan Banking Berhad, from 1980 until April 1982 when he acquired AmInvestment Bank Berhad.

Tan Sri Azman is the Executive Chairman of Amcorp Group Berhad and Chairman of Malaysian South-South Corporation Berhad. He serves as a member on the board of Pembangunan MasMelayu Berhad and the Asian Institute of Finance Berhad. Tan Sri Azman is also involved in several charitable organisations as Chairman and Trustee of AmGroup Foundation and Perdana Leadership Foundation and Trustee for Yayasan Azman Hashim, Yayasan Perpaduan Nasional, Malaysian Liver Foundation, Yayasan Tuanku Najihah and Yayasan Canselor Open University Malaysia. Tan Sri Azman is also the Founder and Council Member of Azman Hashim (L) Foundation and Azman Hashim Charitable (L) Foundation.

Tan Sri Azman is the Chairman of the Asian Institute of Chartered Bankers (formerly known as Institute of Bankers Malaysia), Malaysian Investment Banking Association and the Malaysia Productivity Corporation, Chairman Emeritus of Pacific Basin Economic Council (PBEC) International and Co-Chairman of Malaysia - Singapore Roundtable. He is the First Chairman of the Financial Services Professional Board. He is the President of Malaysia South-South Association, Malaysia - Japan Economic Association, Malaysian Prison FRIENDS Club, Non-Aligned Movement's (NAM) Business Council and Treasurer of Malaysia-Australia Foundation. He is a Member of the APEC Business Advisory Council, the Malaysian-British and Malaysia-China Business Councils and East Asia Business Council. He is also the Leader of the ASEAN Japanese Business Meeting (Malaysia Committee, Keizai Doyukai) and is on the Board of Advisors of AIM Centre for Corporate Social Responsibility. He is the Pro-Chancellor of Open University of Malaysia, a member of the Governing Body of Asian Productivity Organisation and the International Advisory Panel of Bank Negara Malaysia International Centre for Education in Islamic Finance (INCEIF) and the Asian Banking School Sdn Bhd.

Y BHG DATO' AZLAN HASHIM
Non-Independent Non-Executive Deputy Chairman

Y Bhg Dato' Azlan Hashim, a Malaysian, aged 73, was appointed to the Board of AMMB Holdings Berhad on 12 February 1992 and has been the Deputy Chairman of the Company since 1992. He is a Member of the Company's Group Information Technology Committee and Audit and Examination Committee.

Dato' Azlan is currently the Non-Executive Chairman of AmFraser International Pte Ltd, AmLabuan Holdings (L) Ltd [formerly known as AmInternational (L) Ltd] and Am Ara REIT Managers Sdn Bhd. He also serves on the boards of Am Ara REIT Holdings Sdn Bhd, Metrod Holdings Berhad, Paramount Corporation Berhad and Sapura Industrial Berhad. He is a Trustee of AmGroup Foundation.

Dato' Azlan served the Malayan Railways from 1966 to 1971, where he was the Chief Accountant for two years. In 1972, he became a Partner of a public accounting firm, Azman Wong Salleh & Co., and was a Senior Partner of the firm prior to joining Amcorp Properties Berhad's board from 1982 to July 2007.

Dato' Azlan is a Fellow of the Institute of Chartered Accountants (Ireland), Economic Development Institute, World Bank, Washington D.C., U.S.A. and Asian Institute of Chartered Bankers (formerly known as Institute of Bankers Malaysia). He is also a Certified Public Accountant.

Y A BHG TUN MOHAMMED HANIF BIN OMAR
Non-Independent Non-Executive Director

Y A Bhg Tun Mohammed Hanif bin Omar, a Malaysian, aged 76, was appointed to the Board of AMMB Holdings Berhad on 6 May 1994. He is a Member of the Company's Group Nomination and Remuneration Committee.

Tun Mohammed Hanif is also a board member of the Company's subsidiary, namely AMFB Holdings Berhad. He is currently the Deputy Executive Chairman of Genting Berhad and Genting Malaysia Berhad and a board member of Genting Overseas Holdings Ltd. He was the Inspector-General of the Royal Malaysia Police for 20 years until his retirement in January 1994. He has received honorary awards from Malaysia, Indonesia, Thailand, Singapore, Brunei and the Philippines for his invaluable contribution towards the region's security.

He has been the President of the Malaysian Institute of Management since 2001. He is also the President of the Malaysian Branch of the Royal Asiatic Society. He is a member of the Malaysian Equine Council and a Council Member of the Malaysian Crime Prevention Foundation. In addition, he is the Chairman of the Lembaga Pemegang Amanah Yayasan Tun Razak, a member of the Board of Trustees of the Malaysian Liver Foundation, Yayasan DayaDiri, Yayasan Gagasan Melayu Perak, The MCKK Foundation and The Community Chest, Malaysia.

Tun Mohammed Hanif received his Bachelor of Arts from the then University of Malaya, Singapore in 1959, Bachelor of Laws (Honours) from Buckingham University, United Kingdom in 1986 and Certificate of Legal Practice (Honours) from the Legal Qualifying Board in 1987.

He was conferred the Honorary Doctorate of Law by Universiti Kebangsaan Malaysia in 1992, Honorary Doctorate of Philosophy (Internal Security) by Universiti Pertahanan Nasional Malaysia on 2 October 2011 and Honorary Doctorate of Law by the University of Buckingham on 16 March 2012.

Y BHG TAN SRI DATUK CLIFFORD FRANCIS HERBERT
Senior Independent Non-Executive Director

Y Bhg Tan Sri Datuk Clifford Francis Herbert, a Malaysian, aged 73, was appointed to the Board of AMMB Holdings Berhad on 16 April 2004. He is the Chairman of the Company's Group Risk Management Committee, Group Nomination and Remuneration Committee and a Member of the Company's Audit and Examination Committee.

Tan Sri Datuk Herbert at present sits on the boards of AmBank (M) Berhad, AmBank Islamic Berhad (formerly known as AmIslamic Bank Berhad), Genting Malaysia Berhad, Moet Hennessy Diageo Malaysia Sdn Bhd and FIDE Forum.

Tan Sri Datuk Herbert joined the Malaysian Civil Service in 1964 as Assistant Secretary in the Public Services Department from 1964 to 1968. Subsequently, he served in the Ministry of Finance from 1975 to 1997, culminating as Secretary General to the Treasury. He retired from the Civil Service in 1997.

As Secretary General in the Ministry of Finance, he was also appointed as alternate Governor of the World Bank. From 1994 to 2000, Tan Sri Datuk Herbert was the Chairman of KL International Airport Berhad which built the Kuala Lumpur International Airport. He had been a board member of numerous statutory bodies and government related public companies among them being Kumpulan Khazanah Nasional Berhad, Malaysian Airline System Berhad, Petroliam Nasional Berhad, Bank Negara Malaysia, the Securities Commission Malaysia and Chairman of Percetakan Nasional Malaysia Berhad. He also served as Chairman of Kumpulan Wang Amanah Pencen. Additionally, Tan Sri Datuk Herbert is also involved in several non-governmental organisations.

Tan Sri Datuk Herbert holds a Master of Public Administration from University of Pittsburgh, U.S.A., and a Bachelor of Arts (Honours) from the University of Malaya.

Y BHG TAN SRI DATUK DR ARIS OTHMAN
Independent Non-Executive Director

Y Bhg Tan Sri Datuk Dr Aris Othman, a Malaysian, aged 70, was appointed to the Board of AMMB Holdings Berhad on 1 April 2004. He is the Chairman of the Company's Audit and Examination Committee and a Member of the Group Risk Management Committee and Group Nomination and Remuneration Committee.

Tan Sri Datuk Dr Aris is also a board member of the Company's subsidiary, AmInvestment Bank Berhad. He is currently a Director of YTL Power International Berhad.

Tan Sri Datuk Dr Aris had served in various positions in the Economic Planning Unit, Prime Minister's Department from 1966 to 1986. He was seconded to Bank Bumiputra Malaysia Berhad, Kuala Lumpur as Chief General Manager (Corporate Planning, Financial Subsidiaries, Treasury and Human Resources) from 1986 to 1989. From 1989 to 1999, Tan Sri Datuk Dr Aris was with the Ministry of Finance, during which he had served as Executive Director (South-East Asia Group) of the World Bank, Washington D.C., U.S.A. from 1991 to 1994 and Secretary General to the Treasury from 1998 to mid-1999. This was followed by a career in banking, where he had held the positions of Executive Chairman and Managing Director/Chief Executive Officer of Bank Pembangunan dan Infrastruktur Malaysia Berhad. He was also the Chairman of Malaysia Airports Holdings Berhad, and Malaysia Design and Innovation Centre, Cyberjaya.

Tan Sri Datuk Dr Aris holds a PhD in Development Economics and a Master of Arts in Political Economy both from Boston University, Massachusetts, a Master of Arts in Development Economics from Williams College, Massachusetts, and a Bachelor of Arts (Honours) in Analytical Economics from University of Malaya.

Y BHG DATO' ROHANA TAN SRI MAHMOOD
Independent Non-Executive Director

Y Bhg Dato' Rohana Tan Sri Mahmood, a Malaysian, aged 61, was appointed to the Board of AMMB Holdings Berhad on 8 July 2011. She is a Member of the Company's Group Nomination and Remuneration Committee and Chairman of the Group Information Technology Committee.

Dato' Rohana is also a board member of the Company's subsidiary, AmInvestment Bank Berhad. Dato' Rohana is the Chairman/Partner/Director and Founder of RM Capital Partners, a Malaysian private equity fund. She was the Chairman and co-founder of Ethos Capital, a Malaysian private equity fund since 2007. The fund successfully ended in November 2012.

Dato' Rohana is a member of Global Council of the Asia Society, New York, member of Advisory Board of ACE Limited International, New York, member of APEC Business Advisory Council (ABAC) of Malaysia and a board member of Pacific Basin Economic Council (PBEC).

Dato' Rohana is a director of other listed companies, namely Sime Darby Berhad and Paramount Corporation Berhad. She is also the Chairman/Director and Founder of RMCP One Sdn Bhd. She sits on the board of various private companies including Sime Darby Energy & Utilities Sdn Bhd, Sime Darby Industrial Sdn Bhd, KDU University College Sdn Bhd, YIM Technology Resources Sdn Bhd and RM Capital Partners & Associates Sdn Bhd.

Dato' Rohana is the Chairman of Advisory Council and founding member of the Kuala Lumpur Business Club, an exclusive (by invitation only) networking, and business development organisation limited to 100 members of Malaysia's leading corporate and business leaders. She is a Distinguished Fellow and board member of the Institute of Strategic and International Studies (ISIS) Malaysia. Prior to ISIS, Dato' Rohana was attached to the Ministry of Foreign Affairs Malaysia.

Dato' Rohana holds a Bachelor of Arts (Honours) in Politics, Essex University and Master's degree in International Relations from Sussex University, United Kingdom.

Y BHG DATO' SERI AHMAD JOHAN BIN MOHAMMAD RASLAN
Executive Director/Senior Adviser

Y Bhg Dato' Seri Ahmad Johan bin Mohammad Raslan, a Malaysian, aged 55, was appointed to the Board of AMMB Holdings Berhad on 9 December 2014. He is a Member of the Company's Group Information Technology Committee. Dato' Seri Johan's role as Senior Adviser is to advise the Chairman and Board of AmBank Group on a variety of issues internal and external to the Group.

Dato' Seri Johan is a member of the board of Eco World International Berhad and is a former Executive Chairman of PricewaterhouseCoopers Malaysia (PwC). He spent 10 years of his career in London, United Kingdom and 20 years in Malaysia, working in the fields of assurance and advisory. His clients in Malaysia included some of the most prominent companies in Malaysia, including Government-Linked Companies. He retired from PwC in June 2012.

In addition to his assurance and advisory work, Dato' Seri Johan has frequently been consulted in matters concerning corporate governance. He has worked with the main Malaysian regulators in Malaysia including Bank Negara Malaysia (BNM), the Securities Commission Malaysia (SC) and Bursa Malaysia. Until he retired in 2012, Dato' Seri Johan was a member of BNM's Financial Stability Executive Committee and the SC's Corporate Governance Consultative Committee.

Dato' Seri Johan's past work for the Government of Malaysia included memberships of the boards of Perbadanan Putrajaya (Putrajaya Corporation) and The Retirement Fund Incorporated (KWAP), and the Chairmanship of the Financial Reporting Foundation. He is currently a member of the Financial Services Professional Board, an appointment under BNM.

Dato' Seri Johan has a Bachelor of Science (Honours) degree in Economics and Accountancy from the University of Hull in the United Kingdom. He is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of the Malaysian Institute of Certificate Public Accountants and Malaysian Institute of Accountants.

MR CHIN YUEN YIN
Independent Non-Executive Director

Mr Chin Yuen Yin, a Malaysian, aged 67, was appointed to the Board of AMMB Holdings Berhad on 20 January 2015. He is a Member of the Company's Audit and Examination Committee and Group nomination and Remuneration Committee

Mr Chin also sits on the boards of various subsidiaries of AMMB Holdings Berhad Group, namely AmBank (M) Berhad, AmBank Islamic Berhad (formerly known as AmIslamic Bank Berhad), AmGeneral Insurance Berhad and AmMetLife Insurance Berhad. He is also a director in SBP (Bungalows) Homeowners Berhad.

Mr Chin has more than 40 years of experience in the banking industry and began his career with Standard Chartered Bank Malaysia where he was employed from 1970 to 1992, having held various positions in corporate banking, branch sales and services and retail banking. Mr Chin moved on to Indonesia as an Advisor to a local bank and return to Malaysia in early 1994 to join Hong Leong Bank during which he built up the Personal Bank Division (Retail Banking Division).

Subsequently, Mr Chin joined OCBC Bank as the Head, Global Consumer Banking based in Singapore. After leaving OCBC Bank he had a stint as a Consultant with Texas Pacific Group, an American private equity company based in Fort Worth, Texas. It was in this connection that he became a Director of BankThai in Thailand as well as the Chairman of Retail Banking. BankThai was later acquired by CIMB Bank Berhad and he served as the Acting Chief Executive Officer during the transition period, pending the bank seeking a Thai CEO.

Mr Chin has a Bachelor of Economics (Honours) degree from the University of Malaya and holds a Masters in Business Administration from The University of Hull, United Kingdom.

Mr Chin is also a Fellow of The Chartered Institute of Marketing.

MR VOON SENG CHUAN
Independent Non-Executive Director

Mr Voon Seng Chuan, a Malaysian, aged 56, was appointed to the Board of AMMB Holdings Berhad on 18 June 2015. He is a Member of the Company's Group Information and Technology Committee and Group nomination and Remuneration Committee

Mr Voon also sits on the board of AmBank (M) Berhad, a subsidiary of the Company and is currently a director of Mesiniaga Berhad (an IT company listed on the Main Market of Bursa Malaysia Securities Berhad), Silverlake International Pte Ltd and Corporate Learning Consortium Sdn Bhd.

Mr Voon has been part of the Information Technology ("IT") industry for about three decades. In April 2008, he joined the IBM Quarter Century Club reflecting his 25 years of service in IBM. He has retired from IBM effective March 2010.

In his 27 years of service with IBM, he held a number of roles delivering all aspects of IT products and services for clients in all industry segments, in Malaysia and the Asia Pacific region. His last role in IBM prior to his retirement was the Director for Mid-Market Segment in Asia Pacific. He was responsible for the overall business performance (about US$ 2 billion) and client satisfaction for all Mid-Market clients. In this role, he led teams from ibm.com, business partners operations, marketing, product and services divisions to provide solutions to the Mid-Market segment.

In 2007, he was assigned to the Asia Pacific headquarters to handle two special projects of IBM headquarters' organisation restructuring. First, he led the successful split of the existing ASEAN/South Asia regional headquarter into two independent regions of ASEAN and India/South Asia. Then, he was a member of the core team that split Japan out of the Asia Pacific region.

From 2000 to 2006, Mr Voon was the Managing Director for IBM Malaysia and Brunei. Under his leadership, IBM has been at the forefront of bringing the vision of e-business, on demand business, and innovation, to the country, with key activities such as e-Fairs, IBM Forums and Business Solutions Symposiums, to heighten the awareness of the benefits of high value IT investments for large enterprises and also for small and medium businesses. Mr Voon had also responded to the Malaysian government's call to transform the nation into an international shared services and outsourcing hub by leading IBM's investment in seven, regional centers/operations in Malaysia. In doing so, IBM is well positioned

to transfer best practices and high-skilled expertise to the country. In 2013, Mr Voon was recognised with the "Outsourcing Leader of the Year" award by Outsourcing Malaysia. He was also a Council Member of PIKOM (National ICT Association of Malaysia) from 1994/1995 and 1999/2000.

Mr Voon has a Bachelor of Science (Honours) degree in Mathematic from the University of Malaya.

MR SHAYNE CARY ELLIOTT
Non-Independent Non-Executive Director

Mr Shayne Cary Elliott, a New Zealander, aged 51, was appointed to the Board of AMMB Holdings Berhad on 18 June 2013. He is a Member of the Company's Audit and Examination Committee.

Mr Elliott is currently a director of ANZ Holdings (New Zealand) Limited and ANZ Bank New Zealand Limited. Mr Elliott has been the Chief Financial Officer of Australia and New Zealand Banking Group Limited (ANZ) since June 2012. He is responsible for all aspects of Finance as well as Legal, Treasury and Investor Relations. In this role, Mr Elliott also has responsibility for Group Strategy and Mergers and Acquisitions.

Prior to this role, Mr Elliott was Chief Executive Officer, Institutional, overseeing all businesses that deal with ANZ's large business, corporate and institutional customers.

Mr Elliott joined ANZ in June 2009. Previously, he was Chief Operating Officer, EFG Hermes, the largest investment bank in the Middle East. He was responsible for corporate strategy, risk, human resources, marketing and implementing governance and business management processes.

Mr Elliott was previously with Citigroup where he held various senior positions across geographies and business sectors over the course of 20 years. Some of the roles he held during his time at Citigroup include: Chief Executive Officer Global Transaction Services Asia Pacific, Chief Executive Officer Corporate Bank Australia/New Zealand and Country Corporate Officer, Vice President Strategic Planning New York, Head of Investor Derivative Sales London and Head of New Zealand Derivatives Sales and Trading.

Mr Elliott holds a Bachelor of Commerce, Management Studies and Finance from the University of Auckland, New Zealand.

MR MARK DAVID WHELAN
Non-Independent Non-Executive Director

Mr Mark David Whelan, an Australian, aged 55, was appointed to the Board of AMMB Holdings Berhad on 2 January 2009. He is a Member of the Company's Group Risk Management Committee.

Mr Whelan is Chief Executive Officer of ANZ Australia and Management Board member responsible for Global Commercial Banking, Australia and New Zealand Banking Group Limited (ANZ).

As Chief Executive Officer Australia, Mr Whelan is responsible for ANZ's Australian retail and commercial businesses which service more than six million customers. As a member of ANZ's Management Board, he also leads ANZ's commercial segment on a global basis.

Mr Whelan has been in banking almost 30 years and has vast experience in the Asian Market, and Institutional, Corporate and Commercial Banking.

Prior to his current role, Mr Whelan held the roles of Managing Director Corporate and Commercial Banking Australia and Managing Director of ANZ's Institutional, Commercial and Private Bank businesses based in Hong Kong.

He joined ANZ in November 2004 as Head of Sales, Markets, before taking on the role of Joint Managing Director, Markets, in 2005 and then Managing Director, Institutional Asia, in 2007.

Prior to joining ANZ, Mr Whelan worked at Westpac Bank where he held several senior roles including General Manager, Global Investor Sales and General Manager, Institutional Banking, Victoria. Within this capacity, his responsibilities included distribution of Markets products into the Commercial segment. Before joining Westpac Bank, Mr Whelan worked for Citibank and Caterpillar.

Mr Whelan holds a Graduate Diploma in Taxation and a Diploma in Accounting from the Royal Melbourne Institute of Technology. He is a Fellow of the Certified Practicing Accountants, and a member of the Financial Treasury Association Limited, the Australian Financial Markets Association and the Australian Institute of Company Directors.

MS SUZETTE MARGARET CORR
Non-Independent Non-Executive Director

Ms Suzette Margaret Corr, an Australian, aged 54, was appointed to the Board of AMMB Holdings Berhad on 23 January 2015. She is a Member of the Company's Group Nomination and Remuneration Committee.

Ms Corr is the General Manager Human Resources Australia and Group General Manager Talent & Culture for Australia and New Zealand Banking Group Limited (ANZ). She brings to the dual role skills in leadership, business transformation, operations and all aspects of Human Resource (HR) and workforce issues. Suzette is an experienced human resources executive with demonstrated strengths in strategy and execution developed across a range of sectors, including Consulting and Financial Services.

She leads the enterprise-wide HR portfolios including Talent and Succession, Performance, Resourcing, Remuneration, Learning and Development, Culture, Diversity, Engagement, Employee Relations and Health and Safety; overseeing initiatives across 34 countries for 55,000 staff. She is a member of the Australian Government's New Colombo Plan Steering Group and ANZ's Social Media Steering Committee.

Previously, Ms Corr was the General Manager HR for the National Australia Bank Limited, and has held consulting roles with Ernst & Young and Arthur Andersen. Ms Corr's service with both government and non-profit organisations included directorship of VicHealth; Interim CEO for Very Special Kids; Deputy Chairman of International School Fiji Board of Governors; and Advisory Board membership of Melbourne Youth Music and Personal Emergency Services Victoria.

Ms Corr holds a Bachelor of Commerce from the University of Western Australia and a Master of Business Administration from the University of Queensland, Australia. She has studied business strategy, human resources strategy and organisation transformation at INSEAD and the London Business School. She has also undertaken company director training in Australia and Malaysia and is a member of the Australian Institute of Company Directors.

MR SOO KIM WAI
Non-Independent Non-Executive Director

Mr Soo Kim Wai, a Malaysian, aged 54, was appointed to the Board of AMMB Holdings Berhad on 4 October 2002. He is a Member of the Company's Group Nomination and Remuneration Committee.

Mr Soo is currently the Group Managing Director of Amcorp Group Berhad. He joined Amcorp Group Berhad in 1989 as Senior Manager, Finance, and has since held various positions before he was promoted to his current appointment. Prior to that, he was with Plantation Agencies Sdn Bhd from 1985 to 1989, and in the accounting profession for five years with Deloitte KassimChan from 1980 to 1985.

Mr Soo sits on the boards of RCE Capital Berhad, Amcorp Properties Berhad, ECM Libra Financial Group Berhad and other private limited companies and foreign companies. He is also a board member of the British Malaysian Chamber of Commerce.

Mr Soo is a Chartered Accountant (Malaysian Institute of Accountants), a Certified Public Accountant (Malaysian Institute of Certified Public Accountants), Fellow of the Certified Practising Accountant (CPA), Australia and Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom.

MR ALISTAIR MARSHALL BULLOCH
(Alternate Director to Mr Shayne Cary Elliott, Mr Mark David Whelan and Ms Suzette Margaret Corr)

Mr Alistair Marshall Bulloch, a British, aged 57, is the Alternate Director to Mr Shayne Cary Elliott, Mr Mark David Whelan and Ms Suzette Margaret Corr.

He is currently the Managing Director, Partnerships, International & Institutional of Australia and New Zealand Banking Group Limited (ANZ).

Mr Bulloch is responsible for developing critical government and other relationships, taking a lead role in management across Asia Pacific, Europe and America on behalf of the group. He is Head of the ANZ Partnership and represents ANZ on all major boards.

Prior to this role, Mr Bulloch was the Deputy Chief Executive Officer of Asia Pacific, Europe and America (APEA) and the Chief Executive Officer of North East Asia of ANZ. He was responsible for driving growth and innovation in ANZ's businesses and partnerships in China, Hong Kong, Taiwan, Japan and Korea.

He is the Chairman and Director of ANZ Bank (Vietnam) Limited, ANZ Insurance Broker Co.Ltd. (Taiwan), ANZ Royal Bank (Cambodia) Ltd, ANZ Bank (Taiwan) Limited, Chongqing Liangping ANZ Rural Bank Co. Ltd (China) and Votraint No.1103 Pty Ltd, a Director of ANZ Bank (China), United (Cambodia) Land Company Ltd, ANZ Bank (Europe) Limited (United Kingdom), ANZ Bank (Lao) Limited, ANZ Capital (PVT) Limited (India), ANZ Pensions (UK) Limited, ANZ V-Trac International Leasing Company, Bank of Tianjin (China), Jikk Pty Ltd., Saigon Securities Inc. (Vietnam) and Shanghai Rural Commercial Bank (China).

Mr Bulloch was the Head of Wholesale and Commercial Banking in Korea for Standard Chartered First Bank. He has more than 20 years' banking experience and was previously Head of Client Relationships in both China and Taiwan. Mr Bulloch spent his childhood and a considerable part of his earlier career in Hong Kong and has also worked in the Middle East and Ireland.

He holds a Bachelor of Arts (Honours) in Business Studies from Dundee College of Technology, Scotland.

Additional Information:

None of the Directors has any family relationships with other Directors or major shareholders of the Company, except as disclosed herein.

Y Bhg Tan Sri Azman Hashim and Y Bhg Dato' Azlan Hashim are brothers.

Y Bhg Tan Sri Azman Hashim is the Executive Chairman and a substantial shareholder of Amcorp Group Berhad ("Amcorp"), which in turn is a substantial shareholder of AMMB Holdings Berhad ("AMMB").

Y Bhg Tan Sri Azman Hashim is a Director of Clear Goal Sdn Bhd, his family-owned company, which is deemed a substantial shareholder of AMMB by virtue of its interest in Amcorp.

Mr Soo Kim Wai is the Group Managing Director of Amcorp, which is a substantial shareholder of AMMB.

Mr Shayne Cary Elliott, Mr Mark David Whelan and Ms Suzette Margaret Corr are Board representatives of Australia and New Zealand Banking Group Limited, which is deemed a substantial shareholder of AMMB by virtue of its interest in ANZ Funds Pty Ltd, a substantial shareholder of AMMB.

None of the Directors has been convicted for offences within the past 10 years. None of the Directors has any conflict of interest with the Company other than as announced or set out in Note 44 to Financial Statements under "Significant Related Party Transactions and Balances".

Datuk Mohamed Azmi Mahmood
Acting Group Managing Director
AmBank Group

1) **Dato' James Lim Cheng Poh**
Managing Director
Group Managing Director's Office
AmBank (M) Berhad

2) **Kok Tuck Cheong**
Managing Director
Wholesale Banking
Products
AmInvestment Bank Berhad

3) **Pushpa Rajadurai**
Managing Director
Wholesale Banking
Coverage
AmBank Group

4) **Anthony Chin Min Khong**
Acting Head, Retail Banking
AmBank (M) Berhad

5) **Eqhwan Mokhzanee Muhammad**
Chief Executive Officer
AmBank Islamic Berhad

6) **Nigel Christopher William Denby**
Chief Risk Officer
AmBank Group

7) **Mandy Jean Simpson**
Chief Financial Officer
AmBank Group

8) **Thein Kim Mon**
Chief Internal Auditor
AmBank Group

9) **Uji Sherina binti Abdullah**
Chief Human Resource Officer
AmBank Group

10) **Charles Tan Keng Lock**
Chief Information Officer
AmBank Group

11) **Derek Llewellyn Roberts**
Chief Executive Berhad
AmGeneral Insurance Berhad

12) **Ramzi Albert Toubassy**
Chief Executive Officer
AmMetLife Insurance Berhad

13) **Mohamad Salihuddin Ahmad**
Chief Executive Officer
AmMetLife Takaful Berhad

Datuk Mohamed Azmi Mahmood
Acting Group Managing Director
AmBank Group

Datuk Mohamed Azmi Mahmood was appointed as the Acting Group Managing Director of AMMB Holdings Berhad on 2 April 2015 and prior to that, he was the Deputy Group Managing Director since 2 April 2012.

Datuk Azmi has over 34 years of experience in the banking industry. He joined Arab-Malaysian Finance Berhad (AMFB) in 1981 as an accountant. In 1989, he was seconded by Bank Negara Malaysia to First Malaysia Finance Berhad as the Chief Executive Officer in a rescue scheme for the finance company. In January 1991, he re-joined AMFB and was promoted to Managing Director on 1 August 1994, a position he held until 14 June 2002 to assume the office of Managing Director, Retail Banking in AmBank (M) Berhad.

Datuk Azmi is also a Director of AmGeneral Holdings Berhad, AmGeneral Insurance Berhad, AmMetLife Takaful Berhad, AmMortgage One Berhad, AmInvestment Group Berhad, AmCard Services Berhad, AmInternational (Labuan) Ltd (formerly known as AmInternational (L) Ltd), MBF Cards (M'sia) Sdn Bhd, Malaysian Electronic Payment System (1997) Sdn Bhd (MEPS), MEPS Currency Management Sdn Bhd, Financial Information Services Sdn Bhd and FIS Data Link Sdn Bhd. Datuk Azmi also a Council Member and Honorary Secretary of the Association of Finance Companies of Malaysia, a Council Member and Honorary Secretaryof the Association of Hire Purchase Companies of Malaysia, Fellow of the Asian Institute of Chartered Bankers (formerly known as Institute Bank-Bank Malaysia), member of the Malaysian Financial Planning Council and Council member of Association of Banks of Malaysia.

For his years of contribution to the industry, Datuk Azmi was conferred the "Darjah Mulia Seri Melaka" with the title "Datuk" on 11 October 2008.

Additional Information:

Datuk Azmi, a Malaysian aged 61, has completed Final Part 1 of the Institute of Chartered Accountants in England and Wales. He has 300,000 AMMB Holdings Berhad shares and 141,050 Scheme Shares pursuant to the Company's Executives' Share Scheme as at 30 June 2015. He has no family relationship with any director or substantial shareholder of the Company. Datuk Azmi has no conflict of interest with the Company and never been convicted for offences within the past 10 years.

Dato' James Lim Cheng Poh
Managing Director
Group Managing Director's Office
AmBank (M) Berhad

Dato' James Lim Cheng Poh joined AmBank (M) Berhad as the Managing Director/CEO on 15 June 2004. After the merger of AmBank Berhad and AmFinance Berhad, he was appointed as the Managing Director, Business Banking of AmBank (M) Berhad. Following the merger of Business Banking and Corporate Banking in 2014, Dato' James was appointed as a Senior Banker/Managing Director of the Group Managing Director's Office.

Prior to joining Ambank (M) Berhad, Dato' James has more than 20 years of banking experience in Hong Leong Group. He joined Hong Leong Group as Managing Director in 1983 and became the Senior Group Managing Director of Hong Leong Bank Berhad in 1994, a position he held until his retirement in October 2003.

Dato' James represented Hong Leong Bank Berhad as a Council Member of the Association of Banks in Malaysia and was on the Board of Directors of the Financial Mediation Bureau. He was also previously the Vice President of Harvard Club, Malaysia.

Dato' was conferred a First Class with Distinction in Mining Engineering from the Camborne School of Mines (England) and awarded the Richard Pearce Gold Medal for being the top graduating student. He also holds a Master's Degree in Science (Engineering) from Queen's University, Canada and a Master's Degree in Business Administration from Harvard University, USA.

In March 2000, Dato' James Lim was conferred the title Darjah Kebesaran Dato' – Sultan Salahuddin Abdul Aziz Shah (DSSA) by the Sultan of Selangor in recognition of his services to the community.

Kok Tuck Cheong
Managing Director
Wholesale Banking
Products
AmInvestment Bank Berhad

Kok Tuck Cheong is the Chief Executive Officer of AmInvestment Bank Berhad and AmBank Group's Managing Director of Wholesale Banking Products. He is responsible for the overall strategic and day-to-day management of the Investment Banking business of the Group covering Markets, Corporate Finance, Debt Markets, Equity Markets, Islamic Capital Markets, Funds Management, Private Banking and Transaction Banking.

He started his career with AmInvestment Bank Berhad in the Treasury Department before joining the Banking and Corporate Finance Department where he rose to the position of Executive Director in 2000. He assumed the position of Chief Executive Officer of AmInvestment Bank on 1 January 2005. With his extensive expertise in the field of investment banking, he played a pivotal role in re-modelling the merchant bank along the lines of an investment bank.

He is also a director of AmInvestment Services Berhad, AmIslamic Fund Management Sdn Bhd, AmInvestment Management Sdn Bhd.

He holds a Bachelor of Science (Honours) in Commerce and Accounting and a Master of Science in Financial Management Control.

Pushpa Rajadurai
Managing Director
Wholesale Banking
Coverage
AmBank Group

Ms Pushpa Rajadurai is the Managing Director of Wholesale Banking Coverage of AmBank Group.

Pushpa joined AmBank Group in 1989 and has over 25 years of experience in the corporate, commercial and investment banking, capital markets and advisory. She has held various senior management positions, including the position of Executive Director of AmInvestment Bank in January 2005 and Managing Director of Corporate & Institutional Banking in July 2008. She has also been involved in corporate strategy and advisory work for the AmBank Group.

Prior to joining AmBank Group, she was attached with Coopers & Lybrand (now known as PricewaterhouseCoopers), undertaking financial and consultancy related work. Pushpa sits on the boards of several companies of AmBank Group, which includes the Trustee Services, Offshore Banking, Venture Capital Management, REITs and Private Equity.

Pushpa is the Alternate Chairman of the Malaysian Investment Banking Association (MIBA). She is actively involved in the financial sector market development and sits on Regulatory and Industry panels and working groups. She is also on the board of Financial Institutions Directors' Education (FIDE).

Pushpa is a Fellow Member of the Chartered Association of Certified Accountants, United Kingdom and Member of Malaysian Institute of Accountants.

Anthony Chin Min Khong
Acting Head, Retail Banking
AmBank (M) Berhad

Anthony Chin is currently the Acting Head of Retail Banking and leads all aspects of the consumer and small business banking. He is also the Head of Retail Strategy & Transformation and Programme Director of AmHorizon.

Anthony is a career AmBanker with over 18 years of banking experience, spanning across sales, marketing, credit, operations, collections & recovery, project management, change management, human capital development, strategy, technology and innovation.

He recently led Retail Bank to launch the TRUE suite of products, which targets the Young Professionals segment, including TRUE Lab, the first digitally-enabled crowdsourcing community platform in Malaysia. In his previous roles, Anthony has been instrumental in successfully transforming operating models and consolidating functions, which have resulted in significant productivity improvements.

Anthony has led numerous projects and has successfully implemented key transformational programs, including AmHorizon – a strategic Group initiative to simultaneously replace its core banking system, next generation teller front-end system and a new enterprise data warehouse. This program was case studied by an international journal IBS, UK. His leadership in these initiatives has led AmBank to receive regional awards for the core banking implementation, Retail Bank website and social media marketing campaign.

He has spoken at local and international conferences on innovation, digital and technology.

Anthony is lean six sigma trained and a 7-habits practitioner with keen interest in human capital & talent development and execution. He holds a Bachelor of Business (Credit) in Finance & Marketing from University of Technology, Sydney and a Master in Business Administration from Heriot-Watt University, Edinburgh. He is a Certified Credit Professional (CCP) - Corporate, being the first in AmBank's Retail Bank to have been certified.

Eqhwan Mokhzanee Muhammad
Chief Executive Officer
AmBank Islamic Berhad

Eqhwan Mokhzanee Muhammad was appointed as the Chief Executive Officer of AmBank Islamic Berhad on 1 April 2015.

Prior to joining AmBank Islamic Berhad, Eqhwan has worked with local and foreign banks where he was responsible for *inter alia* Islamic debt capital markets, financial advisory, real estate investment and international business. He has developed innovative Islamic financial structures which have received accolades from International Financing Review (IFR), Islamic Finance News (IFN), The Asset and International Data Corporation (IDC).

Eqhwan commenced his career with PricewaterhouseCoopers (PwC) London, and joined the corporate finance practice of PwC Kuala Lumpur upon his return to Malaysia. Other than in banking, his experience includes corporate management, mergers and acquisitions (M&A), strategy development and operational start-ups both within and outside Malaysia.

Eqhwan has been invited as a speaker at conferences in Malaysia and overseas on Islamic banking. He has also authored Islamic finance research papers.

Eqhwan has Bachelor's and Master's Degrees in Economics from the University of Cambridge. He is an associate of the Institute of Chartered Accountants in England & Wales (ICAEW) and a member of the Malaysian Institute of Accounts (MIA).

Nigel Christopher William Denby
Chief Risk Officer,
AmBank Group

Nigel Denby was appointed as the Chief Risk Officer of AmBank Group in January 2013, overseeing the risk management function of the Group, including Credit Risk, Market Risk, Operational Risk, Legal and Compliance. He is a secondee from the Australia and New Zealand Banking Group (ANZ), our strategic partner in banking.

Nigel has over 30 years of experience in banking across Asia, the Middle East and South America.

He spent most of his career at HSBC where he held a series of senior positions in Corporate, Investment Banking and Markets Division as well as in Risk Management. He joined ANZ in 2008 as CRO for Asia, Pacific, Europe and America (APEA) division and subsequently became the CRO, International and Institutional Division in 2012.

Nigel graduated with a Bachelor of Arts in Economics with Honours from Exeter University in UK.

Mandy Jean Simpson
Chief Financial Officer
AmBank Group

Mandy Jean Simpson is the Chief Financial Officer of AmBank Group. Mandy is responsible for all aspects of finance as well as Group Strategy, Investor Relations and Treasury. She takes a lead role in setting the Group's financial strategy and overall business strategy. Mandy is a secondee from the Australia and New Zealand Banking Group (ANZ).

With over 20 years of experience in the financial sector spanning UK, Australia, New Zealand and Asia, Mandy joined AmBank Group in July 2011 as the Chief General Manager of Distribution and Transformation for Retail Banking. In this role, she was responsible for the planning and execution of Retail Banking's transformation agenda, as well as managing the Retail distribution channels, sales functions, and wealth management business.

Prior to joining AmBank Group, Mandy has worked in the financial sector in a number of senior finance and lead Business roles. Her recent roles in ANZ include General Manager, Deposits in ANZ Australia, Head of Strategy and Finance for Banking Products, Managing Director of ANZ Samoa and Chief Financial Officer of Commercial & SME Business Division. Prior to joining ANZ, Mandy has also worked in New Zealand and the UK with other organisations, both financial and non-financial/ accounting firms.

Mandy holds a Bachelor of Commerce (Accounting and Business Management) from the University of Canterbury, and is a qualified Chartered Accountant. She is a Committee Member of the Malaysian New Zealand Chamber of Commerce and has held a number of directorships in the Private Sector, Government and NGOs.

Mandy was named Asia's Best CFO (Investor Relations) at the 5th Asian Excellence Recognition Awards 2015 and also CFO of the Year, Financial Institutions, Malaysia at The Asset CFO/Treasurer of the Year Awards 2014.

Thein Kim Mon
Chief Internal Auditor
AmBank Group

Thein Kim Mon was appointed as the Chief Internal Auditor (CIA) of AmBank Group since 1 July 2010. He is responsible to provide quality and value added assurance and consulting services to assist the Group in realising its strategic objectives.

Kim Mon has over 40 years of experience in audit and risk management. Prior to joining AmBank Group, Kim Mon spent 21 years in Australian and New Zealand Banking Group (ANZ) where he held several key roles such as Chief Auditor of ANZ in New Zealand and the Regional Head of Audit, UK/Europe & Americas in London. Kim Mon began his career with Coopers & Lybrand (now PricewaterhouseCoopers) where he spent 5 years in London and 5 years in Kuala Lumpur.

Kim Mon is a Fellow of the Institute of Chartered Accountants, England and Wales (ICAEW), Fellow of the Institute of Chartered Accountants of Australia and Chartered Member of The Institute of Internal Auditors Malaysia (CMIIA). He was the Chairman of the Chief Internal Auditors Networking Group (CIANG), a networking group comprising the Financial Institutions' Chief Internal Auditors administered by Asian Institute of Chartered Bankers (AICB), formerly known as Institute Bank-Bank Malaysia (IBBM) from 2013 to 2014.

Uji Sherina binti Abdullah
Chief Human Resource Officer
AmBank Group

Uji Sherina binti Abdullah was appointed as the Chief Human Resource Officer of AmBank Group on 1 June 2015. Uji Sherina has over 30 years of working experience, which includes 20 years in the Human Resource field. She is a seasoned business professional with an excellent track record in developing and leading Human Capital initiatives to complement corporate strategies for local and multi-national organisations.

Uji Sherina has vast experience in organisational development and talent management, leadership and succession planning, culture and team development, as well as performance and rewards management.

Prior to joining AmBank Group, Uji Sherina was the Country Human Resource Director of HSBC Berhad. She has also served as the Country Human Resource Director of Citibank Berhad from 2004 to 2009. Apart from the financial industry, Uji Sherina has also spent numerous years in the telecommunication field where she has held several positions in Programming, Systems Engineering, Sales & Marketing and Training & Development before she found her vocation in Human Resource Management.

Uji Sherina holds an Associate in Occupational Studies Degree in Business Management from the City Center Business Institute in Syracuse, New York.

Charles Tan Keng Lock
Chief Information Officer
AmBank Group

Charles Tan Keng Lock is the Chief Information Officer of AmBank Group. He is responsible to establish effective partnerships with the business units within the Group through active collaboration and alignment of IT services to achieve the Group's strategic objectives. He also oversees the Group's IT Operations support, IT risk and security enforcement, IT governance and administration.

Charles has over 25 years of experience working primarily with financial institutions across the different countries in ASEAN. He has also served as a consultant for several financial institutions in Europe and the USA. Prior to joining AmBank Group, Charles spent several years with a global consultancy firm working on large scale technology and business optimisation projects.

Charles holds a Bachelor of Science in Mathematics and Computer Science and a Master of Management Science from the University of Manchester, United Kingdom.

Derek Llewellyn Roberts
Chief Executive Officer
AmGeneral Insurance Berhad

Derek Llewellyn Roberts was appointed as the Chief Executive Officer of AmGeneral Insurance Berhad on 17 September 2014. He is responsible for driving the strategic direction and business performance of the general insurance business of AmBank Group.

Derek has over 14 years of professional experience in the insurance industry and financial institution-related organisations in South Africa, US, UK, Australia and Malaysia, covering a wide range of operational, financial and strategic roles. Upon joining Insurance Australia Group (IAG), Derek was based in Australia and has held several senior roles such as Chief Operating Officer for Direct Insurance, Chief Financial Officer for a joint venture within IAG and Head of Short Tail Claims for Direct Insurance. In this role, he led a large transformational change programme within the claims operation.

Derek holds a Bachelor's Degree in Business Science from the University of Cape Town, South Africa and is a qualified Chartered Accountant. He is also a member of the South African Institute of Chartered Accountants (SAICA).

Ramzi Albert Toubassy
Chief Executive Officer
AmMetLife Insurance Berhad

Ramzi Albert Toubassy was appointed as Chief Executive Officer for AmMetLife Insurance Berhad on 19 September 2014. He is responsible for executing a transformation strategy to achieve profitable growth, accelerate shareholder return, as well as ensuring the operational effectiveness of the AmMetLife business in Malaysia.

Ramzi joined MetLife Inc since 2012, and previously served as its Head of Face-to-Face Distribution for the Europe, Middle East and Africa (EMEA) region. Prior to joining MetLife, he was with AIA, where over a period of eight years, he held several key management roles including Deputy Chief Agency Officer for Southeast Asia based in Hong Kong, Chief Distribution Officer in Malaysia, Korea and Vietnam. Having started his career in AIG in 1996, Ramzi has accumulated over 18 years of experience in the insurance industry.

Ramzi holds a Bachelor of Arts in Political Science from Georgia State University, USA as well as a Master of Arts in International Relations.

Mohamad Salihuddin Ahmad
Chief Executive Officer
AmMetLife Takaful Berhad

Mohamad Salihuddin Ahmad was appointed as Chief Executive Officer for AmMetLife Takaful Berhad on 14 May 2015. As Chief Executive Officer for AmMetLife Takaful Berhad, Mohamad Salihuddin is responsible for executing a transformation strategy to achieve profitable growth for the Takaful business, accelerate shareholder return, as well as ensuring the operational effectiveness of the AmMetLife Takaful business in Malaysia.

Prior to joining AmMetLife Takaful, Mohamad Salihuddin held an advisory role since 2013 at Finance Accreditation Agency, an independent quality assurance and accreditation body supported by Bank Negara Malaysia and Securities Commission Malaysia. He was also previously the Executive Director and CEO of Great Eastern Takaful from 2009 to 2013. Prior to that, he was the CEO of Prudential BSN Takaful Berhad and Malaysia National Insurance Berhad in 2006 and 2005 respectively. Having started his career in the insurance industry in 1988, Mohamad Salihuddin has held several key management roles in his 27 years of experience in the industry.

He has a Bachelor of Science from Indiana State University as well as a Master in Business Administration from Stephen F. Austin University, Texas.

In Recognition of Excellence

We lead the way in initiating best industry practices, with strong corporate governance to deliver innovative business strategies that promote a vibrant financial services industry. Thank you for your continued trust and confidence in us.

Corporate Governance Asia Second Asian Company Secretary of the Year Award

Asian Company Secretary of the Year (Malaysia) – Koid Phaik Gunn, Group Company Secretary, AmBank Group

PIKOM ICT Leadership Awards 2014

Chief Information Officer of the Year – Charles Tan, Chief Information Officer, AmBank Group

10th Corporate Governance Asia Recognition Awards 2014

Icon on Corporate Governance - AmBank Group

AMMB Holdings Berhad (223035-V)

AmBank Group

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The Board of Directors of the Company ('Board') is fully committed to ensuring that the Company continues to maintain the highest standards in corporate governance, with a view to continuously enhance the value of stakeholders.

The Board provides guidance and oversight of the Group's strategic agenda and its operations and acknowledges its overriding responsibility to act diligently and responsibly, in accordance with applicable legislations and regulations in serving the interests of shareholders, as well as its customers, employees and the community at large.

The Company subscribes to and conforms to the principles and recommendations of the Malaysian Code on Corporate Governance 2012 ('MCCG 2012'), save for the exception to the following recommendations, which are explained further under the caption on Board Composition and Tenure, respectively in this statement hereinbelow –

- the board must comprise a majority of independent directors where the chairman of the board is not an independent director.
- the tenure of an independent director should not exceed a cumulative term of 9 years.

BOARD OF DIRECTORS

Roles and Responsibilities of the Board

- Reviewing and approving the strategic business plans of the Group as a whole and that of the individual operating units. This encompasses the annual budget, medium term aspirations, new investments/ divestments as well as mergers and acquisitions.
- Overseeing the conduct of the business to ascertain its proper management including setting clear objectives and policies within which senior executives are to operate.
- Identifying and approving policies pertaining to the management of all risk categories including but not limited to, credit, financial, market, liquidity, operational, legal and reputational risks.
- Reviewing the adequacy and the integrity of internal controls and management information systems, including systems for compliance with applicable laws, rules, regulations, directives and guidelines.
- Serving as the ultimate approving authority for all significant financial expenditure.

Chairman and Group Managing Director

The roles of the Chairman and Group Managing Director remain separate and are clearly distinct. The Chairman of the Board is non-independent and non-executive.

The Chairman plays an important leadership role within the Group and is involved in:

- Chairing the meetings of Shareholders and the Board;
- Monitoring the performance of the Board and the mix of skills and effectiveness of individual Board members' contribution; and
- Maintaining on-going dialogue with the Chief Executive Officers of the various major subsidiaries and providing appropriate mentoring and guidance.

The Board delegates the authority and responsibility for managing the everyday affairs of the Group to the Group Managing Director and through him and subject to his oversight, to other Senior Management. The Board monitors the management and performance of the Group Managing Director on behalf of the shareholders.

Board Charter

The Board had in 2013 formalised a Board Charter setting out the roles, responsibilities and functions of the Board and Board Committees in accordance with the principles of good corporate governance in line with the guidelines issued by the regulatory authorities. The Board Charter is available on the Company's corporate website at www.ambankgroup.com

Board Composition

The Board is chaired by a Non-Independent Non-Executive Director and currently comprises 13 Directors, 5 of whom are Independent Non-Executive Directors. One of the Independent Non-Executive Directors was appointed after the financial year 2015 ('FY 2015').

The Directors collectively provide the necessary mix of knowledge, skills and experience in key areas. These include banking, accountancy, law, finance, risk management, economics, international relations, human resource, and information technology amongst others.

The profile on each Member of the Board is as set out on pages 22 to 29 of this Annual Report.

Recommendation 3.5 of the MCCG 2012 provides that the board should comprise a majority of Independent Directors if the Chairman is not an Independent Director.

Notwithstanding that the Board consists of majority of Non-Independent Non- Executive Directors, the Board strongly believes that all the Directors act in the best interest of all stakeholders.

Changes in Board Composition

New Appointments

- Y Bhg Dato' Seri Ahmad Johan bin Mohammad Raslan as Executive Director/ Senior Adviser, appointed on 9 December 2014.
- Mr Chin Yuen Yin and Mr Voon Seng Chuan as Independent Non-Executive Directors, appointed on 20 January 2015 and 18 June 2015 respectively.
- Ms Suzette Margaret Corr as Non-Independent Non-Executive Director, appointed on 23 January 2015. Ms Corr was nominated by Australia and New Zealand Banking Group Limited (ANZ) to sit on the Board with Mr Alistair Marshall Bulloch appointed as her alternate.

Resignations

- Mr Gilles Planté, a Non-Independent Non-Executive Director stepped down as a Member of the Board on 8 October 2014 upon the completion of his Bank Negara Malaysia's approved tenure of appointment as Director and accordingly, Mr Alistair Marshall Bulloch ceased to be his alternate on 8 October 2014.
- Mr Ashok Ramamurthy, the Group Managing Director of the Company had stepped down from the Board on 9 December 2014 in line with good corporate governance practice of separation of powers between board and management but remained as the Group Managing Director (Non-Board Member) until his retirement on 2 April 2015 as Group Managing Director pursuant to end of contract approved by Bank Negara Malaysia.
- Y Bhg Dato' Larry Gan Nyap Liou @ Gan Nyap Liow had resigned on 31 December 2014 pursuant to the 9-year rule. Dato' Larry Gan would have reached 9 years of service in June 2015.

With the appointment of Ms Suzette Margaret Corr, the Board now has 2 female Members, and it represents another step forward made by the Board towards achieving a more gender diversified Board.

Selection of Directors:

Board Independence

The Independent Non-Executive Directors are from varied business backgrounds. Their experience enables them to exercise independent judgment and objective participation in the proceedings and decision-making processes of the Board.

Decision-making on key issues regarding the Company and its subsidiaries are deliberated by the Directors. Board decisions are made taking into account the views of the Independent Non-Executive Directors, which carry substantial weight.

They fulfill their roles in ensuring that strategies proposed by the Management are discussed and examined as well as ensuring that the interest of shareholders and stakeholders of the Company are safeguarded.

Each of the five Independent Non-Executive Directors has provided a declaration of his/her independence to the Group Nomination and Remuneration Committee and Board. Based on the outcome of the Board Effectiveness Evaluation for Assessment Year 2015, the Independent Non-Executive Directors have scored highly and are well regarded by their peers.

Re-election and Re-appointment at Next Annual General Meeting

The Company's Articles of Association permits the Board to appoint a person to be a Director of the Company at any time, but the person must seek re-election by shareholders at the next Annual General Meeting ('AGM'). The Articles further provide the rotation of Directors whereby one third or more of the Directors to retire at every AGM of the Company and that all Directors must retire at least once in three years and shall be eligible for re-election.

Pursuant to Section 129(2) of the Companies Act, 1965, Directors who are of or over the age of 70 years shall retire at every AGM and may offer themselves for re-appointment to hold office until the next AGM.

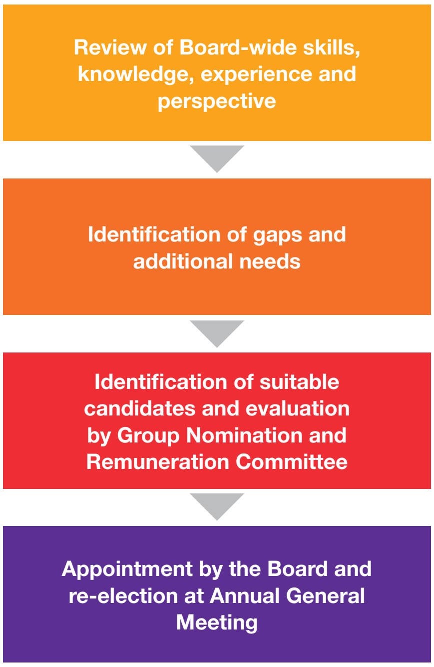
Directors who are due for re-election and re-appointment at the forthcoming AGM are as set out in the Notice of the AGM.

Tenure

Recommendation 3.2 of the MCCG 2012 states the tenure of an independent director should not exceed a cumulative term of 9 years. This is in line with the existing policy of the Company which states that an Independent Non- Executive Director shall serve up to a maximum of 9 years [the "9-year rule"] and any exception to the same will be subject to the recommendation of the Group Nomination and Remuneration Committee and the approval of the Board of Directors.

In line with the 9-year rule, Y Bhg Tan Sri Datuk Clifford Francis Herbert and Y Bhg Tan Sri Datuk Dr Aris Othman will not be seeking for re-appointment following their retirement at the forthcoming Annual General Meeting of the Company pursuant to Section 129 of the Companies Act, 1965.

Process on Selection of Directors



Performance Evaluation

Performance evaluations are conducted annually and cover the Board, each Director and the Board Committees. The framework used to assess the Directors is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for shareholders and in accordance with duties and obligations imposed upon them under the law and guidelines issued by the regulatory authorities.

The Group conducts an annual Board Effectiveness Evaluation ('BEE') exercise with the objective of assessing the performance of the Board as a whole, Board Committees, and individual Directors. The results of the BEE form part of the basis for evaluation by the Group Nomination and Remuneration Committee for the appointment and re-appointment of Directors.

The Board decided to adopt global best practice use of an external facilitator for the Board Effectiveness Evaluation for Assessment Year 2015 to ensure for the integrity, independence and objectivity of the evaluation process and had appointed Messrs PricewaterhouseCoopers (PwC) to conduct the BEE.

A robust and comprehensive assessment framework was used for the BEE exercise, encompassing the following areas:

Part A: Board Effectiveness
- Board responsibilities
- Board composition
- Board administration and process
- Board conduct
- Board interaction and communication
- Chairman's evaluation

Part B: Individual Committee Effectiveness
- Structure and processes
- Accountability and responsibilities
- Committee Chairman's evaluation

Part C: Directors' Self and Peer Evaluation
- Board dynamics and participation
- Integrity and objectivity
- Technical competencies
- Standing in business community
- Independence

The BEE exercise was a rigorous process involving a questionnaire based self-assessment exercise where Directors assessed the performance of the Board, Board Committees and individual Directors. The assessment of individual Directors considered the contribution and performance of Directors as regards to their experience, competencies, integrity and commitment, integrity in meeting the requirements of the Group. This was followed by in-depth interviews with individual Directors and selected Senior Management to gain further insights and suggestions to enhance Board effectiveness.

The results of the BEE exercise were presented to the Group Nomination and Remuneration Committee and the Board of Directors to enable the Board to identify and put in place actions to address areas for improvement.

Directors' Training & Development Needs

The Board recognised the importance of training and development needs of the Directors which play a vital role in helping the Directors to update and enhance their skills and knowledge with the aim for the Directors to discharge their duties effectively and efficiently.

The Group's Learning and Development undertakes the role as the training co-ordinator to manage and co-ordinate the

Directors' training requirements, which covers the following:-

- Regulatory

  o Pursuant to the listing requirements of Bursa Malaysia, a newly appointed Director is required to attend the Mandatory Accreditation Programme ('MAP') within 4 months of his/her appointment.

  o The new Directors participate in the induction programme which allows the Directors to meet with AmBank Group senior executives and other key staff members and be accustomed with the Group's governance framework, financial management and business operations.

  o The Group has adopted the FIDE programme as a core training for its Directors. The FIDE programme is a governance programme which focus on roles, responsibilities and key issues faced by the boards of financial institutions to ensure effective corporate governance, constructive strategy review, robust risk management, strong internal controls and accurate financial reporting and proactive stakeholder engagement.

- Electives

  Upon completion of the FIDE Core Program, Board Members are eligible to attend Elective Programs organised by ICLIF, as follows –

  o FIDE Electives Programs
    - Board Committee Programs
    - Technical Programs
    - Advanced Programs
    - Soft Skills Programs

- Enrichment

  To keep abreast with the current development in the marketplace, Board Members also attend public programs or seminars on the areas related to their function/role and for continuous development.

  Group Learning and Development also organises in-house sessions to provide updates on current topics such as:-

  o Compliance & Anti Money Laundering/ Anti-Terrorism Financing (AML/ATF)

  o Corporate Governance

  o Risk Management

  o Updates on New Regulatory Requirements

Newly appointed Directors will be registered for the mandatory training such as the MAP and FIDE Core Programme and their timeline to complete the requisite training will be monitored and followed up closely. Existing Directors will be given appropriate schedule of training from time to time for their consideration to participate.

As part of the annual Board Effectiveness Evaluation, the training attended by the Directors was evaluated.

All the Directors had attended various trainings during FY2015, to the exception of Y Bhg Dato' Azlan Hashim, due to health reasons. Directors who were appointed during FY2015 had completed the MAP and Mr Voon Seng Chuan who joined the Board on 18 June 2015 had attended the MAP previously.

Seminars, conferences and training courses attended by the Directors during the financial year included the following areas –

<u>Board Competency</u>
Mandatory Accreditation Programme

<u>Corporate Governance</u>
FIDE: Core Programme Module A and Module B
FIDE: 2015 Non-Executive Directors' Remuneration Study
FIDE: The Challenges of Corporate Governance in Financial Services
ANZ Directors' Duties Training Audio and Transcript

<u>Risk Management/Legal and Regulatory Framework</u>
Anti-Money Laundering for Board of Directors
Data Protection Act and Competition Act
A Re-cap of Basel II and Introduction to Credit Risk Management Concepts
Understanding the New Companies Bill Talk
4th Global Islamic Finance Forum
Goods and Services Tax (GST)
Actuarial Training for Board of Directors
Intellectual Property (IP) Financing
Introduction to Risk Grading
ANZ Essentials: AML/CFT & Sanctions Awareness
AML/CFT & ETS Role – Specific Training for Senior Management

<u>Board Strategic leaderships</u>
Financial Services in Turbulent Times
Innovation and Growth in Uncertain Times
FIDE : Economics and Financial Services Sector – Trends & Challenges Moving Forward
FIDE: Banking, Islamic Banking and Investment Banking Business
Social Capital: Leading in a Networked World

Level and Make-Up of Remuneration: Remuneration Framework

The remuneration framework is designed to ensure that the Group continues to attract and retain Directors and other Senior Management staff with appropriate skills and experience to manage the Group successfully. The Board determines the remuneration of Non-Executive Directors, Executive Directors, and other Senior Management staff of the Group, with the interested Directors abstaining from discussions with respect to their remuneration.

Access to Directors

The Management is able to consult the Directors as required on a regular basis. Employees and shareholders have access to Directors through the Chairman, the Senior Independent Non-Executive Director and the Group Company Secretary.

Access to Information

In the discharge of their duties, all Directors have complete and unrestricted access to information pertaining to the Group.

The advice and services of the Group Company Secretary are readily available to the Board in matters of governance and in complying with statutory duties, including compliance with the Main Market Listing Requirements of Bursa Malaysia.

In order to assist Directors in fulfilling their responsibilities, each Director has the right to seek independent professional advice regarding his responsibilities at the expense of the Group. In addition, the Board and each Board Committee, at the expense of the Group, may obtain professional advice that they require to assist in their work.

Group Company Secretary

The Group Company Secretary reports directly to the Board and is the source of guidance and advice to the Directors on areas of corporate governance, relevant legislations, regulations and policies, besides ensuring compliance with the Main Market Listing Requirements of Bursa Malaysia and other regulatory requirements.

The Group Company Secretary attends Board and Board Committees meetings and is responsible for the accuracy and adequacy of records of the proceedings of Board and Board Committees meetings and resolutions.

Board and Board Committee Meetings

The calendar of meetings of the Board and Board Committees is drawn up and distributed to the Board of Directors in the quarter preceding the beginning of the new calendar year. This is to enable the Members of the Board to meet the time commitment for the meetings.

The Board meets a minimum of 8 times per year, wherein Board reports are circulated prior to the meetings, allowing the Directors to review further information that may be required. Additional Board meetings are convened whenever necessary. The Senior Management team of the subsidiaries are invited to attend Board meetings to provide

10 Board meetings were held during FY2015. and the attendance of the Board Members as set out below:

	Number of Meetings Attended
Tan Sri Azman Hashim *Non-Independent Non-Executive Chairman*	10/10
Dato' Azlan Hashim *Non-Independent Non-Executive Deputy Chairman*	7/10
Tun Mohammed Hanif bin Omar *Non-Independent Non-Executive Director*	9/10
Tan Sri Datuk Clifford Francis Herbert *Senior Independent Non-Executive Director*	9/10
Tan Sri Datuk Dr Aris Osman @ Othman *Independent Non-Executive Director*	9/10
Dato' Rohana binti Mahmood *Independent Non-Executive Director*	9/10
Dato' Seri Ahmad Johan bin Mohammad Raslan *Executive Director/Senior Adviser* *(appointed on 9 December 2014)*	3/3
Dato' Gan Nyap Liou @ Gan Nyap Liow *Independent Non-Executive Director* *(resigned on 31 December 2014)*	5/8

	Number of Meetings Attended
Shayne Cary Elliott *Non-Independent Non-Executive Director*	10/10
Mark David Whelan *Non-Independent Non-Executive Director*	9/10
Gilles Planté *Non-Independent Non-Executive Director* *(retired on 8 October 2014)*	4/5
Chin Yuen Yin *Independent Non-Executive Director* *(appointed on 20 January 2015)*	2/2
Suzette Margaret Corr *Non-Independent Non-Executive Director* *(appointed on 23 January 2015)*	2/2
Soo Kim Wai *Non-Independent Non-Executive Director*	9/10
Ashok Ramamurthy *Non-Independent Executive Director/Group Managing Director* *(resigned on 9 December 2014)*	7/7

Note:
All attendances reflect the number of meetings attended during the Directors' tenure of service.

presentations and detailed explanations on matters that have been tabled.

Board Committees

The Board delegates certain responsibilities to the Board Committees. The Committees that assist the Board are as follows:

1. Group Nomination and Remuneration Committee
2. Audit and Examination Committee
3. Group Risk Management Committee
4. Group Information Technology Committee

The criteria for the membership are based on a Director's skills and experience, as well as his ability to add value to the Board Committee.

The Group Managing Director, the Chief Executive Officers and other Senior Management staff are invited to attend the relevant Board Committee meetings.

Group Nomination and Remuneration Committee

The Committee comprises 8 Members, all of whom are Non-Executive Directors with majority of Independant Non-Excutive Directors and is chaired by an Independent Non-Executive Director. 2 of the Independent Non-Executive Directors were appointed after FY 2015.

The Committee is responsible for:

- Regularly reviewing the board structure, size and composition, as well as making recommendation to the Board of the Company with regard to any changes that are deemed necessary.
- Recommending the appointment of Directors to the Board and Committees of the Board as well as annually review the mix of skills, experience and competencies that Non-Executive and Executive Directors should bring to the Board.
- On an annual basis, assessing the effectiveness of the Board as a whole and the Committees as well as the contributions of the Chairman and each Director to the effectiveness of the Board.
- Recommending to the Board the framework/methodology for the remuneration of the Directors, Chief Executive Officers and other Senior Management staff with the relevant experience and expertise needed to assist in managing the Group effectively. The services of consultants are utilised to review the methodology for rewarding Executive Directors and Management staff according to the Key Performance Indicators required to be achieved.
- To implement Executives' Share Scheme (the 'Scheme') in accordance with the By-Laws of the Scheme as approved by the Shareholders of the Company

The Committee met 9 times during FY2015 and the attendance of the Members, as set out below:

	Number of Meetings Attended
Tan Sri Datuk Clifford Francis Herbert (Chairman) *Senior Independent Non-Executive Director*	9/9
Tun Mohammed Hanif bin Omar *Non-Independent Non-Executive Director*	8/9
Tan Sri Datuk Dr Aris Osman @ Othman *Independent Non-Executive Director*	9/9
Dato' Rohana binti Mahmood *Independent Non-Executive Director*	9/9
Dato' Gan Nyap Liou @ Gan Nyap Liow *Independent Non-Executive Director* *(resigned on 31 December 2014)*	3/5
Gilles Planté *Non-Independent Non-Executive Director* *(retired on 8 October 2014)*	4/4
Suzette Margaret Corr *Non-Independent Non-Executive Director)* *(appointed on 23 January 2015)*	2/2
Soo Kim Wai *Non-Independent Non-Executive Director*	9/9

Group Information Technology Committee

Group Information Technology Committee ('GITC') comprises 4 Members, 2 of whom are Independent Non-Executive Directors and chaired by an Independent Non-Executive Director. 1 of the Independent Directors was appointed after FY2015.

The Committee is responsible to provide governance for Information Technology and to ensure that the overall strategic IT direction is aligned with the Group's business objectives and strategy. GITC's key responsibilities include the following:

- To provide strategic direction for IT development within the Group and ensuring that IT strategic plans are aligned with the Group's business objectives and strategy.
- To ensure the establishment of Groupwide IT policies, procedures and frameworks including IT security and IT risk management.
- To provide oversight of the Group's long term IT strategic plans and budgets.
- To establish and monitor the overall performance, efficiency and effectiveness of IT services including performance metrics.
- To review the adequacy and utilisation of the Group's IT resources including computer hardware, software, personnel and other IT related investments.
- To review and endorse major IT risk strategies, IT policies and standards
- To advise the Board on IT related issues.
- To review and approve allowed deviations under BNM guidelines.
- To review and recommend for approval all IT projects with external IT spend of more than RM5.0 million and/or any strategic IT projects as defined by the Board of Directors.

There were 5 meetings held during FY2015 and the attendance of the Members, as set out below:

	Number of Meetings Attended
Dato' Rohana binti Mahmood (Chairman) *Independent Non-Executive Director* *(appointed on 13 January 2015)*[a]	4/5
Dato' Azlan Hashim *Non-Independent Non-Executive Director*	3/5
Dato' Seri Ahmad Johan bin Mohammad Raslan *Executive Director/Senior Adviser* *(appointed on 9 December 2014)*	1/1
Dato' Gan Nyap Liou @ Gan Nyap Liow *Independent Non-Executive Director* *(resigned on 31 December 2014)*[b]	4/4
Ashok Ramamurthy *Non-Independent Executive Director/Group Managing Director* *(resigned on 9 December 2014)*	4/4

Notes:
[a] Existing Member, took over Chairmanship on 13.01.2015
[b] Ceased as Chairman following resignation as Director

RISK MANAGEMENT

Group Risk Management Committee of Directors

The Group Risk Management Committee oversees the adequacy of risk management within the Group.

The membership of the Committee comprises 3 Members, all of whom are Non-Executive Directors and is chaired by an Independent Non-Executive Director. The responsibilities of the Committee include the review and evaluation of:

- Senior Management's activities in managing risk;
- High-level risk exposures and portfolio composition;
- The Company/Group's major risk strategies, policies and risk tolerance standards; and
- The overall effectiveness of the risk management and control infrastructure

There were 9 meetings held during FY2015 and the attendance of the Members, as set out below:

	Number of Meetings Attended
Tan Sri Datuk Clifford Francis Herbert (Chairman) *Senior Independent Non-Executive Director*	9/9
Tan Sri Datuk Dr Aris Osman @ Othman *Independent Non-Executive Director*	7/9
Mark David Whelan *Non-Independent Non-Executive Director*	7/9

ACCOUNTABILITY AND AUDIT

Audit and Examination Committee

The Audit and Examination Committee ('AEC') comprises 5 members, 3 of whom are Independent Non-Executive Directors and chaired by an Independent Non-Executive Director.

The AEC is responsible for the oversight and monitoring of:

- The Group's financial reporting, accounting policies and controls;
- The Group's Internal Audit functions;
- Compliance with regulatory requirements;
- The appointment, performance evaluation, transfer and dismissal of the Chief Internal Auditor; and
- The appointment, scope of work and evaluation of the external auditor.

It is the Board's policy that at least 1 member of the AEC shall have an accounting qualification or experience in the field of finance. The AEC meets regularly with the external auditor and Group Internal Audit.

The AEC met 6 times during FY2015 and the attendance of the Members, as set out below:

	Number of Meetings Attended
Tan Sri Datuk Dr Aris Osman @ Othman (Chairman) *Independent Non-Executive Director*	5/6
Dato' Azlan Hashim *Non-Independent Non-Executive Director*	3/6
Tan Sri Datuk Clifford Francis Herbert *Senior Independent Non-Executive Director*	6/6
Dato' Gan Nyap Liou @ Gan Nyap Liow *Independent Non-Executive Director* *(resigned on 31 December 2014)*	3/5
Shayne Cary Elliott *Non-Independent Non-Executive Director* *(appointed on 20 January 2015)*	1/1
Gilles Planté *Non-Independent Non-Executive Director* *(retired on 8 October 2014)*	3/3
Chin Yuen Yin *Independent Non-Executive Director* *(appointed on 20 January 2015)*	1/1

Financial Controls

Responsibility Statement

The Board of Directors is required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the Group and its state of affairs, results and cash flows at the end of the financial year. Following discussions with the statutory external auditors, the Directors consider that the appropriate accounting policies are consistently applied and supported by reasonable as well as prudent judgments and estimates, and that all accounting standards which they consider applicable have been followed during the preparation of the financial statements.

The Board of Directors is responsible for ensuring that the Group keeps accounting records which are disclosed with reasonable accuracy, and for ensuring that the financial statements comply with the Companies Act, 1965.

The Board and Board Committees have the general responsibility for taking such steps to safeguard the assets of the Group.

The Group's Statement on Risk Management and Internal Control is set out on pages 52 to 53 of this annual report.

Audit and Examination Committee (AEC) Report

Terms of Reference

The functions of the AEC are as follows:

1) To provide independent oversight of the Company/Group's financial reporting and internal control system, and ensuring checks and balances within the Company/ Group.

2) To serve as an independent and objective party in the review of the financial information of the Company/Group that is presented by the Management to the Board and Shareholders.

3) To review the quarterly results and year-end financial statements of the Company/Group to ensure compliance with accounting standards and legal requirements, and to ensure fair and transparent reporting and prompt publication of the financial accounts.

4) To determine that the Company/ Group has adequate established policies, procedures and guidelines, operating and internal controls, and that they are being complied with and are operating effectively in promoting efficiency and proper conduct, and protecting the assets of the Company/Group.

5) To evaluate the adequacy and effectiveness of the Management control systems of the Company/ Group through the review of the reports of both the external and internal auditors that highlight internal accounting, organisational and operating control weaknesses, and to determine that appropriate corrective actions are being taken by the Management.

6) To review and approve the scope of audits, audit plans and audit reports of both the external and internal auditors.

7) To ensure through discussions with the external and internal auditors that no restrictions are being placed by the Management and employees on the scope of their examinations.

8) To ensure that audit of specialised areas is adequate by directing the engagement of external experts to carry out the review, if required and ensure that the terms and scope of the engagement, the working arrangement with the internal auditors and reporting requirements are clearly established.

9) To ensure the adequacy and appropriateness of the scope, functions and resources of the internal audit and that they have the necessary authority to carry out their work.

10) To establish a mechanism to assess the performance and effectiveness of the internal audit function.

11) To direct and supervise any special project or investigation considered necessary.

12) To review any related party transaction and conflict of interest situation that may arise within the Company/Group including any transaction, procedure or course of conduct that raises questions of management integrity.

13) To review and approve the Internal Audit Charter of the Company.

14) To prepare when deemed necessary, periodic reports to the Board summarising the work performed in fulfilling the Committee's primary responsibilities.

15) To review the annual appointment of the external auditors, or resignation or removal of external auditors, to approve the provision of non-audit services by external auditors, to negotiate and approve the annual audit fees or special audit fees and/ or non-audit service fees.

16) To review the appointment, performance evaluation, transfer and dismissal, and remuneration of the Chief Internal Auditor.

Summary of Key Activities

The following is a summary of the main activities carried out by the Committee during the year:

Internal Audit

- Reviewed and approved the Group Internal Audit's annual audit plan, including its resource needs, and its assessment of the risk levels of the various auditable areas to ensure that audit emphasis was given on critical risk areas.
- Reviewed Group Internal Audit's achievement of its key strategic initiatives undertaken to improve the efficacy, effectiveness and profile of Group Internal Audit.
- Reviewed the adequacy and effectiveness of the system of controls, reporting and risk management to ensure there is a systematic methodology in identifying, assessing and mitigating risk areas.
- Reviewed reports of Group Internal Audit (including internal investigations, follow up on resolution of issues raised in reports issued by Regulators, external auditors and other external parties) and considered Management's response and accordingly directed Management to take the necessary remedial action. The Committee also followed-up on resolution of major issues raised in the reports and requested for separate presentations by Management where necessary.
- After each Audit & Examination Committee meeting, a summary of Internal Audit reports deliberated at the meeting is tabled to the Board of Directors.
- Reviewed the progress of Group Internal Audit in completing its audit plan and assessed the performance of Group Internal Audit, and the Group Internal Auditor.
- Reviewed and approved the appointment of an external party to conduct a Quality Assurance Review on the Internal Audit function.
- Reviewed the Quality Assurance Review report prepared by independent 3rd party on the Internal Audit function.
- Approved enhancements to the Risk-Based Audit Planning Methodology.

External Audit

- Reviewed the appointment of the external auditor and their independence and effectiveness for statutory audit, audit-related and non audit-related services.
- Reviewed/Approved their audit plan, annual audit fees and scope of work for audit and non-audit assignments.
- Reviewed the external auditor's results and report as well as the Management's consequent responses to the findings of the external auditor.

Financial Results

Reviewed the quarterly results and financial statements of the Group before recommending them to the Board of Directors for approval.

- Reviewed the annual audited financial statements of the Group with the external auditor prior to submission to the Board for approval.
- Compliance with the following regulatory requirements was ensured:
  - Provisions of the Companies Act, 1965, Financial Services Act 2013 and Islamic Financial Services Act 2013
  - Capital Markets And Services Act, 2007
  - Securities Commission Act, 1993
  - Main Market Listing Requirements of Bursa Malaysia Securities Berhad
  - Applicable accounting standards in Malaysia
  - Other relevant regulatory requirements
- Reviewed the Statement on Risk Management and Internal Control.

Related Party Transactions

- Reviewed related party transactions and the adequacy of the Group's procedures in identifying, monitoring, reporting and reviewing related party transactions.
- Reviewed quarterly reports on recurrent related party transactions of a revenue and trading nature (RRPTs).

Internal Audit

Internal Audit Function

Group Internal Audit function operates under a charter from the AEC that gives it unrestricted access to review all activities of the Group. The Head of Group Internal Audit reports to the AEC. The internal auditing function is conducted on an AmBank Groupwide basis to ensure consistency in the control environment and the application of policies and procedures.

Group Internal Audit focuses its efforts on performing audits in accordance with the audit plan, which is prioritised based on a comprehensive risk assessment of all activities undertaken by the Group. The structured risk assessment approach ensures that all risk-rated areas are kept in view to ensure appropriate audit coverage and audit frequency. The risk-based audit plan is reviewed annually taking into account the changing financial significance of the business and risk environment. The AEC reviews and approves Group Internal Audit's annual audit plan.

Group Internal Audit also performs investigations and special review, and participates actively in major system development activities and project committees to advise on risk management and internal control measures.

The AEC approves the annual audit work plan, and a risk-based audit approach is used to ensure that the higher risk activities in each business unit are audited each year.

The audit activities can be summarised as follows:

i) Scheduled and mandatory audits
ii) Systems development life-cycle review of major IT infrastructure projects
iii) Special focus / thematic reviews
iv) Unscheduled reviews and investigations

The main objective of the audit reviews is to assess the adequacy and effectiveness of risk management and systems of internal controls in the following areas:

- Retail Banking
- Islamic Banking
- Wholesale Banking
- Investment Banking
- General Insurance
- Life Insurance[1]
- Takaful Business[1]
- Funds & Asset Management
- Other Non-Financial Institutions and Overseas Operations
- Support Functions

[1] to be undertaken by AmMetLife Insurance Berhad's internal audit function effective from 1.4.2015

Group Internal Audit plays an active role in ensuring compliance with the requirements of Regulatory Authorities. Group Internal Audit also works collaboratively with the External Auditor, Risk Management Department and Group Regulatory Compliance to ensure maximum reliance and avoid duplication of effort.

There is an effective process for ensuring prompt resolution of audit issues. Group Internal Audit tables regular updates to the AEC on the progress of significant issues until such issues are satisfactorily resolved.

For the financial year, total costs incurred on the Group internal audit function amounted to RM16.6 million (FY2014: RM15.9 million).

Key Risk Areas and Internal Focus

External Audit

Messrs. Ernst & Young ("E & Y") is the Company's external statutory auditor and the auditor of the Company's consolidated accounts for the preparation of this annual report. The external auditor performs independent audits in accordance with the approved standards on auditing in Malaysia, and reports directly to the AEC. The AEC additionally:

- Approves all audit and non-audit services;
- Regularly reviews the independence of the external auditor;
- Evaluates the effectiveness of the external auditor.
- The Independent Directors of AEC meet up with the external statutory auditor.

The external auditor is re-appointed by the shareholders of the Company annually, based on the recommendation of the Board.

Non-Audit Services

The external auditor may not provide services that are perceived to be in conflict with the role of the auditor. These include assisting in the preparation of the financial statements and sub-contracting of operational activities normally undertaken by Management, and engagements where the auditor may ultimately be required to express an opinion on its own work.

Specifically the Group's policy:
- Limits the non-audit service that may be provided; and
- Requires that audit and permitted non-audit services must be approved by the AEC.

The AEC has reviewed the summary of the non-audit services provided by the external auditor in FY2015 and has confirmed that the provision of services is compatible with the general standard of independence for auditors.

Audit Fees

The total statutory and non-statutory audit fees for the Group (excluding expenses and service tax) in the financial year ended 31 March 2015 ('FY2015') amounted to RM2.56 million (FY2014: RM2.86 million).

Assurance-related and Other Non-audit Fees

Assurance-related and other non-audit fees for FY2015 (excluding expenses and service tax) amounted to RM2.27 million (FY2014: RM1.93 million). These fees are primarily related to assurance services such as limited reviews, validation of Perbadanan Insurans Deposits Malaysia Returns, risk models validation work and FATCA advisory services.

INVESTOR RELATIONS

AMMB Holdings Berhad acknowledges the importance of pursuing excellence in Investor Relations (IR) practices to maintain high corporate governance standards and promote a close two-way rapport with all stakeholders. Good IR practices promote transparency and connectivity in our company, strengthen confidence amongst the various stakeholders and enable the general investing public to make informed investment decisions.

A dedicated IR team supports the Group Managing Director and Chief Financial Officer in engaging with domestic investors and international investment communities in analyst briefings, one-on-one meetings, teleconferences, investor conferences and roadshows to ensure the delivery of timely, accurate and consistent messages.

The IR team strives to adopt global best practices in maintaining clear communication and proactive engagement with investors, which also enables management to keep abreast with shareholders' expectations of the Group.

Supported by senior management across the Group, IR activities are led by:

1. YBhg. Datuk Mohamed Azmi Mahmood, Acting Group Managing Director (appointed on 2 April 2015)
2. Ms. Mandy Simpson, Chief Financial Officer
3. Mr. Alex Goh Khir Peng, Senior Vice President, Investor Relations (appointed on 16 November 2014)

YBhg. Datuk Mohamed Azmi Mahmood
Acting Group Managing Director
(appointed on 2 April 2015)

Ms. Mandy Simpson
Chief Financial Officer

Mr. Alex Goh Khir Peng
Senior Vice President, Investor Relations
(appointed on 16 November 2014)

Annual General Meeting and Extraordinary General Meeting

The Group's 23rd Annual General Meeting ("AGM") and 29th Extraordinary General Meeting ("EGM") were held on 21 August 2014. At the AGM, Senior Management presented a comprehensive review of AmBank Group's FY2014 performance and responses to questions raised by the Minority Shareholder Watchdog Group. The Group Managing Director shared our strategic priorities and prospects for the coming new financial year with the shareholders.

All the members of the Board of Directors and our external auditor attended the AGM and EGM. At both events, time was set aside for our shareholders to raise questions and provide feedback to the Board of Directors. All the proposed resolutions were duly passed by the shareholders.

Analyst Briefings

The Group conducts media and live analyst briefings for the half year and full year results, which also include teleconferencing and live webcast services as alternative channels for participants who are unable to be present. For the Group's first quarter and nine-month results, the briefings are conducted via teleconference and live webcast services. The investor presentations, financial statements, press releases and other relevant documents are e-mailed to interested parties and made available on the IR website immediately after the announcement on Bursa Malaysia. Replays of the live briefings are made available on the Group's IR website for public viewing after each briefing.

Date	Event	Mode of Communication					
		Media Briefing	Analyst Briefing		Publications on Group's IR Website		
			Teleconference	Webcast	Investor Presentation	Financial Statement	Press Release
22 August 2014	Q1FY15 Results		√	√	√	√	√
19 November 2014	H1FY15 Results	√	√*	√	√	√	√
12 February 2015	9MFY15 Results		√	√	√	√	√
22 May 2015	FY2015 Results	√	√*	√	√	√	√

** Includes live briefing*

Investor Meetings

Senior Management engages the investment community through one-on-one and group meetings, as well as teleconferences to provide access, ensure transparency and consistency in the communication of the Group's performance, strategies and outlook.

In FY2015, the Group conducted 59 one-on-one meetings / teleconferences, where we met 126 analysts and fund managers.

Investor Meetings	FY2015		FY2014	
	Meetings	Analysts/ Fund Managers	Meetings	Analysts/ Fund Managers
One-on-one meetings/ Teleconferences	59	126	47	129
Conferences and Non-deal Roadshows	81	255	107	296

Conferences and Non-Deal Roadshows

The Group actively engages with local and foreign investors by participating in conferences and non-deal roadshows to provide existing and prospective investors with deeper insights on the Group's performance, growth strategies, operating environment and outlook.

Date	Event	Location
26 August 2014	Macquarie ASEAN Conference 2014	Singapore
2 - 3 September 2014	Goldman Sachs Future Forward ASEAN Corporate Day 2014	Singapore
24 - 27 November 2014	Goldman Sachs Non Deal Roadshow	Edinburgh, London and Amsterdam
1 - 2 December 2014	Nomura Non Deal Roadshow	Hong Kong
2 - 3 December 2014	UBS Global Emerging Markets One-on-One Conference	New York
4 - 5 December 2014	UBS Non Deal Roadshow	San Francisco, San Diego and Los Angeles
7 January 2015	DBS Pulse of Asia Conference	Singapore
5 - 6 March 2015	Bank of America Merrill Lynch ASEAN Conference	Singapore
29 May 2015	DBS Non Deal Roadshow	Hong Kong
1 June 2015	Bank of America Merrill Lynch Non Deal Roadshow	Boston
2 – 3 June 2015	Bank of America Merrill Lynch "CalGEMS" Global Emerging Markets One-on-One Conference	California

Research Coverage

The Group is presently covered by a total of 24 local and foreign research houses:

Research Houses	
Affin Hwang Capital	Kenanga Investment Bank
AllianceDBS Research	Macquarie
Bank of America Merrill Lynch	Maybank Investment Bank
CIMB Investment Bank Berhad	MIDF Amanah Investment Bank
Citi Investment Research	Morgan Stanley
CLSA	Nomura
Deutsche Bank	Public Investment Bank
Goldman Sachs	RHB Research
Hong Leong Investment Bank	Standard Chartered
HSBC	TA Securities
J.P. Morgan	UBS Securities Malaysia
KAF - Seagroatt & Campbell Securities	UOB Kay Hian

Credit Ratings

IR collaborates closely with the Capital and Balance Sheet Management team to support the Group's credit rating review process. The Group has engaged three rating agencies, RAM Rating Services Berhad, Moody's Investors Service and Standard & Poor's, to provide independent evaluations of the Group's credit worthiness.

Recognition

The Group's IR commitment has been recognised by winning these prestigious awards at the Fifth Asian Excellence Recognition Awards 2015 organised by Corporate Governance Asia in Hong Kong:

- Asia's Best Chief Financial Officer (Investor Relations) – Mandy Simpson
- Best Investor Relations by Company in Malaysia – fourth consecutive win

Shareholding Analysis

Shareholding analysis are conducted on a quarterly basis to facilitate a better understanding of the Group's shareholding demographics and the planning of IR programmes. The analysis provides a breakdown of shareholders by profile, number of shares, location and nationality. Excluding the Australia and New Zealand Banking Group Limited ("ANZ"), the Group's foreign shareholding level dipped slightly to 29% on the back of a general downturn in overseas investors' appetite for Malaysian financial institutions related equities towards the end of the financial year.

Foreign Shareholdings in AMMB Holdings Berhad (excluding ANZ's shareholding)			
FY2012	FY2013	FY2014	FY2015
26%	29%	31%	29%

Investor and Analyst Services

The Group leverages on its corporate website at www.ambankgroup.com as a platform to receive feedbacks or inquiries from all stakeholders. The IR team strives to ensure all information provided under the IR section of the website is up-to-date with the latest disclosures. For further details or inquiries, the IR team can be contacted via ir@ambankgroup.com.

RESPONSIBILITY

The Board of Directors ("Board") is responsible for the Group's risk management and internal control system and for reviewing its adequacy and integrity. The Board has instituted an ongoing process for identifying, evaluating and managing the significant risks faced by the Group throughout the financial year under review. This process is regularly reviewed by the Board and accords with the guidance on internal control, Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

In establishing and reviewing the risk management and internal control system, the Directors have considered the materiality of relevant risks, the likelihood of losses being incurred and the cost of control. Accordingly, the purpose of the risk management and internal control system is to manage and minimise rather than eliminate the risk of failure to achieve the policies and objectives of the Group and can only provide reasonable but not absolute assurance against risk of material misstatement or losses.

The management assists the Board in the implementation of the Board's policies on risk management and internal control by identifying and evaluating the risks faced by the Group for consideration by the Board and designs, operates and monitors the system of risk management and internal control to mitigate and control the risks.

CONCLUSION

For the year under review, the Board has received the reports of the Audit and Examination Committee and Risk Management Committee of Directors. An annual assessment of the effectiveness of risk and internal control processes has been conducted and the Board has also received the assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management model adopted by the Group.

The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

The Group has adopted a coordinated and formalised approach to risk management and internal control, which includes the following:

- The Board has formed Risk Management Committee of Directors ("RMCD") to assist in oversight of overall risk management structure. Senior Management has also established a group level risk committee (named as Group CEOs Committee) to assist it to holistically manage the risks and businesses of the Group. This committee addresses all classes of risk within Board delegated mandate: balance sheet risk, credit risk, legal risk, operational risk, market risk, shariah risk, compliance risk, regulatory compliance risk, reputational risk, product risk and business and IT project risk.

- Risk management principles, policies, practices, methodologies and procedures are made available to appropriate staff in the Group. These are regularly updated to ensure they remain relevant and in compliance with regulatory requirements. The policies, methodologies and procedures are enhanced whenever required to meet the changes in operating environment and/ or for continuous improvement in risk management.

- Organisation structure is designed to clearly define the accountability, reporting lines and approving authorities to build an appropriate system of checks and balances, corresponding to the business and operations activities' needs. This includes the empowerment and setting of authority limits for proper segregation of duties.

- The Audit and Examination Committees ("AECs") of the Company and its major subsidiaries assist the Board to evaluate the adequacy and effectiveness of the Group's internal controls systems. The AECs review the Group's financial statements, and reports issued by Group Internal Audit, the external auditors and regulatory authorities and follow-up on corrective actions taken to address issues raised in the reports.

- Group Internal Audit conducts independent risk-based audits and provides assurance that the design and operation of the risk and control framework across the Group is effective. The AECs review the work of the Group Internal Audit Department, including reviewing its audit plans, progress and reports issued.

- The Group's focus is on achieving sustainable and profitable growth within its risk management framework. Annual business plans and budgets are prepared by the Group's business divisions and submitted to the Board for approval. Actual performances are reviewed against the budget with explanation of major variances on a monthly basis, allowing for timely responses and corrective actions to be taken to mitigate risks.

- The Group emphasises human resource development and training as it recognises the value of its staff in contributing to its growth. There are proper guidelines within the Group for staff recruitment, promotion and performance appraisals to promote a high performance culture by rewarding high performers and counseling poor performers. Our Short Term Incentive (STI) and Long Term Incentive (LTI) are used primarily to reward and encourage outstanding individuals for their contribution to value creation while protecting the shareholders' interest. Structured talent management and training programmes are developed to ensure staff are adequately trained and competent in discharging their responsibilities and to identify future leaders for succession planning.

- A code of ethics has been formulated to protect and enhance the Group's reputation for honesty and integrity. The Code of Ethics is based on the following principles: observance of laws both in letter and in spirit; upholding the reputation of integrity throughout the organisation; avoiding possible conflicts of interest; ensuring completeness and accuracy of relevant records; ensuring fair and equitable treatment of all customers; avoiding misuse of position and information and ensuring confidentiality of information and transactions.

- The Group has established policies and procedures to ensure compliance with the relevant laws and regulations. Compliance systems have been implemented that enable regular self-assessment by staff and reporting that provides management and Board with assurance that staff are aware and comply with regulatory requirements. A process is in place to standardise this practice across AmBank Group. Compliance training is conducted on a periodic basis to ensure that staff keeps abreast of banking, insurance, securities and anti-money laundering laws as well as other regulatory developments. The training programmes assist staff to develop their skills to address compliance issues as well as cultivate good corporate ethics.

1. SHARE BUY-BACK

The Company has not purchased any of its own shares during the financial year ended 31 March 2015.

2. MATERIAL CONTRACTS

There were no material contracts (not being a contract entered into in the ordinary course of business) entered into by the Group which involved directors and shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

3. AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR")

The Company has not sponsored any ADR or GDR programme for the financial year ended 31 March 2015.

4. SANCTIONS AND/OR PENALTIES

AmFutures Sdn Bhd
The following penalty was imposed against AmFutures Sdn Bhd for the following reason:-

i. Failure to conduct proper on-going due diligence and effectively detect suspicious transactions.
Penalty of RM250,000 issued by Securities Commission.

5. PROFIT GUARANTEES

During the financial year, there were no profit guarantees given by the Company.

6. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

During the financial year, the following issuances were made by the Group:

(a) RM1,800 million Senior Notes under the RM7.0 billion Senior Notes Programme issued by AmBank (M) Berhad as follows:

(i) Tranche 5, RM400 million Senior Notes issued on 21 May 2014; and

(ii) Tranche 6, RM1,400 million Senior Notes issued on 25 March 2015.

(b) USD400 million Senior Unsecured Notes issued on 3 July 2014 under the USD2.0 billion Euro Medium Term Notes Programme by AmBank (M) Berhad.

(c) RM1,300 million Senior Sukuk under the RM3.0 billion Senior Sukuk Programme by AmBank Islamic Berhad (formerly known as AmIslamic Bank Berhad) as follows:-

(i) Tranche 2, RM100 million Senior Sukuk issued on 5 November 2014; and

(ii) Tranche 3, RM300 million and Tranche 4, RM900 million both Senior Sukuk issued on 6 March 2015.

The proceeds raised from the issuances of Senior Notes, Senior Unsecured Notes and Senior Sukuk during the financial year ended 31 March 2015 have been utilised for working capital, general funding requirement and other corporate purposes.

7. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

As at 31 March 2015, there were no options, warrants or convertible securities outstanding.

8. VARIATION IN RESULTS

The Company has not made or published any profit forecast or projection in respect of the financial year ended 31 March 2015.

9. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Pursuant to paragraph 10.09(2)(b), Part E, Chapter 10 of the Listing Requirements of Bursa Malaysia, the details of the recurrent related party transactions conducted with the Related Parties and their subsidiaries and associated companies, where applicable during the financial year ended 31 March 2015 pursuant to the Shareholders' Mandate are set out in the table below.

The Transacting Parties for all the Related Parties comprise AMMB and its subsidiaries.

Details of Recurrent Related Party Transactions Conducted in Financial Year Ended 31 March 2015 Pursuant to Shareholders' Mandate

Related Parties	Nature of Transaction	Actual Value (RM'000)	Relationship with the Company
Amcorp Group Berhad	Provision of software and hardware equipment, and provision of IT consultancy related services and including provision of lighting hardware[1]	989	Companies in which a Director and major shareholder were deemed to have an interest
	Provision of travelling arrangement	5,139	
	Provision of restaurant and hospitality services	Nil	
Australia and New Zealand Banking Group Limited ("**ANZ**")	Provision of technical services and business collaboration, technical systems capability, sales capabilities and products on foreign exchange, interest rate and commodities derivatives business[2]	8,690	
Modular Corp (M) Sdn Bhd Group	Provision of electronic card technologies and services	Nil	
Cuscapi Berhad Group	Provision of technology systems integration solutions and services	332	
Yakimbi Sdn Bhd Group	Provision of secure private cloud collaboration, storage and mobility solutions	105	
Formis Resources Berhad Group	Provision of secure private broadband network	22	

Notes:

1. IT consultancy related services consist of, but are not limited to, the following services:
   (a) design, development and customisation of software;
   (b) integration, installation, implementation, testing and commissioning of software on the designated systems;
   (c) provision of maintenance services and upgrades to the existing mainframe related applications and systems;
   (d) development, optimisation and implementation of the website; and
   (e) provision of project management services.

2. The provision of technical services includes but is not limited to the following services:
   (a) strategic business leadership, experience and know how;
   (b) secondment of key ANZ resources to AMMB Group;
   (c) technology and systems capabilities;
   (d) foreign exchange, interest rate and commodities derivatives trading and sales solutions / products;
   (e) distribution platform and processes documentation;
   (f) market risk management tools, models, processes, procedures and policies;
   (g) credit and risk management process and tools;
   (h) international business transformation experience and skills; and
   (i) global research capacity.

Management Discussion and Analysis of Financial Statements
Group Financial Year 2015 Profit After Tax up 9.3% to RM2,044.6 million.

Income Statement

The Group recorded a profit after tax ("PAT") of RM2,044.6 million for the year ended 31 March 2015 ("FY2015"), an increase of RM173.5 million or 9.3% as compared to corresponding year ended 31 March 2014 ("FY2014") of RM1,871.1 million. Year-on-year, the Group's profit attributable to shareholders of the Company ("PATMI") grew by 7.6% to RM1,918.6 million, translating to a return on equity ("ROE") of 13.8%. Earnings per share (basic) improved to 63.8 sen up from 59.3 sen in FY2014.

The improvement in profit was attributed to higher other operating income and lower allowances.

Simplified Income Statement

RM Million	FY2015	FY2014	+/-		
			RM Million		%
Net interest income	1,981.1	2,279.4	(298.3)	-	13.1
Net finance income from Islamic banking business*	789.2	858.8	(69.6)	-	8.1
Net fund income	**2,770.3**	**3,138.2**	**(367.9)**	**-**	**11.7**
Other income from Islamic banking business*	75.5	85.2	(9.7)	-	11.4
Net income from insurance business	418.0	471.9	(53.9)	-	11.4
Other operating income	1,460.8	1,047.5	413.3	+	39.5
Total income	**4,724.6**	**4,742.8**	**(18.2)**	**-**	**0.4**
Overheads	(2,089.4)	(2,133.1)	43.7	+	2.0
Acquisition and business efficiency expenses	(68.4)	(29.3)	(39.1)	>-	100.0
Operating profit	**2,566.8**	**2,580.4**	**(13.6)**	**-**	**0.5**
Writeback/(Allowance) for impairment on loans and financing	30.5	(67.8)	98.3	>+	100.0
Other impairment writeback/(allowances)	42.4	(53.7)	96.1	>+	100.0
Transfer to profit equalisation reserve	(35.4)	(10.7)	(24.7)	>-	100.0
Profit before taxation and zakat	**2,604.3**	**2,448.2**	**156.1**	**+**	**6.4**
Taxation and zakat	(559.7)	(577.1)	17.4	+	3.0
Profit after taxation	**2,044.6**	**1,871.1**	**173.5**	**+**	**9.3**
Non-controlling interests	(126.0)	(88.7)	(37.3)	-	41.9
Profit attributable to shareholders	**1,918.6**	**1,782.4**	**136.2**	**+**	**7.6**

Islamic Banking Business*

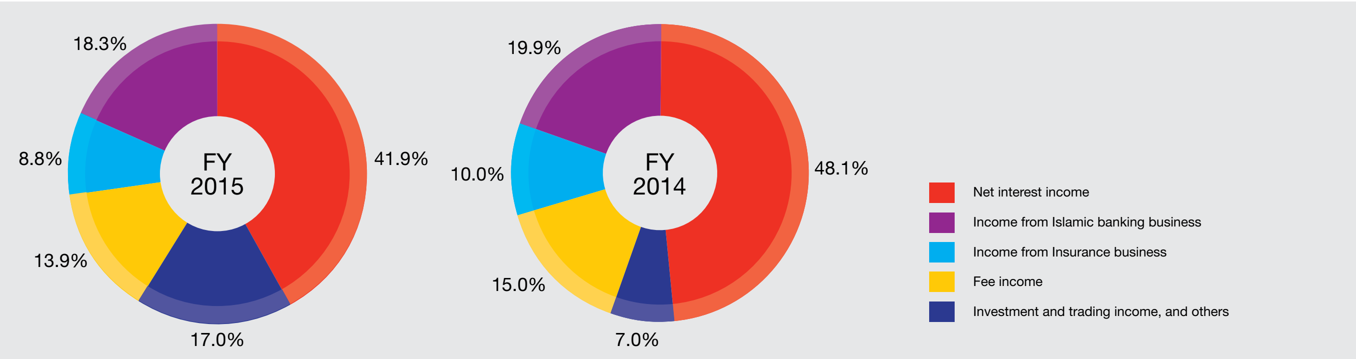
RM Million	FY2015	FY2014	+/-		
			RM Million		%
Net finance income	789.2	858.8	(69.6)	-	8.1
Investment income	11.0	12.7	(1.7)	-	13.4
Fee income	64.5	72.5	(8.0)	-	11.0
Net income from Islamic banking business	**864.7**	**944.0**	**(79.3)**	**-**	**8.4**

Total Income

The major components of total income are net fund income (net interest income and net income from Islamic banking business), net income from insurance business and other operating income.

Total income for FY2015 was broadly flat at RM4,724.6 million supported by higher other operating income (+RM413.3 million) of RM1,460.8 million, offset by weaker net fund income (-RM367.9 million) of RM2,770.3 million.

Composition of Income



Net fund income: RM2,770.3 million (-11.7% or –RM367.9 million)

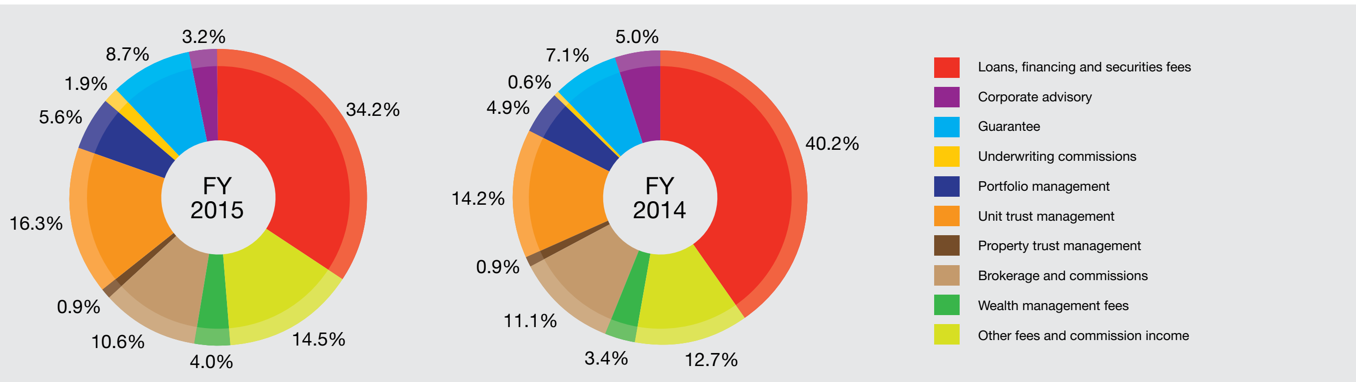
- Net interest income decreased by RM298.3 million (-13.1%) to RM1,981.1 million whilst net finance income from the Islamic banking dipped RM69.6 million (-8.1%) to RM789.2 million.
- The weaker net fund income reflects contraction in fund assets from a decrease in gross loans and financing (-RM1.5 billion or -1.6%) coupled with a reduction in holdings of securities (-RM349.6 million or -1.8%) and margin compression.
- Decrease in loans and financing was due to the Group's de-risking policies which maintained focus on preferred customer segments which provides greater share of customer wallet overtime and to rebalance its portfolio in favour of better quality assets. Lower holdings of securities were due to decreased capital market activities.
- Margins were impacted by the Group's strategy of rebalancing its loans portfolio to higher quality assets.

Net income from insurance business: RM418.0 million (-11.4% or – RM53.9 million)

Net income from the Group's insurance business comprised of earned premium less insurance claims and commission. The lower income from the insurance business is mainly attributable to:

- Partial disposal of the Group's interest in AmMetLife Insurance Berhad ("AmMetLife") and AmMetLife Takaful Berhad ("AmMetLife Takaful"). On 30 April 2014, the Group completed the sale of 50% plus 1 share in AmMetLife and 50% less 1 share in AmMetLife Takaful to MetLife International Holdings, Inc. Following the partial disposal, the Group's remaining interests in both companies are classified as investments in joint ventures and equity accounted. In FY2014, the business of the full year was consolidated, whereas in FY2015 only the month of April 2014 was consolidated.
- Net income from general insurance decreased by RM26.4 million attributable to lower earned premium (-RM93.9 million) however, it was mitigated by lower insurance claims and commission (-RM67.5 million). Premium growth remains a challenge from competition and subdued auto financing which had impacted motor insurance.
- Contribution from insurance business made up 8.8% of total income and 21.4% of non-interest income respectively.

Fee Income



Other Operating Income: RM1,460.8 million (+39.5% or +RM413.3 million)

Other operating income comprises mainly income from investment and trading activities, fee income from ancillary services connected to the Group's lending activities as well as share in results of associates and joint ventures.

For FY2015:

- Fee income decreased by RM56.3 million (-7.9%) mainly attributable to lower fees from loan/financing and corporate advisory services. This stemmed from a contraction in loan/financing as well as lower corporate advisory activities and deals.
- Investment and trading activities recorded a higher contribution of RM717.0 million compared to RM238.1 million in the preceding year. This was mainly due to the RM475.9 million gain from the disposal of equity interest in subsidiaries, namely AmMetLife, AmMetLife Takaful and AmFraser Securities Pte. Ltd.

Operating Expenses

In the competitive banking landscape, the Group needs to invest in new innovations and ideas, strengthen its service and operational capabilities and address strategic issues whilst prudently managing its cost via improving productivity and efficiency. The cost-to-income ratio expresses the Group's operating expenses as a percentage of income and is one of the most widely used measures of efficiency in the banking industry.

In FY2015, the cost-to-income ratio, including business efficiency expenses, was contained at 45.7% (FY2014: 45.8%). This came largely from the absence of the costs of the life insurance businesses, which were equity accounted after the partial sale of their stakes to MetLife. The Group is currently undertaking an ongoing group-wide productivity and efficiency programme to simplify business and operating models as well rationalize subsidiaries and non-core operations for greater efficiencies. This enabled us to deliver headcount savings and acquisition synergies from Kurnia Insurans and MBF Cards with the majority of the cost savings reinvested in restructuring initiatives, wage inflation and new projects.

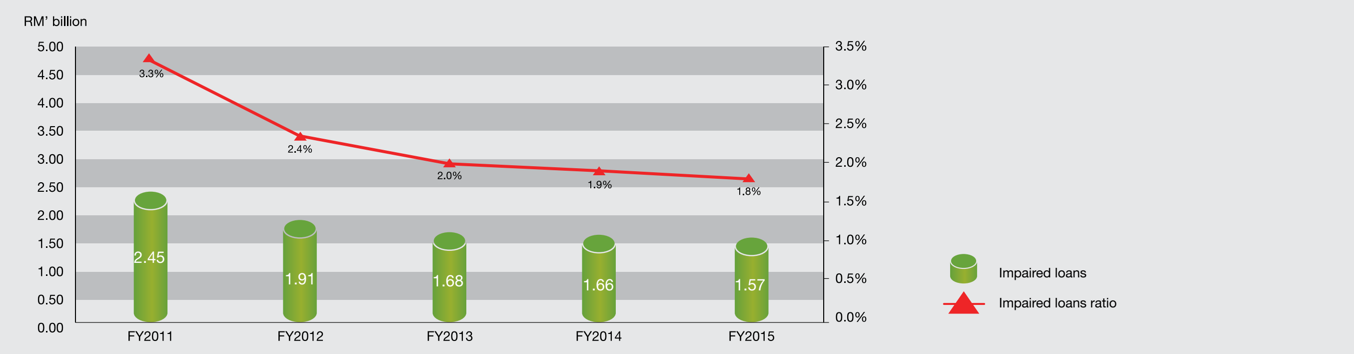
Operating expenses

RM Million	FY2015	FY2014	+/-			
				RM Million		%
Personnel	1,206.8	1,255.5	-	48.7	-	3.9
Establishment	508.4	513.2	-	4.8	-	0.9
Marketing and communication	151.9	179.6	-	27.7	-	15.4
Administration and general	234.5	226.8	+	7.7	+	3.4
Expenses capitalised	(12.2)	(42.0)	+	29.8	-	71.0
Total	**2,089.4**	**2,133.1**	**-**	**43.7**	**-**	**2.0**

Overheads and business efficiency expenses: RM2,157.8 million (-0.2% or –RM4.6 million)

- Personnel expenses decreased by RM48.7 million, largely attributable to the exclusion of the staff costs of AmMetLife and AmMetLife Takaful for 11 months following the partial equity disposal of the life insurance businesses and savings from the group-wide productivity and efficiency programmes. As at 31 March 2015, the number of employees of the Group stood at 11,035 (FY2014: 12,270).
- Establishment expenses declined by RM4.8 million due to the absence of the life insurance business' costs following partial disposal of AmMetLife and AmMetLife Takaful. This was partly offset by increased computerisation costs due to implementation of Goods and Services Tax (GST) and regulatory reporting systems.
- Marketing and communication expenses decreased by RM27.7 million largely due to the sale of the stakes in the life insurance businesses, lower advertising and promotional costs coupled with a decline in commission and sales incentive in tandem with softer business volumes.
- Administration expenses increased by RM7.7 million largely from an increase in professional fees to support various strategic and compliance initiatives such as GST and regulatory reporting programmes.
- Expenses capitalised at RM12.2 million were lower by RM29.8 million compared to RM42.0 million last year. The capitalised expenses relate to internal resources incurred in the development of our core banking system in accordance with Malaysian Financial Reporting Standard (MFRS) 138, Intangible Assets. The expenses capitalised for this year were lower as they relate to Phase 2 of the project which is at the initial development stage. Higher expenses capitalised last year relate to costs of internal resources incurred for Phase 1 of the core banking system which was rolled out in FY2014.
- Business efficiency expenses at RM68.4 million were higher by RM39.1 million compared to RM29.3 million last year. These mainly relate to costs incurred for the group wide productivity and efficiency programme. As this programme commenced in the later part of FY14 the major part of the cost was incurred in the current year.

Asset Quality



Loan/Financing Impairment Allowance

RM Million	FY2015	FY2014	FY2015 vs FY2014
Individual allowance - net	91.0	216.7	- 125.7
Collective allowance - net	504.6	602.5	- 97.9
Bad debts recovered - net	(626.1)	(751.4)	+ 125.3
Total	**(30.5)**	**67.8**	**- 98.3**

Asset Quality and Loan/Financing Impairment Allowance

In accordance with MFRS 139, a loan/financing is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more incurred loss event(s) that has occurred and the incurred loss event has an impact on the estimated future cash flows of the loan/financing that can be reliably measured. Collective impairment allowance is made based on estimated loan loss rates arising from the shortfall between the discounted value of the collateral and the exposure at default.

Loan/financing quality continued to improve throughout the year with gross impaired loan/financing ratio trending down to 1.8% (FY2014: 1.9%).

There was a RM30.5 million net writeback of allowances for impairment of loans and financing in the current year compared to a net charge of RM67.8 million last year. This is attributable to lower individual allowances and reduction in collective allowance for performing loans, reflecting improved asset quality and slight reduction in loan balances, which was partly offset by lower recoveries for the year. Individual allowances decreased by RM125.7 million to RM91.0 million from RM216.7 million while collective allowances dropped by RM97.9 million to RM504.6 million.

The Group continues to proactively manage its asset quality by enhancing its asset writing and collection strategies, investing in new and enhanced risk models and infrastructure supported by the Group's risk management team.

Other Impairment Allowances

Other impairment allowances comprised of impairment allowances on financial investments, doubtful receivables, foreclosed properties, intangible assets and provision for commitment and contingencies. An impairment exists if one or more events have occurred that have a negative impact on the future cash flows of the financial assets or group of assets.

There was a net writeback of other impairment allowances of RM42.4 million in the current year compared to an allowance charge of RM53.7 million in the previous year. The writeback in the current year is mainly attributable to recovery of doubtful reinsurance receivables for the general insurance business whereas the charge last year was related to impairment charge for trade receivables from exposure to margin and contra losses of the Group's Singapore stock-broking operations.

Transfer to Profit Equalisation Reserve

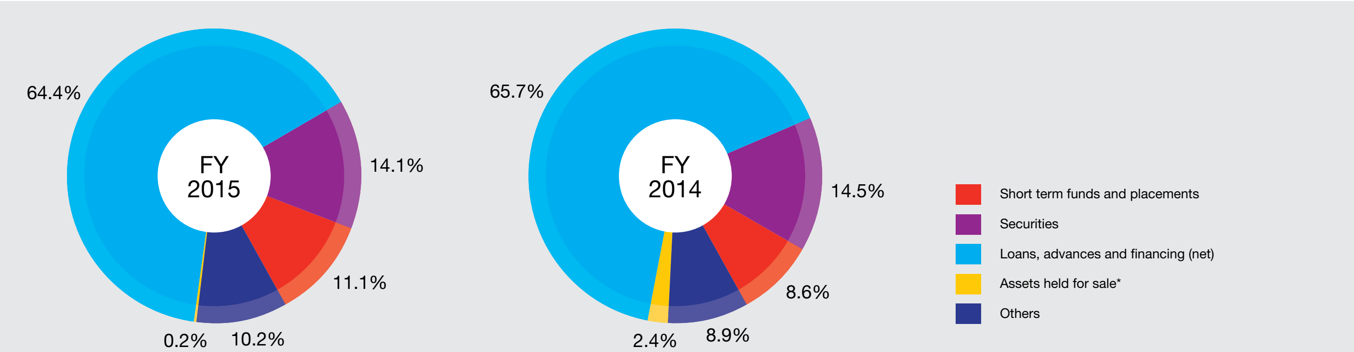
Profit Equalisation Reserve (PER) refers to a reserve set up from appropriation of Islamic banking income in order to maintain a certain level of return to Investment Account holders of the Islamic banking business. Transfer to PER increased by RM24.7 million compared to last year, due to higher income derived from investment of depositors' funds.

Balance Sheet

The Group's total assets rose by RM1.0 billion to RM133.8 billion, contributed by an increase in deposits and placements with financial institutions, derivative financial assets and holdings of receivables: investments not quoted in active market coupled with increase in investment in associates and joint ventures. The increase was however offset by reduction in net loans and financing, securities and lower assets held for sale.

- Increase in deposits and placements with financial institutions (+RM3.0 billion) was mainly due to higher interbank lending to licensed banks. The increase was funded by increase in customer deposits as well as proceeds from maturity of money market securities.
- Increase in derivative financial assets (+RM908.7 million) was mainly due to increase in forward contracts and cross currency swaps. This is attributable to more active forward hedging by customers in response to the volatile market for US dollars against Ringgit.
- Receivables: investments not quoted in active markets refer to investments in unrated bonds/sukuks that are not tradable in an active market and do not qualify as trading assets or as investments available for sale. Unrated bond/sukuk issuance is an alternative route of raising funds for corporations that is gaining popularity as it is less costly compared to issuance of quoted debt securities.
- Increase in investments in associates and joint ventures (+RM409.8 million) was attributable to the Group's remaining investments in AmMetLife and AmMetLife Takaful. Following the partial disposal, the Group's remaining interests in both companies are classified as investments in joint ventures and equity accounted. Upon loss of control over these former subsidiaries, the Group measures and recognises it's retained investments at fair value.

Asset Mix Analysis

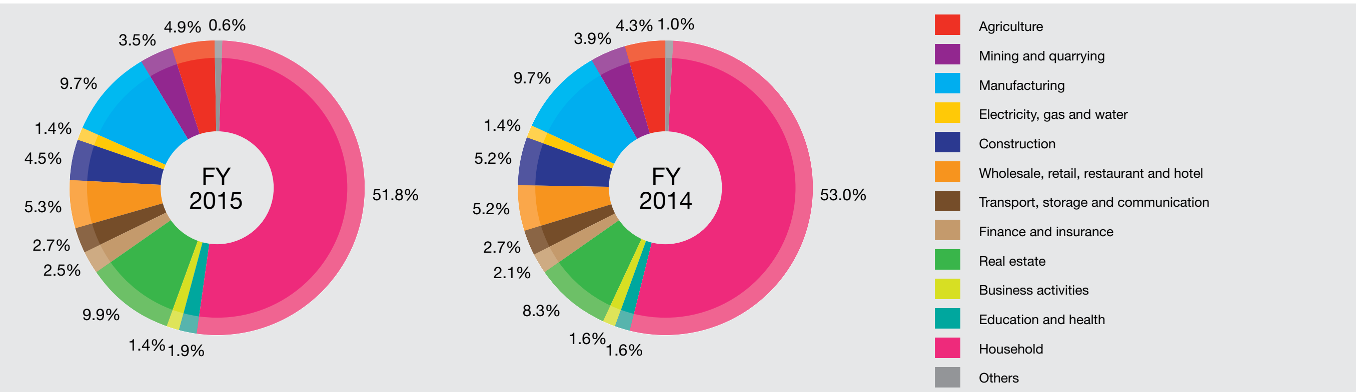


** refers to*
FY2015: assets of PT AmCapital Indonesia and certain property and equipment of AmGeneral Insurance
FY2014: assets of AmMetLife and AmMetLife Takaful

Loans By Type Of Customers

	FY2015		FY2014	
	RM Million	%	RM Million	%
Individuals	45,016.8	51.3	46,836.3	52.5
SME	12,154.4	13.8	11,920.0	13.3
Corporate	26,389.7	30.0	26,296.1	29.5
Others	4,262.1	4.9	4,236.1	4.7
Total	**87,823.0**	**100.0**	**89,288.5**	**100.0**

Gross loans - Sectors



Loans and Financing

- The Group's gross loans and financing contracted by RM1.5 billion or 1.6% to RM87.8 billion due to the Group's de-risking policies to rebalance its portfolio in favour of better quality assets overtime with an emphasis in reducing exposure to the less preferred sectors. The Group's strategy is to focus on preferred customer segments and economic sectors.
- The contraction in loans and financing by RM1.8 billion was mainly attributed to lower lending to individuals, particularly in the lower income group for auto-finance. This was partly mitigated by increased lending to small and medium enterprise ("SME") which grew RM234 million, followed by lending to the corporate segment which grew RM94 million.
- The decrease in loans and financing was mainly driven by reduction in lending to the household sector, mining and quarrying sector and construction sector. Within the household sector, lending for purchase of transport vehicles contracted by RM2.6 billion from de-risking of the portfolio for better asset quality. This was partly mitigated by the increase in lending for purchase of residential properties which grew by RM1.0 billion.

Securities

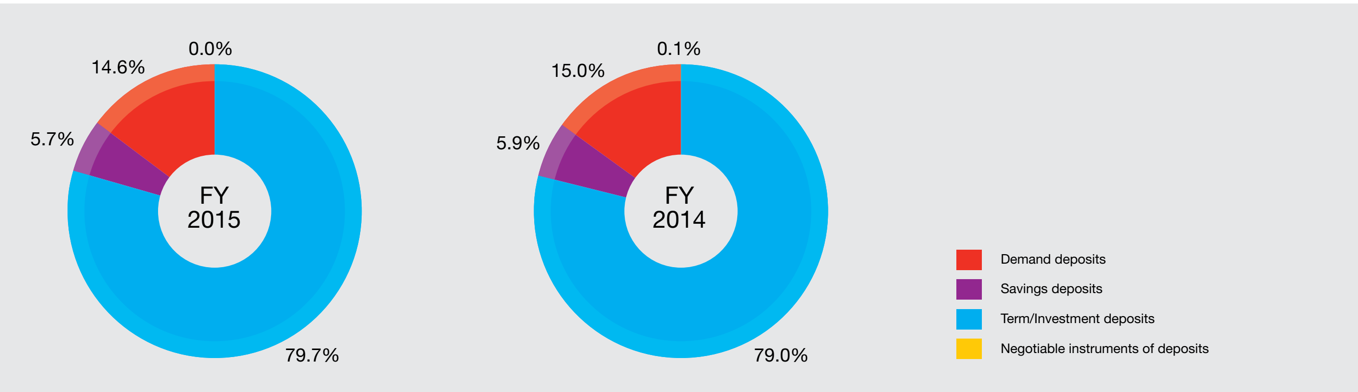
Securities comprised of financial assets held for trading, financial investments available for sale and financial investments held to maturity.

- Securities held for trading ("HFT") are acquired for the purpose of benefiting from short term price movements or to lock in arbitrage profits. HFT increased by RM838.1 million to RM4.7 billion as at end of FY2015. Holdings of money market instruments expanded RM748.5 million mainly in Malaysian Government securities and Government Investment issues. The Group's banking subsidiaries which function as Principal Dealers for issuances of Malaysian Government and BNM securities will subscribe and sell down these securities in the secondary market. Movement in these securities is dependent on the timing of issuances by BNM.
- Securities available for sale ("AFS") are acquired for yield and liquidity purposes. AFS contracted by RM1.3 billion mainly due to the maturing of some BNM Monetary Notes (-RM3.5 billion) partly mitigated by an increase in investment in Islamic negotiable instruments of deposits (+RM2.0 billion) which offers better yields.
- Securities held to maturity ("HTM") are securities with fixed or determinable payments and fixed maturity that the Group has an intention and ability to hold to maturity. Investment in HTM is largely unchanged.

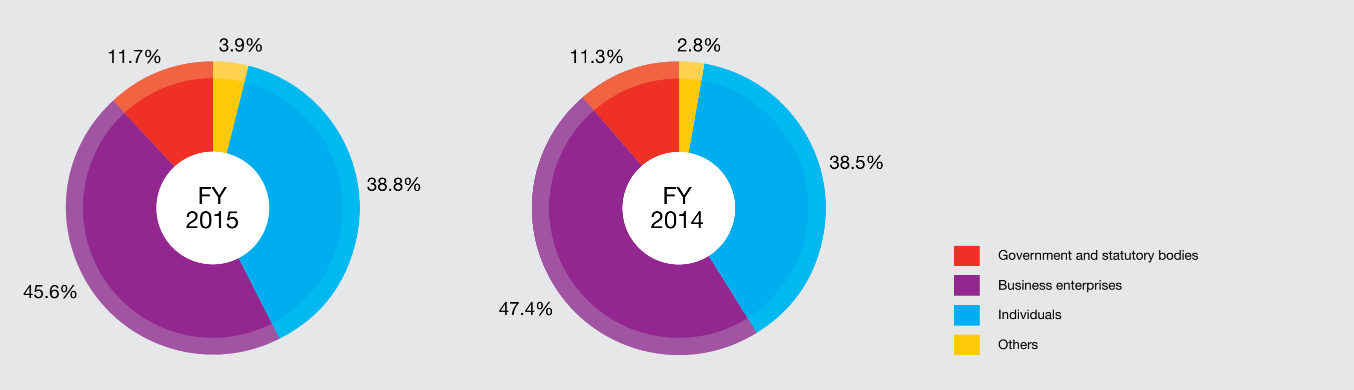
Assets and liabilities held for sale

During the current financial year, the Group entered into conditional sale and purchase agreements for the proposed disposal of its equity interest in PT AmCapital Indonesia (AMCI) and certain property and equipments of its insurance subsidiary. As the disposals have not been completed at the end of the financial year, the related assets and liabilities are reclassified as assets and liabilities held for sale. For the previous financial year, the assets and liabilities classified as held for sale refers to those of AmMetLife and AmMetLife Takaful, the sale of which was completed on 30 April 2014.

Deposits From Customers -Type



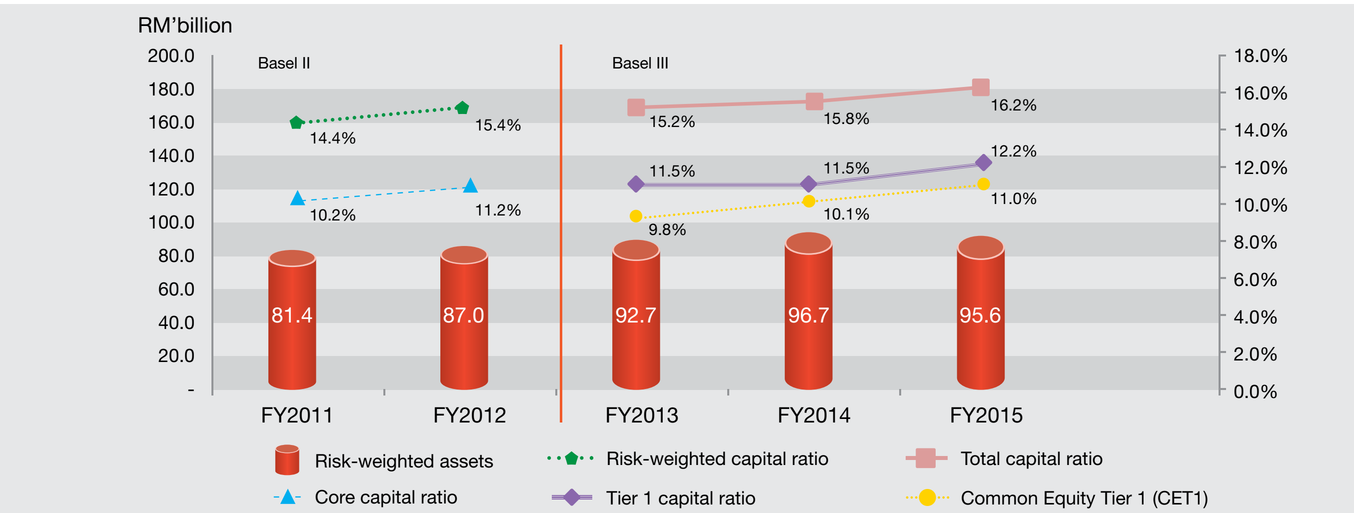
Deposits From Customers -Source



Deposits and Funding

- The Group's primary source of funding is from customer deposits, comprising term and investment deposits, savings account deposits, current account deposits and negotiable instruments of deposits. Other major sources of funds include shareholders' funds, debt capital, term funding, interbank and other borrowings.
- The Group stresses the importance of customer deposits as a source of funds to finance lending/financing to customers. They are monitored using adjusted loan/financing to deposit ratio (LDR) which compares net loans/financing to customers as a percentage of adjusted customer deposits (inclusive of loans/financing sold to Cagamas Berhad and term funding with original maturity of 3 years and above). The Group aims for a LDR of approximately 90% with emphasis placed on supporting loans growth through stable funding sources. As at 31 March 2015, the adjusted customer deposits grew by 4.6% to RM102.8 billion from RM98.3 billion, with LDR of the Group improved to 83.8% compared to 88.7% last year.
- Customer deposits expanded by RM2.4 billion (+2.7%) to RM92.1 billion, driven by RM2.5 billion (+3.5%) growth in term and investment deposits. Low-cost deposits comprising current accounts and savings accounts (CASA) remained at RM18.7 billion with CASA as a proportion to total customer deposits ratio at 20.3%. Term/Investment deposits continued to make up the majority of customer deposits by type constituting 79.7% (FY2014: 79.0%) of total customer deposits.
- Term funding includes senior notes, sukuks and credit-link notes issuances. As at 31 March 2015, term funding of the Group stood at RM8.3 billion (+RM1.7 billion), comprising senior notes/sukuks of RM6.7 billion, credit-link notes of RM0.3 billion and term loans/revolving credit of RM1.3 billion.
- Loans sold to Cagamas Berhad with recourse were slightly lower at RM2.8 billion compared to RM3.3 billion last year.
- The Group continues to expand its customer deposits through wider distribution channels, improved product mix and better penetration of small business, SME and corporate markets. The Group's nationwide distribution network comprises 177 conventional/Islamic bank branches, 6 regional business centres, 14 investment bank offices, 50 insurance offices, 26 MBF Cards branches, 848 automated teller machines and 184 electronic banking centres nationwide. Of these, 381 ATM's are placed at 7-Eleven stores to provide customers with 24-hour banking convenience.

Capital Ratios



** Based on aggregation of the consolidated capital positions (before proposed dividends) and risk-weighted assets of the regulated banking subsidiaries.*

Efficient Capital Levels

The Group's Capital Management Plan is driven by its commitment to maintain strong capital base to support the development of its businesses, to meet regulatory capital requirements at all times and to maintain good credit ratings. This encompasses optimising capital profile and buffer, enhancing scenario modelling, streamlining corporate structures, developing dynamic dividend policy and proactively managing Basel III requirements.

The Group's banking subsidiaries to which BNM's Risk Weighted Capital Adequacy Framework apply are AmBank (M) Berhad ("AmBank"), AmInvestment Bank Berhad ("AmInvestment Bank") and AmBank Islamic Berhad ("AmBank Islamic"). With effect from 1 January 2013, the capital adequacy ratios are computed in accordance with BNM's guideline on Capital Adequacy Framework (Capital Components), which is based on the Basel III capital accord.

During the year, AmBank repaid three tranches of its medium term notes amounting to RM247.8 million on their respective first called dates. The medium term notes were recognised as capital instruments under Tier 2 capital and eligible for gradual phase-out treatment under the transitional arrangements of the Basel III accord.

Our capital levels remain sound, with the Group's aggregated banking entities' total capital ratio, before proposed dividend, at 16.2% (FY2014: 15.8%) and Tier 1 capital ratio at 12.2% (FY2014: 11.5%). Our CET1 levels continue to strengthen through capital retention strategies, and remain significantly in excess of minimum regulatory requirements at 11.0% before proposed dividends (FY 2014: 10.1%).

Credit Ratings

During the year, the credit ratings of the Company and its banking subsidiaries were reaffirmed by RAM Rating Services at AA3 and AA2 respectively on 12 December 2014.

Standard & Poor's rating on AmBank was also reaffirmed on 18 December 2014.

Under Moody's Investors Service's new bank rating methodology which was published on 16 March 2015, AmBank (M) Berhad's base line credit assessment (BCA) and adjusted BCA were upgraded to baa3 from ba1 and assigned a Counterparty Risk Assessment (CR Assessment) of A3(cr)/P-2(cr) on 16 June 2015. The upgrade of AmBank (M) Berhad's BCA is underpinned by the bank's improving solvency position, particularly its stronger capitalisation profile and improving asset quality over the past three years.

Moody's confirmed AmBank (M) Berhad's Baa1 foreign currency long-term deposit and senior unsecured debt ratings. The rating agency also affirmed its P-2 foreign currency short-term deposit rating, with the rating outlook revised to positive from stable.

Following the upgrade of AmBank (M) Berhad's Adjusted BCA, Moody's has also upgraded the preferred stock rating of AMBB Capital (L) Ltd to Ba3(hyb) from B1(hyb).

Credit Ratings

The credit ratings of the Company and its principal subsidiaries are as follows:

Rating Agency	Rating Classification	Ratings
AmBank (M) Berhad		
Moody's Investors Service ("Moody's")	Long-term foreign currency deposit rating	Baa1/Positive
	Short-term foreign currency deposit rating	P-2
	Baseline credit assessment	Baa3*
	Adjusted baseline credit assessment	Baa3*
Standard & Poor's Ratings Services ("S&P")	Foreign long-term issuer credit rating	BBB+/Negative
	Foreign short-term issuer credit rating	A-2
RAM Rating Services ("RAM")	Long-term financial institution rating	AA2/Stable
	Short-term financial institution rating	P1
AmInvestment Bank Berhad		
RAM Rating Services ("RAM")	Long-term financial institution rating	AA2/Stable
	Short-term financial institution rating	P1
AmBank Islamic Berhad		
RAM Rating Services ("RAM")	Long-term financial institution rating	AA2/Stable
	Short-term financial institution rating	P1
AMMB Holdings Berhad		
RAM Rating Services ("RAM")	Long-term corporate credit rating	AA3/Stable
	Short-term corporate credit rating	P1

** Upgraded from Ba1 on 16 June 2015*

Dividend

The Directors are recommending a final cash dividend payment of 15.3 sen per share in respect of the current financial year, which together with the interim dividend of 12.0 sen per share amounts to a cumulative total dividend of 27.3 sen per share, up 3.2 sen per share compared to FY2014.

Note: The totals of the components in the tables in this section are based on actual summation method and then rounded up to the nearest million.

GROUP FINANCIAL HIGHLIGHTS

	YEAR ENDED 31 MARCH				HALF-YEAR ENDED 30 SEPTEMBER			
	RM Million		Growth Rate +/(-)%		RM Million		Growth Rate +/(-)%	
	2015	2014 @	2015	2014	2014	2013 @	2014	2013
Operating revenue	9,142.5	9,606.0	(4.8)	10.3	4,793.7	4,761.5	0.7	18.6
Profit before tax and allowances for impairment on loans and financing	2,573.7	2,516.0	2.3	8.8	1,432.8	1,206.7	18.7	2.3
Impairment writeback/ (allowances) on loans and financing	30.5	(67.8)	>100	60.9	(85.8)	31.0	(>100)	>100
Profit before tax and zakat	2,604.3	2,448.2	6.4	14.5	1,347.0	1,237.7	8.8	7.6
Profit attributable to shareholders	1,918.6	1,782.4	7.6	10.0	982.8	902.8	8.9	9.7
Total assets	133,803.8	132,739.5	0.8	4.1	124,135.2	129,470.2	(4.1)	3.7
Loans, advances and financing (net)	86,173.8	87,170.6	(1.1)	5.6	84,741.7	83,607.3	1.4	4.3
Customer deposits	92,130.0	89,698.9	2.7	5.7	85,346.4	88,223.8	(3.3)	6.1
Commitment and contingencies	116,765.1	103,478.9	12.8	1.0	109,036.3	101,259.2	7.7	(3.1)
Shareholders' equity	14,455.1	13,142.9	10.0	8.9	13,821.6	12,509.4	10.5	7.9
Post-tax return on average shareholders' equity (%)^	13.8	14.1	(0.3)	0.2	14.3 **	14.5 **	(0.2)	0.2
Post-tax return on average total assets (%)	1.6	1.5	0.1	0.1	1.7 **	1.5 **	0.2	0.0
Earnings per share (sen)								
Basic	63.8	59.3	7.6	9.8	65.3 **	60.1 **	8.8	9.4
Fully diluted	63.8	59.3	7.6	9.8	65.3 **	59.9 **	9.0	9.3
Single tier dividend per share (sen)	27.3	24.1	13.3	9.5	12.0	7.2	66.7	2.9
Net assets per share (RM)	4.80	4.36	10.1	9.0	4.59	4.15	10.5	7.9
Cost to income (%)	45.7	45.8	(0.1)	(2.1)	43.3	47.9	(4.6)	4.0
Number of employees	11,035	12,270	(10.1)	(3.9)	11,353	12,764	(11.1)	16.4
Assets per employee (RM Million)	12.1	10.8	12.0	8.0	10.93	10.14	7.8	(10.9)
Pre-tax profit per employee (RM'000)	236.0	199.5	18.3	19.1	237.3 **	193.9 **	22.4	(7.6)

Refer to page 65 for explanation of legend

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

		FINANCIAL YEAR ENDED 31 MARCH				
		2015	2014 @	2013	2012	2011
1	**REVENUE (RM MILLION)**					
	i Operating revenue	9,142.5	9,606.0	8,705.9	7,983.6	6,784.7
	ii Profit before tax and allowances for impairment on loans and financing	2,573.7	2,516.0	2,312.3	2,415.6	2,340.6
	iii Impairment writeback/(allowances) on loans and financing	30.5	(67.8)	(173.3)	(381.9)	(475.4)
	iv Profit before tax and zakat	2,604.3	2,448.2	2,139.0	2,033.6	1,865.1
	v Profit attributable to shareholders	1,918.6	1,782.4	1,620.7	1,484.4	1,342.8
2	**BALANCE SHEET (RM MILLION)**					
	Assets					
	i Total assets	133,803.8	132,739.5	127,572.3	112,922.8	108,236.2
	ii Loans, advances and financing (net)	86,173.8	87,170.6	82,586.3	75,683.4	71,078.9
	Liabilities and Shareholders' Equity					
	i Customer deposits	92,130.0	89,698.9	84,830.0	77,307.2	74,567.0
	ii Adjusted customer deposits[1]	102,814.7	98,267.6	93,057.7	84,587.8	81,495.9
	iii Paid-up share capital	3,014.2	3,014.2	3,014.2	3,014.2	3,014.2
	iv Shareholders' equity	14,455.1	13,142.9	12,067.7	11,111.1	10,308.9
	Commitment and Contingencies	116,765.1	103,478.9	102,467.5	99,615.0	100,195.3
3	**PER SHARE (SEN)**					
	i Basic net earnings	63.8	59.3	54.0	49.6	44.7
	ii Fully diluted net earnings	63.8	59.3	54.0	49.6	44.7
	iii Net assets	479.6	436.0	400.4	368.6	342.0
	iv Single tier/ gross dividend	27.3	24.1	22.0	20.1	18.0
4	**FINANCIAL RATIOS (%)**					
	i Post-tax return on average shareholders' equity ^	13.8	14.1	13.9	13.8	13.6
	ii Post-tax return on average total assets	1.6	1.5	1.4	1.4	1.4
	iii Net loans to customer deposits	93.5	97.2	97.4	97.9	95.3
	iv Adjusted net loans to customer deposits	83.8	88.7	88.7	89.5	87.2
	v Cost to income	45.7	45.8	47.9	41.6	39.9
5	**SHARE PRICE (RM)**					
	i High	7.34	8.08	6.80	6.71	7.15
	ii Low	6.16	6.44	6.13	5.38	4.65
	iii As at 31 March	6.36	7.18	6.55	6.31	6.49

[1] Inclusive of recourse obligation on loans and financing sold to Cagamas and term funding with original maturity of 3 years and above
** Annualised
^ Adjusted for non-controlling interests
@ After adjusting for adoption of
- Amendments to MFRS 132- Offsetting Financial Assets and Financial Liabilities that have been applied retrospectively for one financial year .

FINANCIAL CALENDAR

2014

22 August
Announcement of unaudited consolidated results for the financial first quarter ended 30 June 2014

21 August
23rd Annual General Meeting

12 September
Payment of final single tier dividend of 16.9% for the financial year ended 31 March 2014

19 November
Announcement of unaudited consolidated results for the financial half year ended 30 September 2014

16 December
Payment of interim single tier dividend of 12.0% for the financial year ending 31 March 2015

2015

12 February
Announcement of unaudited consolidated results for the financial third quarter ended 31 December 2014

22 May
Announcement of audited consolidated results for the financial year ended 31 March 2015

29 July
Notice of 24th Annual General Meeting

20 August
24th Annual General Meeting

OVERVIEW

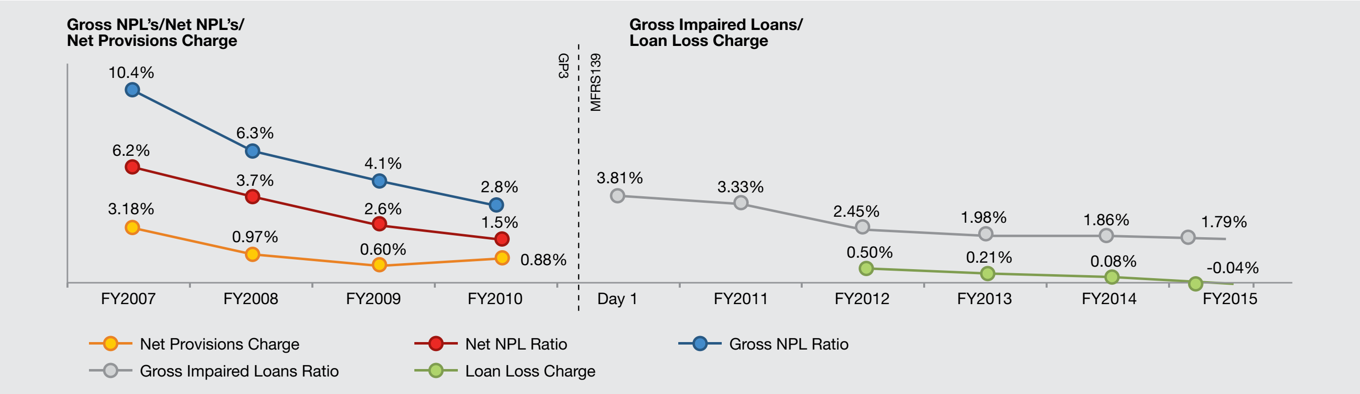
Risk Management is focused on ensuring that risk taking activities across the Group are aligned to the Group's risk appetite and strategies. The overall strategy for Risk is driven mainly by the initiatives formulated earlier under our Advanced Risk Recognition Programme ("ARRP"):

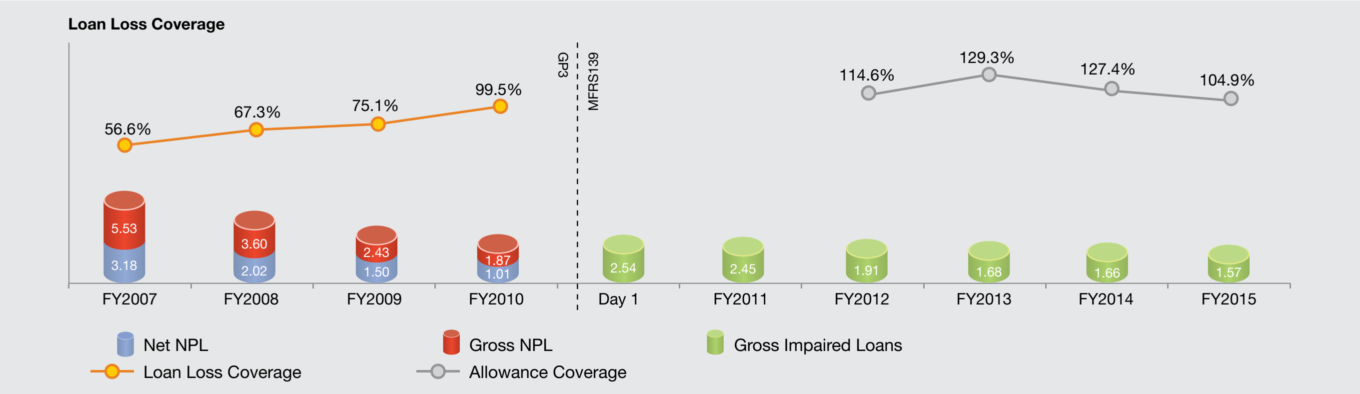
- Enhancing risk governance
- Upgrading risk infrastructure
- Developing more comprehensive risk appetite strategy, execution and monitoring framework
- Improving funding and liquidity risk management
- Improving underlying asset quality and enhancing portfolio diversification
- Materially lowering loan loss provisions
- Developing robust risk/reward pricing models
- Ensuring International Financial Reporting Standard (IFRS) readiness; and
- Positioning AmBank for IRB status under Basel II.

A strong risk culture across the Group is being driven through the "Three Lines of Defense" framework, in which "risk is everyone's responsibility" to manage. Supporting this framework are policies and procedures to enforce core standards.

Key highlights of progress made under the programme this year are as follows:

1. Better diversification of income across the Group (Retail, Wholesale & Insurance) without over dependence on a single business.
2. Sound asset quality with stable Impaired Loans Ratio, lower Loan Loss Charge and above industry Loan Loss Coverage Ratio. The Group has one of the highest Collective Provisioning rates amongst industry peers.
3. Group Risk Appetite Framework (GRAF) was expanded to include sales activities.
4. Model execution infrastructure was enhanced to position the Group towards attaining Basel Internal Rating Based (IRB) status and Malaysian Financial Reporting Standards. For example, Retail Behavioural Scoring models were implemented and several retail and non-retail credit risk models were rebuilt and recalibrated.
5. Risk management processes were further streamlined by simplifying risk policies and practices, for example, the Credit Memos. Turnaround time for risk assessment (credit, new product, market etc) has improved and potential problem credits (accounts) are proactively identified and monitored in advance.
6. Various risk system projects were implemented. These include systems such as the roll-out of Single Counterparty Exposure Limit (SCEL) System and the transfer of Bonds and Customer deposits onto the Murex platform.
7. An enhanced First Line of Defense was implemented across the business units to increase the accountability and ownership of business units in managing operational risks.





The Group offers a comprehensive range of both conventional and Islamic financial solutions, through our retail banking, wholesale banking, general insurance, life assurance and family takaful businesses.

Retail Banking

Retail Banking offers a comprehensive suite of financial solutions which are designed to be relevant and meet our customers' financial needs. This includes deposits, loans & financing, credit cards, wealth management, priority banking, insurance, small business banking, young professional solutions, foreign currency exchange and remittance services.

Retail Banking is committed to offer our customers a simple ('easy to buy', 'easy to pay') and consistent banking experience across various customer touchpoints which include a network of 175 branches & Electronic Banking Centres (EBCs)* nationwide, a 24-hour contact centre (inbound and outbound) and digital banking. Digital banking services are available via the retail banking website ambank.com.my and a mobile application called AmGenie, to provide 'anyday, anywhere, anytime' services.

In FY2016, Retail Banking will continue to strengthen our business franchise with a strong focus on business performance and customer experience excellence, growing our target value segments and digitalising our banking services. As the people agenda is integral to the success of Retail Banking, we will continue to place emphasis on building our people capability and embedding a strong service culture amongst the Retail Banking workforce.

* EBCs across Malaysia comprise a total of 1,376 self-service machines (automated teller machines (ATMs), cash deposit machines (CDMs), cheque deposit machines & coin deposit machines. Coin deposit machines are currently available at selected branches only).

Wholesale Banking

In financial year 2014, we consolidated five (5) non-retail divisions namely Business Banking, Corporate & Institutional Banking, Transaction Banking, Investment Banking and Markets into two new divisions, Wholesale Banking Coverage and Wholesale Banking Products. These two (2) divisions fall under the ambit of the newly created Wholesale Banking ("WB") segment, which has been in operation since 1 April 2014.

The new WB segment model aims to increase customer centricity through the new coverage and segmentation models where the Relationship Management teams will be the single point of contact to enhance customer experience across sales, product solutions and servicing; achieve product excellence and clear segregation between product strategy and distribution; and consolidate duplicate functions in the business and support areas across the Group.

'Wholesale Banking Coverage' consolidates the former Business Banking and Corporate & Institutional Banking divisions into new industry-focused portfolios and customer segments operating under one division. Investment Banking, Markets and Transaction Banking are combined into the 'Wholesale Banking Products' division with the goal to provide innovative products and solutions to wholesale customers.

Islamic Banking

Islamic Banking offers a comprehensive range of Shariah-compliant products and services, with its business embedded within Retail Banking and Wholesale Banking through all channels including our extensive network of AmBank branches, AmBank Islamic branches, and e-Banking centres nationwide. Our aspiration is to be the 'Islamic Bank of Choice'. Additionally, we offer digital banking services which allow customers to make online transactions including the payment of zakat.

General Insurance

AmGeneral Insurance Berhad ("AmGeneral"), a 51% owned subsidiary of AmBank Group, is a leading motor insurer and among the largest general insurers in Malaysia based on gross written premiums. It is backed by the strong strategic partnership between AmBank Group and Insurance Australia Group Limited ("IAG") - Australia's largest general insurance group. Operating under its two well-known and trusted brands, "Kurnia" and "AmAssurance", AmGeneral offers a comprehensive range of general insurance solutions such as motor, personal accident, home, travel and business insurance distributed through a nationwide network of 32 branches, servicing approximately 7,000 agents and dealers. Together with AmBank, a full range of insurance products and services are offered through all customer touch points and channels.

Life Assurance

AmMetLife Insurance Berhad ("AmMetLife") (50% less 1 share held by AmBank Group) provides various solutions in life insurance, wealth protection/savings, health and medical protection as well as employees benefit schemes. With the coming together of AmBank Group and MetLife on 30 April 2014, and leveraging on the shared core values of integrity and innovation, AmMetLife aims to be a leading customer-centric and modern insurer in Malaysia.

AmMetLife offers its comprehensive range of life insurance and wealth-protection solutions distributed through AmBank Group's network of nearly 200 banks and AmMetLife branch offices nationwide. Additionally, the strength of its team of authorised life insurance agents provides comprehensive coverage and reach across Malaysia.

Family Takaful

AmMetLife Takaful Berhad (50% plus 1 share held by AmBank Group) offers a comprehensive range of takaful solutions distributed by its authorised takaful agents and bank branches nationwide. We aim to create a customer-centric and modern takaful operator in Malaysia based on a deep and respectful knowledge of Shariah principles and values.

RETAIL BANKING

FY2015 Performance Review

In FY2015, we continued our growth momentum in line with our aspiration to re-orient to higher value segments, extracting value from our core mass. Our efforts delivered growth amidst a challenging business environment, garnering a Profit before Tax ("PBT") of RM571.8 million.

One of the key business focus at Retail Banking in FY2015 was to grow deposits aggressively. Deposits growth amounted to RM2.3 billion contributed by a strong and steady growth in deposit balances. Our mortgage and Islamic portfolio mix remain as bright spots. Improvements were recorded in the mortgage portfolio with a 6.2% growth in mortgage loans, as a result of end financing capabilities.

A key aspiration of Retail Banking in the last financial year was to build new customer value segment propositions for small businesses and young professionals. Aligned to this aspiration, we transformed our Asset Financing model and launched Small Business Banking (SBB) which was focused on serving a specific niche within the small and medium enterprise (SME) segment.

We also pioneered an innovative solution as part of our TRUE proposition targeting the young professional segment. TRUE is a customer focused everyday banking solution which aims to deliver simple and relevant banking experience to customers through digital channels. In December 2014, we launched TRUE Lab which is Malaysia's first digitally-enabled crowdsourcing community platform, designed to crowdsource ideas from young professionals on preferred banking solutions. This was followed by the launch of a suite of TRUE Products in the first half of this year, which includes a combination of Current Account, Savings Account, Debit Cards and Credit Cards.

Our business focus to transform ourselves to a high quality retail bank saw an emphasis on building a strong service oriented culture and people capabilities at Retail Banking. Our internal service transformation program anchoring on an AmBank unique persona called 'WAH'* was launched in October 2014 to develop leadership qualities as well as inculcate a strong service culture and service values amongst our staff. The embodiment of WAH amongst AmBankers would ensure that we deliver our customer promise to be 'Your Bank. Malaysia's Bank. AmBank'.

In the coming financial year, Retail Bank will focus on strengthening our business and sharpening our profile towards achieving sales and service excellence.

* WAH is an acronym for 'Warm & Caring', 'Approachable & Attentive', 'Helpful & Able'

Deposits

Deposits registered a strong growth in FY2015. Retail customer deposits grew 5.8% year-on-year, with Fixed Deposits growing 7.4%, outpacing the industry growth. Current Accounts and Saving Accounts (CASA) constitute 25.1% of retail customer deposits.

Focused initiatives were implemented to acquire new funds whilst retaining and growing existing depositors' base. Key initiatives include thematic and tactical Fixed Deposit "Top Rate" promotions and segment solutions targeted at small businesses and young professionals.

During the year, our online Fixed Deposit application was enhanced to include Islamic Term Deposit products. This convenient online option which was previously available to individuals only, has since been extended to joint account holders and trustees.

Growing deposits, especially CASA, will remain a key priority with process simplification initiatives continuing into FY2016.

Mortgage

Mortgage loans grew 6.2% to RM18.6 billion, focusing on preferred projects and segments.

Asset quality continues to improve, with Gross Impaired Loans ratio decreasing from 2.8% in FY2012 to 2.0% currently. This improvement is attributed to the Bank's prudent risk based pricing framework and business underwriting strategies targeting growth in better quality assets.

Our focus in FY2016 will be on primary markets. We will leverage on our strong existing relationships with key developers at strategic locations while we continue growing our receivables from the secondary market based on a segmentation approach.

Aligned with our growth strategy, we are continuously driving improvement on processes and infrastructure to deliver superior customer experience.

Auto Finance

Auto Finance has played an important role in Retail Banking by providing continued customer volume growth to the bank. Auto Finance loans contribute approximately 50% of the overall Retail loans and we continue to hold the top 3 market ranking, with a market share of 18%.

We remain selective in our Auto Finance loan acquisitions through our Auto Finance portfolio rebalancing strategy with extra focus on gaining businesses from the better risk grade segments and non-vulnerable income segments. Our acquisition has been targeted at preferred segments, mainly experienced professionals and young professionals, in alignment with our overall retail bank strategy. This is supported by our prudent lending guidelines and risk based pricing.

In FY2016, we will continue to focus on enhancing our dealer management programs, improving application turnaround time and up-scaling our retention programs.

Wealth Management

In line with the strategic aspirations for FY2015, we were focused in growing the wealth business in the emerging affluent segments.

Our business focus for FY2015 was to diversify through fee-based income with a major focus on Bancassurance. As it was imperative to set-up a new sales force to grow the Bancassurance business, Insurance Specialists were introduced in October 2014 to provide innovative and customer centric financial planning and protection solutions to customers at selected Klang Valley branches.

In November 2014, the first Bancassurance product was launched under the new AmMetLife brand, a strategic partnership between AmBank Group and MetLife. The product, known as WealthSecure Max is a product that combines protection and savings benefits of guaranteed cash payments, with affordable premiums. This innovative product secured approximately RM8.8mil in annualised premium for FY2015.

Recognising the need to understand our customers better, we also introduced an enhanced Wealth Management System (WMS) known as the WMS Plus. WMS Plus is an in-house Wealth Management platform which provides a comprehensive view of our client's portfolio; with built-in sales compliance features and sales management capabilities.

For Investment, a new wholesale Unit Trust fund was launched with AmBank's multi-award winning fund management sister company, AmInvest. The Global Multi Asset Income Fund provides investors with ease of diversification of asset and lowering of risk during volatile market conditions. Wealth Management also launched several close-ended fixed income products.

Apart from this, we also marked a new milestone with the forming of a new partnership with UOB Asset Management, to widen AmBank's suite of investment products by providing innovative and quality investment products to meet our clients' needs.

AmCard

At AmCard, some key achievements over the last financial year include:

- Top 3 merchant acquirer with total merchants-in-force ("MIF") of 56,000 (23% market share)
- Annual merchant volumes above RM12 billion (12% market share)
- Annual card spend in excess of RM5 billion (5% market share)
- Annual card receivables of RM1.8 billion (5% market share)

In December 2014, two years following the acquisition of MBF Cards (M'sia) Sdn Bhd and with significant monetary, capital and human investment, the cards and merchant systems for both AmBank and MBF are now operating on a single IT Platform. This significant milestone paves the way for the next initiative of re-carding the MBF base which is planned over 4 months in H1 FY2016 and supports the agenda of 'Chip and Pin' and brand rationalisation. Consolidation under the AmBank Group brand will deliver streamlined propositions and benefits to our valued card members.

Leveraging on our enlarged merchant base, we rolled out "AmBankSpot" privileges to provide card members with exclusive deals when they shop at participating merchants. Recognising the growing importance of the digital landscape, we launched the digital microsite "www.ambankspot.com" in April 2014, as an alternative platform to house and communicate all existing deals and members' privileges.

On the 'Acquiring' front, we have expanded our merchant facilities offering to include the Merchant Business Solution which incorporates savings/ current accounts and relevant trade solutions for Small Medium Enterprises (SMEs). This offering supports our business focus of growing deposits and provides the merchant network with enhanced banking facilities to support their business growth.

November 2014 also saw the public launch of the conventional debit card which completes AmBank's full suite of payment card offerings i.e. prepaid, credit and debit. To date, the debit spending is growing in excess of 50% monthly. Apart from that, the debit and credit card proposition to the young professional segment was launched in mid-2015.

FY2016 will see the roll-out of more innovative solutions such as contactless and mobile point-of-sale merchant terminals. Issuing initiatives will be primarily focused on progressively re-carding existing cards to be Chip and Pin enabled and to comply with the requirements under MCCS (Malaysian Chip Card Specification). These initiatives are aligned towards helping Malaysia deliver the following KPIs from 2015 to 2020 as prescribed in the Payment Card Framework which is operative from January 2015:

1) 800K merchants-in-force by 2020 and achieving 25 EFTPOS penetration per 1,000 capita

2) One billion debit transactions by 2020.

Retail Distribution

We continue to transform ourselves to become a high quality retail bank who provides superior customer service. Our growing branch network of 175 branches is currently fully equipped with Electronic Banking Centres (EBCs). Review of the branch footprint is on-going to expand our customer reach. For greater banking convenience, 74 branches are providing weekend banking services nationwide. Selected AmSignature Priority Banking (AmSPB) Centres have been revived with a new look and feel to increase the banking experience of our growing AmSPB customers.

AmBank launched its' first two BDCs at Gateway@KLIA2 on 2 May 2014 to tap into the 45 million visitors expected to pass through the terminal each year. Operating 24/7, the BDCs will provide ease and convenience to customers. From May 2014 to March 2015, the BDCs have exceeded the customer-volume projection by 400% with strong transaction numbers.

- Small Business Banking (SBB)

SBB's goal is to enable AmBank to deliver the competitive edge required to become the bank of choice for small business customers nationwide.

Our efforts through FY2015 have demonstrated that we can deliver on our strategy of providing superior financial returns and market leading customer experience to small business customers throughout Malaysia. SBB has registered an impressive growth since the nationwide launch in September 2014.

Some of the highlights for FY2015 include:

- 100% increase in activation for Current Accounts (CA) acquired since nationwide launch in September 2014
- Incremental deposit growth of 15% (portfolio growth for CA and Fixed Deposit) from RM 3.65b to RM 4.21b
- Incremental CA growth of 10% (portfolio growth for Current Account) from RM 2.39b to RM 2.65b
- Incremental CA account growth of 3% from 76k to 78k

Digital Banking

At Retail Banking, we continue to expand the digitalisation of our banking solutions. The successful deployment of platforms such as the AmBank Web Kiosk, FPX, NBPS (JomPay), AmOnline 24/7 and Auto link platforms, have benefitted our customers with 'anyday, anywhere, anytime' banking capabilities and internet banking access at branches; real-time payment experiences and access to an expansive list of billers.

Over the year, our Internet Banking and Mobile Banking subscriber bases have grown and online transactions have registered a 20% year-on-year increase.

Our retail banking website (www.ambank.com.my) which was launched in January 2014 has earned a total of 1.2 million users, 2.5 million page views and close to 13,000 online leads. Featuring a fresh graphical interface, easy navigation and being mobile responsive, the Retail Banking website received the 'Order of Excellence for Best Innovative Idea or Concept', at the 2014 PMAA Dragons of Malaysia Awards and the 'Website of the Year – Malaysia' award, at the 2015 Asian Banking & Finance Retail Banking Awards.

Social Media was a key focus during the year. Our first full scale social media campaign called 'What's Your Social Mileage' won the 'Sliver Dragon Award, Best Social Media or Word of Mouth Campaign' at the 2014 PMAA Dragons of Malaysia Awards.

One of the pioneering events at Retail Banking was our collaboration with Google for the Raya Bergaya YouTube Channel - a first in South East Asia. This collaboration augmented our online presence amongst the web community with 2.4 million views and 1,830 subscribers.

We continue to embark on initiatives to increase consumer awareness and education on cybercrimes through the bank's website, secured email and social media channels. Through initiatives to further improve online banking security, monetary losses throughout the year declined by a significant 43.6%.

Moving into FY2016, Digital Banking will continue to place emphasis on customer-centricity and expanding our digital presence in Malaysia.

WHOLESALE BANKING COVERAGE

We had restructured our Business Banking and Corporate & Institutional Banking with effect from 1 April 2014, which involved the consolidation of Business Banking and Corporate & Institutional Banking to form Wholesale Banking Coverage ("WBC").

The new WBC model aims to improve client centricity, efficiency and productivity through the new coverage and segmentation models. Through re-prioritizing coverage by segment and sector, the Relationship Management teams will be the single point of contact to enhance customer experience across sales, product solutions and servicing to achieve product excellence and clear segregation between product strategy and distribution. This will remove any duplicated functions in the business and support areas across the Group.

WBC focuses on building and developing strong relationships with clients and provides wholesale banking services supported by a wide spectrum of commercial and investment banking products and services. This holistic platform services clients with end-to-end financial solutions from origination to execution. Regional Business Centres ("RBCs") in Penang, Johor, Kota Kinabalu and Kuching continue to play a key role in WBC's growth and together with an off-shore branch in Labuan, ensure that we have footprint across Malaysia as well as the Labuan International Business and Financial Centre. WBC continues to focus on penetrating clients' share of wallet, acquire new clients, while diversifying and differentiating itself in the markets place, in line with the Group's strategic objectives.

WHOLESALE BANKING PRODUCTS

Wholesale Banking Products consist of Investment Banking, Markets and Transaction Banking Divisions and continues to strive for excellence in offering innovative, quality and differentiated products and services to the wholesale customers. With a long-standing track record in structuring award-winning transactions, we provide and deliver a wide range of innovative and integrated solutions via the following key product teams:

1) Corporate Finance
2) Equity Markets
3) Debt Markets
4) Islamic Capital Markets
5) Markets
6) Transaction Banking
7) Funds Management
8) Private Banking

Corporate Finance

The Corporate Finance Division provides an extensive range of corporate finance and advisory services comprising mergers and acquisitions ("M&A"), take-overs, initial public offerings ("IPO"), restructuring, privatisations, issuance of equity and equity-linked instruments, as well as, valuations and independent advisory services. We service a diverse spectrum of clientele from various sectors including oil and gas, plantation, property development, infrastructure, retail and financial institutions.

Our department facilitates seamless origination and execution of equity capital market transactions bridging the connectivity between the client coverage teams and the product divisions.

In FY2015, the capital market saw the listing of 12 new companies on Bursa Malaysia Securities Berhad, of which, AmInvestment provided sizeable underwriting commitment to several of the IPOs including the listing of Boustead Plantations Berhad and 7-Eleven Malaysia Holdings Berhad.

On the M&A front, we lead advised the reverse takeover of Keywest Global Telecommunications Berhad by Xinghe Holdings Berhad; and a cross border transaction involving the acquisition of Uni.Asia Capital Sdn Bhd's 68.09% stake in Uni.Asia General Insurance Berhad (Uni.Asia General) by Liberty Seguros, Compania de Seguros y Reaseguros, S.A., a subsidiary of the Liberty Group. We were also the joint advisors for another cross border transaction involving the disposal of Yinson Holdings Berhad's equity interest in Nautipa AS.

During the year, we had also concluded several secondary fund raising deals including the rights issue for IOI Properties Group Berhad (RM1.03 billion), Global Oriental Berhad (RM113.7 million), and Yinson Holdings Berhad (RM600 million).

Moving forward, the Corporate Finance Division will continue to leverage on quality advisory services to enhance value for all stakeholders. We also seek to continue utilising our underwriting abilities to provide total solutions to our clients.

Notable M&A Deals for FY2015

Xinghe Holdings Berhad **RM60 million** Principal Advisor for the Reverse Take-Over **May 2014**	**Uni.Asia General Insurance Berhad** **USD118 million** Principal Advisor for the Acquirer **July 2014**	**Yinson Holdings Berhad** **USD57.1 million** Joint Advisor for the Disposal **October 2014**

Notable Fund Raising Deals for FY2015

IOI Properties Group Berhad **RM1.03 billion** Principal Advisor for the Rights Issue **February 2015**	**Global Oriental Berhad** **RM113.7 million** Principal Advisor for the Rights Issue **February 2015**	**Yinson Holdings Berhad** **RM600 million** Principal Advisor for the Rights Issue **June 2014**

Equity Markets

Equity Capital Markets

Equity Capital Markets ("ECM") deals mainly with the marketing, sales and distribution of equities in the primary and secondary equity and equity-linked markets. It leverages on its established distribution network and close relationships with fund managers, investors and research analysts to provide timely market intelligence in the origination of primary market transactions and in the structuring and managing of the marketing and distribution of both primary and secondary equity offerings. Through ECM's close collaboration with Corporate Finance and Wholesale Banking Coverage team, we strive to provide clients with value added equity solutions. As successful equity offerings are a function of accurate pricing, effective distribution and market awareness of both the issuer's industry and investor demand, we place a strong priority on tracking closely the pulse of the market and market developments.

Equity Derivatives

Equity Derivatives ("ED") is the centre of customised equity linked solutions in AmInvestment Bank. Its scope of activities include issuance of structured warrants on Bursa Malaysia, equity swaps as well as other structured products. ED is driven to provide value added solutions to enable the Bank's clients to achieve market access, optimise their returns, provide protection from market downside and lower cost of capital to retail, high net worth, corporate and institutional clients. As of 31 March 2015, ED had 49 structured warrants outstanding and is a participating dealer for three Exchange Traded Funds, including the FBM30etf, the ABF Bond Fund and Dana Infra.

Stock Broking

As at 31 March 2015, the FBMKLCI closed at 1,830.78, representing a 1.0% drop year-on-year. Nonetheless, Bursa Malaysia's trading volume remained high and the total value traded for the 12 months ended 31 March 2015 has leapt past the RM1,000 billion mark for two consecutive years, which is RM1,065 billion in exact figure. AmInvestment Bank managed to maintain the market share at 5.3% and ranked no. 7 in the Bursa Malaysia Broker Ranking based on value of shares traded.

On the institutional front, we continue to strengthen our relationship with the fund managers to complement ECM with better distribution network and capability. On the retail front, we aim to be differentiated amongst the competitors by building a strong brand name, equipping the retail business with excellent help desk services as well as improved products. We have made available multiple distribution channels, including remisiers, Bank Branch Broking, salaried dealers, Direct Market Access and the internet trading platform, offering clients the flexibility to trade both online and offline.

Futures

AmFutures continues to be one of the top bank-backed derivatives brokers in the Malaysian futures market. Our core product offerings to our clients include all derivatives products traded in Bursa Malaysia Derivatives ("BMD") and selected major foreign futures products.

Our business strategy is to grow and to achieve a balanced mix, in terms of revenue contribution, of both institutional and retail segments. On the institutional front, we are building up the business by putting in place the necessary infrastructure namely the Direct Market Access ("DMA"). On the retail front, our objectives are basically to progressively widen our offerings to introduce more foreign derivatives products and to cross-sell into the Stock Broking client base.

Debt Markets

AmInvestment Bank continues to assert its leadership position as a dominant capital markets player in providing integrated debt and capital financing, extending its top three position on the Bloomberg Underwriter Rankings for MYR-Denominated Private Debt Securities ("PDS") for the 12th consecutive year in 2014.

As part of Wholesale Banking Products, the Debt Markets division provides integrated financing solutions and is the execution house of choice for our clients through our capabilities in fixed income, derivatives and credit solutions and advisory services to our sovereign, corporate and institutional clients. We strive to be the partner of choice with our clients to assist them in realising their business goals and supporting them in their long term growth.

The strength of our business model has been proven over the years by the numerous award-winning transactions and accolades received as well as recognition from various esteemed organisations such as RAM Rating Services, Alpha Southeast Asia and Islamic Finance News.

In 2014, the Malaysian economy recorded a sterling GDP growth of 6.0% in the face of global market uncertainties as the US Fed considered the timing and quantum of Fed rate normalisation. Corporate issuers tapped the debt capital market to raise fixed rate financing, locking in interest rates in view of the volatility.

Gross PDS issuances in 2014 amounted to RM78.9 billion, representing a 15% increase in volume over the corresponding period in 2013. A majority of the new PDS issuances in 2014 comprised Government-Guaranteed and AAA-rated issuances (51%), followed by AA-rated issuances (40%), unrated issuances (8%) and A-rated issuances (1%).

Unrated bond issuances continue to gain prominence in the Malaysian market with the imminent removal of mandatory bond rating requirement by January 2017. Corporate clients have increasingly turned towards the unrated bond market to fund their requirements, such as Bumi Armada Capital Malaysia Sdn Bhd, Aeon Credit Service (M) Bhd and Point Zone (M) Sdn Bhd (a unit of KPH Healthcare Bhd). Drawing on our vast experience and expertise in syndication, the Debt Markets division worked with corporate issuers to develop private placement strategies with a diversified investor base.

The Debt Markets division is ideally positioned to meet the requirements of our clients as we provide a full suite of customised debt and capital financing solutions comprising PDS and Sukuk issuances, loan syndication, structured finance, capital and project advisory services and institutional client sales and syndication. With a strong team comprising professionals experienced in finance, accounting, tax, actuarial, legal, credit rating, risk management, engineering and regulatory, we offer our clients innovative and customised financing solutions that meet and exceed expectations.

The Debt Markets division continues to drive product innovation and efficiency in the market, as highlighted in our key transactions below:

Financial Year 2015 Transaction Highlights

Real Estate

Midciti Sukuk (KLCC REIT) JPA JLA JLM
MYR3.0B ICP/IMTN Programme

- **Malaysia's first Corporate AAA-rated Real Estate Investment Trust** ("REIT").
- Midciti Sukuk is the subsidiary of KLCC REIT, which is the **nation's largest Islamic REIT** with flagship investment properties including the iconic PETRONAS Twin Towers and Menara ExxonMobil.
- As part of the funding programme, all of KLCC REIT's existing financing were refinanced which is expected to result in a more spread out debt maturity profile with smaller bullet repayments.
- Standalone corporate rating without the reliance on securitisation structure which in turn minimises the REIT's all-in financing cost.

State Government

Sabah State Government JLA JLM
MYR1.0B Bonds Issuance

- Following an extensive pitching process, AmInvestment Bank secured a mandate from Sabah State Government since its last capital market transaction in 2011, which is a clear testament of AmInvestment Bank as the execution house of choice.
- **Efficient execution process** – thorough planning and well executed process provided Sabah State Government with an opportunity to accomplish investor marketing, deal launch and pricing all within the quiet month of December.

Oil & Gas

Bumi Armada Capital Malaysia Sdn Bhd JLM
MYR1.5B Unrated Sukuk Murabahah Programme

- Bumi Armada is the largest Floating Production Storage and Offloading vessel owner and operator in the Southeast Asia and 5th largest in the world.
- The Unrated Sukuk issuance in September 2014 was used to finance capital expenditure, working capital, general funding and financing requirements and to refinance the Bumi Armada Group's existing financing.

Auto Manufacturers

Tan Chong Motor Holdings Berhad PA JLA JLM
MYR1.5B CP/MTN Programmes

- Tan Chong Motor Holdings Berhad ("**TCMH**") is the exclusive franchisee for Nissan vehicles in Malaysia, Vietnam, Cambodia, Laos and Myanmar.
- The establishment of the CP/MTN Programmes provide a solid financing platform for TCMH to elevate its competitive positioning and cater to the company's strategic expansion plans.
- Well executed pricing strategy and issuance timing allowed TCMH to secure lower funding rate compared to its peers in similar rating category.

Financial Institution

Sabah Credit Corporation ("SCC") JLM
MYR1.5B ICP/IMTN Programme

- The MYR1.5 Billion ICP/IMTN Programme marks SCC's second MYR Sukuk Programme which offers a larger size compared to its maiden MYR1.0 billion ICP/IMTN Programme in 2011.
- **Extensive distribution capabilities** – The transaction was well received due to investors' comfort and familiarity with SCC's credit. AmBank Group placed out 91% of SCC's ICP/IMTN issuances in the year 2014.

Commercial Services

Berjaya Land Berhad PA JLA JLM
MYR650.0M Guaranteed MTN Programme

- **Efficient Deal Execution** – Documentation and issuance conducted within 2 weeks from SC approval; Guarantors, lead arranger, lead manager and agency worked tirelessly to ensure seamless execution.
- **Largest Guaranteed Facility by Danajamin** (up to RM500.0 Million) in Malaysia for 2014 to allow for credit enhancement of Berjaya Land which provides Berjaya Land access to a larger pool of investors with its AAA credit rating.

Financial Institution

AmBank (M) Berhad PA LA LM
USD2.0B Euro Medium Term Notes Programme

- AmBank's first issuance out of the EMTN Programme of USD400 million drew an order book size of USD4.25 billion and an oversubscription rate of more than ten times.
- Well executed pricing strategy to capture market momentum and capitalise on robust demand on Malaysian financial institution bond issuances resulted in significant price tightening from the initial pricing guidance.

Financial Institution

Public Islamic Bank JLM
MYR500.0M Sukuk Wakalah Programme

- Public Islamic Bank's inaugural issuance of Subordinated Sukuk to qualify as the bank's capital securities.
- The Subordinated Sukuk complies with the new Basel-III requirements, including the loss absorption features in the event of non-viability.

Telecommunications

Telekom Malaysia Berhad LM
MYR300.0M Sukuk Wakalah

- Cost Savings to Issuer – The issuance completed at 69 bps above MGS as compared to the spread of 71 bps on the 10-year Sukuk completed in March 2014.
- Repeat Mandate by Rare AAA-rated Issuer – Telekom has appointed AmInvestment Bank as the Joint Lead Manager for all Sukuk issuances under the MYR3.0 billion Sukuk Wakalah Programme.
- Scarcity of Telekom Issuance – Telekom issuances are scarce in the local market and high in demand by investors, therefore achieving cost efficient rate for Telekom.

Telecommunications

BGSM Management Sdn Bhd LM
MYR330.0M Sukuk Musharakah

- **Second Issuance by Major Telco Player** – The MYR330.0 million Sukuk Musharakah is the second tranche from the MYR10.0 billion Sukuk Musharakah Programme.
- The financing will ring-fence Maxis's dividend payments to support finance service obligations of Sukuk Musharakah.
- **Cost Savings to Issuer** – BGSM's first 10-year issuance in December 2013 was priced at 5.60%. The new issuance provided a cost savings of 15 bps to the Issuer.

Energy	
Sarawak Energy Berhad MYR1.5B Sukuk Musharakah	JLM

- Third Sarawak Energy Issuance – The MYR1.5 billion Sukuk issuance is the third issuance under the MYR15.0 billion Sukuk Musharakah Programme.
- Immense Interest Leading to Upsizing – The initial targeted issuance amount is MYR1.0 billion, which was upsized by MYR500.0 million due to overwhelming response from investors.
- Capitalised Market Interest on Long-Tenored Papers – The Sukuk was oversubscribed by 1.9x and focus was on the longer tenure as investors are looking for yield pick up from the Sukuk.

Energy	
YTL Power International Berhad MYR1.0B Medium Term Notes	JLM

- Repeat mandate from Issuer – The new MYR1.0 billion MTN issuance on 13 October 2014 is the fifth issuance under its MYR5.0 billion MTN Programme, bringing the total outstanding MTN under the MTN Programme to MYR4.77 billion.
- Certainty of Funding – AmInvestment Bank offered certainty of funding via a bought deal arrangement through AmBank.
- Window of Opportunity – Issuance was done to lock in interest rates in view of upcoming rate hikes in the market, which was evidenced by a 32 bps rise in 10-year MGS from 3.83% on 13 October 2014 to 4.15% on 31 December 2014.

Legend

PA	Principal Adviser	LA	Lead Arranger	LM	Lead Manager
MLA	Mandated Lead Arranger	JLA	Joint Lead Arranger	JLM	Joint Lead Manager

Loan Markets

AmInvestment Bank continues to extend its top five position on the Bloomberg Underwriter Rankings for Malaysia Loans Mandated Arranger for the third consecutive year in 2014.

The Malaysian loan syndication market remains on a high growth trajectory, with the volume raised in 2014 reaching USD19.7 billion, an impressive 57% growth over the same period in 2013 when USD12.5 billion was raised (source: Bloomberg Underwriter Rankings for Malaysia Loans Mandated Arranger).

The loan syndication business complements the bond market in meeting clients' large financing requirements, whether for corporate exercises such as mergers and acquisitions, to act as a bridge financing or to finance capital expenditure needs.

Loan syndication in Malaysia for the year 2014 has largely been driven by cross border transactions, with foreign currency denominated deals making up 67% of the Malaysian loan syndication business in 2014 (source: Bloomberg Underwriter Rankings for Malaysia Loans Mandated Arranger). In addition, oil and gas-related businesses which were a key growth sector for Malaysia in 2014 comprised 45% of the Malaysian loan syndication business in 2014.

The Loan Markets division has been involved as a Mandated Lead Arranger in several key transactions as highlighted below:

Telecommunications

DiGi Telecommunications Berhad MLA
MYR800.0M Syndicated Revolving Credit Facility

- The purpose of the Facility is to extend the tenure of the existing RC Facility to 30 September 2014 and to upsize the principal amount from MYR400.0 Million.
- Part of the Telenor Group, DiGi is the third largest telecommunication service provider in Malaysia with subscriber base of 11 million in 2013.
- The company's strong performance was acknowledged in the market through its recognition as Forbes Asia Fabulous 50 Company

Infrastructure

Jambatan Kedua Sdn Bhd MLA
MYR1.5B Syndicated Revolving Credit-I Facility

- The STRC-i Facility is drawndown to finance shariah-compliant operating expenses for the Second Penang Bridge Project.
- Launched under the ninth Malaysian Plan, the Second Penang Bridge project will provide an alternative route linking the Penang Island to the Mainland.
- Efficient Deal Execution – core structuring and documentation conducted within four weeks; joint mandated lead arrangers worked tirelessly to ensure seamless execution.

Aviation

Weststar Aviation Services Sdn Bhd MLA
MYR2.4B Syndicated Financing Facilities

- The facilities is used to refinance existing debt and to part finance the acquisition of new helicopters.
- The transaction is supported by strong operating cash flow generated from the service contracts with the oil majors.
- The customer has one of the largest fleet of helicopters, representing about 31% of the domestic helicopter supply

Agriculture

Perspective Lane Sdn Bhd MLA
MYR2.1B Syndicated Term Loan ("STL")

- The STL was used to part finance the outstanding principal of the existing debt, which was used to privatise Tradewinds (M) Bhd ("TWM"), Tradewinds Plantation Bhd and Padiberas Nasional Bhd ("Bernas") back in 2013.
- The main source of repayment is closely tied to the rice business and their 40% market share in the sugar business.

Oil & Gas

SapuraKencana TMC Sdn Bhd MLA
USD2.2B Syndicated Islamic Facility

- To refinance a portion of the existing MYR16.5B Multicurrency Facilities with an Islamic Facility.
- SapuraKencana is the largest oil field services player in Malaysia and presence in various region including Asia Pacific, India, Middle East, Latin America and Africa.
- Evidence of high liquidity in the market and demand for facilities by established companies for USD denominated funding.

Financial Institution

Orix Corporation and its subsidiaries MLA
USD278.0M Multicurrency Revolving Credit Facility

- To refinance the existing Multicurrency Revolving Credit Facility of USD195.0M and to fund additional working capital lines.
- The Facility is a one-year RC supported by a corporate guarantee from the parent, Orix Corporation (Japan), rated A- by Standard & Poors.
- One of the Borrowers, Orix Leasing Malaysia Berhad is one of the largest leasing player with 40 years track record in Malaysia and is involved in equipment financing to SMEs.

Legend

MLA Mandated Lead Arranger

AmInvestment Bank's Awards and Accolades 2014

Alpha SEA Deal & Solution Awards 2014
Most Innovative Deal of the Year in SEA
AmIslamic Bank Berhad

Alpha SEA Deal & Solution Awards 2014
Best Islamic REIT Deal of the Year in SEA
Midciti Sukuk (a subsidiary of KLCC REIT)

Islamic Finance News Awards 2014
Malaysia Deal of the Year 2014
Midciti Sukuk (a subsidiary of KLCC REIT)

Islamic Finance News Awards 2014
Real Estate Deal of the Year 2014
Midciti Sukuk (a subsidiary of KLCC REIT)

Islamic Finance News Awards 2014
Social Impact Deal of the Year 2014 (Honourable Mention)
DanaInfra Nasional Berhad

Islamic Finance News Awards
Regulatory Capital Deal of the Year 2014 (Honourable Mention)
AmIslamic Bank Berhad

RAM Deals of the Year 2014 (Awards of Distinction)
Lead Manager Award
2nd by Programme Value
3rd by Number of Issues

RAM Deals of the Year 2014 (BluePrint Award)
Market Pioneer 2014 – First Basel III Sukuk
AmIslamic Bank Berhad

RAM Deals of the Year 2014 (BluePrint Award)
Market Pioneer 2014 – World's First RMB-bond by a Mortgage Corporation
Cagamas Berhad

RAM Deals of the Year 2014 (BluePrint Award)
New Real Estate Benchmark Deal
Midciti Sukuk (a subsidiary of KLCC REIT)

Bloomberg Underwriter Rankings 2014
MYR-denominated PDS and Sukuk – No. 3 with 14.9% market share
Malaysian Ringgit Islamic Bonds – No. 3 with14.2% market share
Malaysia Loans Mandated Arranger – No. 5 with 6.3% market share

Islamic Capital Markets

The division consists of dedicated, experienced and innovative team of Islamic product specialists and Shariah technical experts. Islamic Markets is the single focal point of contact and reference for advice and guidance on areas of Islamic capital markets within the divisions of AmInvestment Bank. We offer clients Islamic advisory and a wide range of innovative Shariah-compliant financial solutions, including sukuk origination, Islamic equity or equity-related capital markets offerings, Islamic private equity, Islamic structured funds and Islamic syndicated financing.

AmInvestment Bank via the Islamic Markets division continues to be recognised as a prominent leader in the Malaysia Islamic capital markets. For the calendar year 2014, the Bank ranked second and third respectively in RAM's *Lead Manager League Table for Sukuk by Programme Value* and RAM's *Lead Manager League Table for Sukuk by Number of Issues*. AmInvestment Bank was once again ranked third in Bloomberg's 2014 MYR Sukuk Underwriter League Table, underwriting a total of RM8.8 Billion worth of sukuk issues. The Bank's achievement is well regarded by the industry when it has consistently maintained top three positions in Bloomberg's MYR Sukuk Underwriter League Table for the past ten years.

2014 was another successful year for AmInvestment Bank particularly in terms of providing products and services innovation. This is proven by numerous prestigious awards received from various prominent local and foreign houses, such as The Asset Triple A, Alpha Southeast Asia, Islamic Finance News Awards and The Rating Agency Malaysia. Recently, AmInvestment Bank swept a total of four awards at the 12th RAM League Table Awards including recognition for landmark deals such as the New Real Estate Benchmark Deal of RM3.0 Billion for Midciti Sukuk Berhad's Sukuk Murabahah Programme and Malaysia's First rated Basel III-compliant Sukuk of RM3.0 Billion for AmIslamic Bank Berhad's Subordinated Sukuk Murabahah Programme. In addition, the Bank secured a total of six more awards from other awardiers for our landmark sukuk transactions i.e. Basel III compliant Subordinated Sukuk Murabahah, KLCC REIT Sukuk Murabahah Programme, Cagamas Berhad and DanaInfra Nasional Berhad from The Asset Triple A, Alpha Southeast Asia and Islamic Finance News Awards. We are glad to see our efforts in the offering of innovative Islamic transactions being recognised, in line with our aspiration *"To be the leading solutions provider in Islamic investment banking in both local and regional markets, backed by a strong tradition of innovative, customised products and services that upholds Shariah integrity".*

As a leader in the Malaysia Islamic capital markets, the Division stays abreast with the latest local and global developments in both Islamic finance and the Islamic capital markets. We set high criteria to ensure that we are able to deliver solutions of the highest quality rooted in a diversified expertise in the area of Islamic finance that is experiencing exponential growth throughout the world. We inculcate a culture of work excellence, strong teamwork and responsible practices to ensure that we consistently deliver to our clients, solutions which are optimum in terms of cost efficiency, structure, appropriateness and flexibility with no compromise on Shariah requirements.

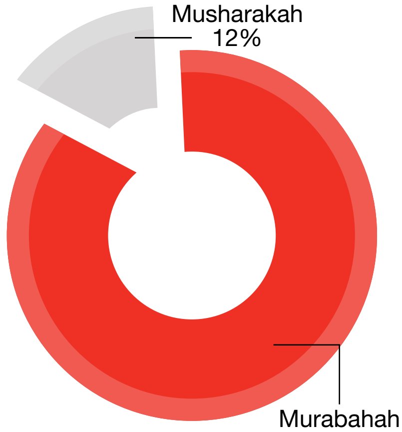
We remain a strong promoter of the Islamic capital markets and, through selective sponsorship and industry training, supports the profiling efforts initiated by both the Securities Commission as well as Bank Negara Malaysia under the MIFC initiatives. As a demonstration of our commitment, in 2014, we had sponsored some of the significant events in the industry including the 5th OIC World Biz-Business & Investment Zone Exhibition and Conference 2014, Global Islamic Finance Forum 2014 ("GIFF") and the Kuala Lumpur Islamic Finance Forum ("KLIFF") 2014. Other than that, the Division had also actively participated in sharing of thoughts and knowledge via our involvements or discussions with the regulators and Islamic associations or bodies like the Malaysian Investment Banking Association (MIBA), Islamic Banking and Finance Institute Malaysia (IBFIM) and International Shariah Research Academy (ISRA), towards further development of the Islamic capital markets.

Islamic Markets Performance

For the year ended March 2015, the Division had successfully completed new sukuk deals totalling RM13.0 billion in facility size and Islamic syndications amounting to RM11.1 billion. Almost all of the sukuk transactions were issued under the Shariah principles of Murabahah (via *Tawarruq* arrangement, leveraging on Bursa Suq Al-Sila' platform) whilst the remaining 12% applied the concept of Musharakah principles. The sukuk transactions originated by AmInvestment Bank represented a significant 74% of total new private debt securities ("PDS") in Malaysia.

FY2015 Landmark Islamic Deals Sukuk	Total Facility (RM mil')
Sabah Credit Corporation	1,500
Midciti Sukuk Berhad	3,000
Bumi Armada Capital Sdn Bhd	1,500
Prasarana Malaysia Berhad (GG)	2,000
Gamuda Berhad	5,000
Total	**13,000**
Islamic Syndicated Financing	
Jambatan Kedua Sdn Bhd (GG)	1,500
SapuraKencana TMC Sdn Bhd	7,700
Weststar Aviation Sdn Bhd	1,900
Total	**11,100**

Size of sukuk transactions in 2014 by Shariah Principles



The Bank continues to lay a mark in the Islamic capital markets through awards of innovation won during the year. Our notable RM3.0 billion Sukuk Murabahah Programme by Midciti Sukuk Berhad, jointly arranged and managed, was granted several industry acknowledgements like the "New Real-Estate Benchmark Deal" by RAM League Table Awards 2014, Islamic Finance News (IFN) award for "Real Estate Deal of the Year" and "Best Islamic REIT Deal in Southeast East Asia" by Alpha Southeast Asia. The Midciti Sukuk marked Malaysia's first corporate AAA rated REITs issuing sukuk. This was another achievement accredited to AmInvestment Bank in the real estate sector after its notable award received previously for advising the set-up of the world's first listed Islamic REITs. Another significant milestone in product innovation was AmIslamic's RM3.0 billion Subordinated Sukuk Murabahah Programme, accorded as Malaysia's first rated Basel III compliant sukuk. This transaction serves as the break-through Islamic structure for the other local Islamic financial institutions to follow suit.

For the year 2014, Malaysia continues to dominate the global sukuk markets with 43% market share and maintains its position as the largest sukuk issuer globally. During the year, there were first-time sovereign issuances from United Kingdom, Luxembourg, Hong Kong and South Africa, which further highlights the growing acceptance from the non-Muslim majority markets for sukuk in particular, and to Islamic finance as a whole. Overall, the global sukuk market recorded a solid performance in 2014, supported by a recovering global economy, as well as benchmark-sized issuances from sovereign entities and Basel III compliant sukuk by several Islamic financial institutions. Despite the challenging year of 2015 on many fronts like the falling oil prices, potential hikes of US interest rates and tightening liquidity, we foresee the Malaysian and global sukuk market in 2015 will remain vibrant based on the following:

- Growing demand on issuances in foreign currency sukuk, especially USD;
- Malaysia further solidifies its position as a multi-currency sukuk issuance platform;
- Cross-border listing of sukuk,
- More sukuk issuances for infrastructure related projects; and
- More sukuk issuances by Islamic financial institutions to enhance compliance with Basel III.

Islamic Capital Markets Going Forward

The Malaysian Islamic Capital Markets is experiencing rapid growth as compared to other countries. No doubt there will be more variations and innovations of Islamic capital market products and services in future in our efforts to maintain Malaysia as the international Islamic finance hub. Therefore, our strategy moving forward is to retain our focus on creating variations and innovations of our products and services range to maintain competitiveness amongst our peers. The new Lodge and Launch Framework (LOLA) as part of liberalisation of corporate bonds/sukuk and wholesale product approvals through the Securities Commission shall also act as one of the catalysts to spur the continued growth of the Islamic capital market sector. The Sustainable and Responsible Investment (SRI) sukuk framework which was introduced in the year and halal industry initiatives would also support the growth of Islamic finance as a whole.

Islamic Markets Division - League Table Achievements in 2014

RAM RATINGS	• RAM Lead Manager Award Islamic 2014- 2nd by Programme Value • RAM Lead Manager Award Islamic 2014- 3rd by Number of Issues
Bloomberg	• No. 3 in Bloomberg's Sukuk Underwriter League Table 2014 (Value of Malaysian Ringgit Islamic Bonds)

Islamic Markets Division - Awards and Accolades in 2014

RAM League Awards 2014

- **Blueprint Award 2014**
  New Real- Estate Benchmark Deal
  Midciti Sukuk Berhad RM3.0B Sukuk Murabahah Programme

- **Market Pioneer Award 2014**
  1st Basel III- compliant Sukuk
  AmIslamic Bank Bhd RM3.0B Subordinated Sukuk Murabahah Programme

The Asset Triple A Islamic Finance Awards 2014

- **Best Deal by Country, Malaysia**
  Highly Commended
  Cagamas Berhad RM3.8B Multi-Tenor Sukuk

- **Best Deal by Country, Malaysia**
  Highly Commended
  Danainfra Nasional RM300M Exchange-Traded Sukuk

8th Annual Alpha Southeast Asia Deal & Solution Awards 2014

- **Best Islamic REIT Deal in Southeast Asia**
  KLCC Berhad RM3.0B Sukuk REIT

- **Most Innovative Deal of the Year in Southeast Asia**
  AmIslamic Bank Berhad RM200M Basel III Sukuk

The Islamic Finance News Awards 2014

- **Malaysia Deal of the Year 2014**
  Midciti Sukuk Berhad RM3.0B Sukuk Murabahah Programme

- **Real Estate Deal of the Year 2014**
  Midciti Sukuk Berhad RM3.0B Sukuk Murabahah Programme

Markets

The environment has been a challenging one with falling oil prices coupled by adverse volatility in global rates and foreign exchange markets. Uncertainties with regards to the dislocation of growth between the US and the rest of the world have led to volatility. USDMYR traded between the range of 3.15 to 3.73 during the period.

To better address the ever changing environment as well as to ensure continuous growth, Markets underwent a reorganization to now include Capital Markets activities such as Debt Capital Markets, Loan Syndication and Structured Finance. The integration of Capital Markets into the enlarged Markets Division in 2H2014 is to harness the synergies within the structuring and syndication desks to continuously make groundbreaking progress in offering a diverse range of innovative and client-led financial products, be it in the vanilla or structured solutions space.

The streamlining of Markets' teams has increased efficiency, reduce operational risks and provide value added services to both the organization and our clients. Continued investments in technologies have been our priority to ensure success in this business, amidst a changing, challenging and competitive operating environment. Our dedicated multi-product Sales team focuses on managing and building client relationships and delivery of product solutions across all asset classes, is further supported by Trading and various Support teams, namely Research, Quantitative Analytics and Business Management to deliver the targeted strategic initiatives and innovative products rollout.

The transformation efforts undertaken by Markets to improve performance and operational efficiencies to deliver client-led and innovative solutions is evidenced from the accolades received which have placed AmBank Group in the frontline for FX, Derivatives and fixed income business. To support the Malaysian Government's initiative to become a leading Islamic financial hub, Markets continues to place emphasis on developing innovative Islamic FX and derivatives products as part of the comprehensive product suite.

Award Won in Financial Year 2015

Alpha Southeast Asia

Alpha Southeast Asia has awarded AmBank for the third consecutive year at the 8th Annual Alpha Southeast Asia Best Financial Institution Awards 2014 ceremony in recognition for our ability to provide efficient and effective FX solutions and services to the needs of our wide-based customer segments.

- Best FX Bank for Corporates & Financial Institutions

Going forward, Markets will continue to build on the earlier momentum on enhancing collaboration within the Group wide's cross-selling effort as well as to continuously leverage on ANZ to provide substantive, integrated and client-led business underpinned by a full suite of product offerings.

Transaction Banking

Transaction Banking offers a full suite of trade finance and cash management services. The department offers customised and value added end-to-end solutions to improve working capital cycles and process efficiency for our business/corporate clients.

Trade services include domestic sales and purchase financing, import and export financing, structured trade, and trade advisory as well as Islamic trade solutions.

Our cash management services are specifically designed to relieve clients from the routine business of receivables and payables, freeing them to focus on growing their business. Solutions offered include payment solutions, liquidity management, collection solutions, as well as electronic invoice presentment and payment.

Both services are supported by an extensive suite of around-the-clock web-based business channels capable of both enquiry and transaction functions. These include e-AmBiz for cash management and our AmTrade platform for trade services.

Transaction Banking continued to adopt best practices and enhance technological platforms for better customer experience. Overall improvements in product solution efficiency is a key strategic area for us to garner sticky funds in view of the pending BASEL III requirements as well as promoting Islamic trade finance and services activities.

AmInvest

AmInvest is the brand for the Funds Management Division, has over 35 years of funds management experience, covering both conventional and Shariah compliant funds and mandates, specialising in active Asian equities, active global sukuk and smart beta global equities.

It has been another productive year, with our fund size closing higher than the year before at RM39 billion. AmInvest received a very commendable 14 company and fund performance awards.

During the year, we devoted time and resources to building and making robust our infrastructure in our bid to be ready for our global business foray as we continue to strive to be the preferred investment solutions provider to our distributors in Malaysia. To this end, we have merged two entities and reorganised internally.

Growth

We have grown our fund size to RM39 billion as at March 2015, 8% higher than the year before - with the sub component Shariah-compliant investments totaled RM7 billion; making the Division one of the top asset managers in Malaysia. Our 5- year compound annual growth rate (CAGR) was 15%, with our Islamic subset growing at a blistering 43% at the same period (albeit from a smaller base).

Accolades

We have been steadily collecting accolades across the globe with many repeat wins which should bode well for our brand building exercise to develop our global business.

For the second time in a row, we won the prestigious "Best Mixed Asset Fund Group "award by The Edge-Lipper Malaysia; and this highlighted our funds management skills across different asset classes, equity and fixed income.

And, for the third time in a row, World Finance (London) acknowledged us as the "Investment Management Company of the Year". From Hong Kong, we repeated our wins as "Best Pension Fund Manager" and "Best Institutional House "of Malaysia by Asia Asset Management.

Among the global Islamic finance industry peers, AmInvest was selected for the second time as the "Best Islamic Fund Manager 2014" and Islamic Finance News (Dubai/Malaysia) has recognised us as the "Best Islamic Investment Strategist of the Year".

New Funds and Fund Performance

The Division launched eight Unit Trust funds over the year; six conventional funds, two Shariah-compliant funds and one new PRS fund.

Our Shariah-compliant AmASEAN Equity fund was ranked first against all its conventional peers in the Asean universe, for the 12-month period; as at 31 March 2015, with returns over 18% according to Lipper.

Going Forward

We shall continue to pursue our domestic growth with our third party distributors as well as ensuring a robust foundation for the global thrust.

As such, AmInvest will continue to offer varied products that can fit as choice components into a well-diversified portfolio for every investor, aiming to offer the best of breeds from our in-house fund managers or from external fund partners.

Awards and Accolades Financial Year 2015

World Finance Investment Management Awards 2014
Investment Management Company of the Year, Malaysia
(3 consecutive years)

Global Islamic Finance Awards (GIFA) 2014
Best Islamic Fund Manager 2014 (2 consecutive years)

IFN Islamic Investor Awards 2014
Best Islamic Investment Strategist of the Year

The Asset Benchmark Research 2014
Top Five Investment Houses in Asian Local Currency Bonds 2014, Malaysia (2nd Position)

Asia Asset Management, Best of the Best Awards 2014
Best Pension Fund Manager, Malaysia (2 consecutive years)

Awards and Accolades Financial Year 2015

Asia Asset Management, Best of the Best Awards 2014	Best Institutional House, Malaysia (2 consecutive years)
The Edge-Lipper Malaysia Fund Awards 2015	Best Mixed Asset Fund Group (2 consecutive years)
The Edge-Lipper Malaysia Fund Awards 2015	Best Bond Malaysian Ringgit, 10 Years – AmDynamic Bond (2 consecutive years)
The Edge-Lipper Malaysia Fund Awards 2015	Best Mixed Asset MYR Balanced – Malaysia Islamic, 10 Years – AmIslamic Balanced
The Asset Benchmark Research 2014	One of the Most Astute Investors in Asian Local Currency Bonds in Malaysia 2014 - Kho Hock Khoon
Fundsupermart.com Recommended Unit Trusts Awards 2014/15	AmIncome Plus (Bond Malaysia - Short Duration)
Fundsupermart.com Recommended Unit Trusts Awards 2014/15	AmCommodities Equity (Sector Equity - Global Resources)
Fundsupermart.com Recommended Unit Trusts Awards 2014/15	AmAsia Pacific Equity Income (Core Equity - Asia ex-Japan)
KLIFF Islamic Finance Awards 2014	Most Outstanding Islamic Fund Product – AmIslamic Balanced

Private Banking

AmPrivate Banking caters mainly to Malaysian individuals of high net worth, offering one-stop wealth-management solutions for our high net worth clients by positioning us as an integrated access point to the expertise and resources of the entire AmBank Group. Towards this end, we work closely with the rest of the banking group to offer a premier level of service to these valued clients .

AmPrivate Banking offers customers a comprehensive and diversified range of products and services from a globally linked platform that includes:

- Cash management solutions
- Asset allocation and security selection
- Advisory and discretionary mandates
- Wealth protection
- Financing facilities

We assist our clients to customise their investment portfolios according to their individual risk profiles through our dedicated team of private client managers. Clients may choose to self manage their investment portfolio (with advisory support) or elect a discretionary mandate to leave the management of their portfolio to an appointed investment manager.

We adopt an open architecture product philosophy and work with multiple counterparties to secure the best-of-breed products for our clients. The banks and fund managers that we work with include the most highly regarded names in the global investment industry. Through AmPrivate Banking, clients have invested regionally and globally across Singapore, Asia, Australia, America and Europe.

AmPrivate Banking branches are currently located in Kuala Lumpur, Pulau Pinang, Johor Bahru, Kuching and Kota Kinabalu.

ISLAMIC BANKING

The global Islamic banking industry has seen key developments in 2014, as the industry achieved several milestones and continues to move towards greater sustainability and providing a wider range of banking services. At AmBank Islamic, we held on our approach to be a leader in the Islamic banking industry with steady steps to achieve the interests of our stakeholders by keeping abreast with the latest developments in the banking industry while playing our national social and developmental role.

In light of the global and regional economic trends and the positive economic climate in Malaysia, AmBank Islamic managed to achieve positive financial results in financial year 2015. Our net profit totaled RM236.8 million with a pre-tax profit of RM304.4 million, reflecting a growth rate of 1.3% compared to last year. Our customer deposits increased by 16.9% from the previous year whilst total assets is RM39.7 billion as at 31 March 2015. Total gross financing was reported at RM28.0 billion, which accounted for 70.6% of total assets, due to the pivotal demand for financing mainly from retail segments as well as other businesses. AmBank Islamic's total deposits have increased by 13.0% and stood at RM32.5 billion for the year ended 31 March 2015.

AmBank Islamic is proud of the pioneering role we have played, and continues to play in developing and stimulating the growth of the Islamic banking industry. We believe the time is right to further encourage the momentum and progress that we are witnessing by competing in a challenging market place, by bolstering our portfolio with new products and business development. Amongst the new products and initiatives launched by AmBank Islamic during the financial year were:

i. New Commodity Murabahah-based Term Deposits
ii. Islamic Profit Rate Swap (IPRS) Commodity Murabahah
iii. Islamic Callable Range Accrual NID
iv. Personal Financing-i Private Sector
v. Re-launch of Trade Facilities

Apart from that, we have also participated in various national and international forums and events namely:

i. The 11th Kuala Lumpur Islamic Finance Forum (KLIFF) 2014, Small & Medium Industries Development Exhibition (SMIDEX) 2014; in an effort to reach non-individual segments.

ii. Lead partner of IFN Asia Issuers and Investors Forum 2014 and strategic partner of Global Islamic Finance Forum (GIFF) 2014 in enhancing the true potential of Islamic Finance in the international market place

iii. The 5th OIC World BIZ 2014; as the official bank to promote AmBank Islamic as a solutions provider in Islamic retail banking, wholesale banking, funds management and related products and services from AmBank Group.

The bank has also embarked on a new journey of rebranding AmBank Islamic by leveraging on AmBank's strong position as one of the leading banks in Malaysia and its highly recognisable red & yellow brand colour. The rebranding exercise is essential as an effort to further intensify the linkage of conventional and Islamic offerings within the Group. The new AmBank Islamic brand, which was launched in May 2015 is to elevate the level of consumers' acceptance, awareness and be more coherent with the market practice.

AmBank Islamic's vision of corporate social responsibility (CSR) is aptly guided by a number of principles and objectives – building effective social communication with all society sectors, contributing to charitable activities and supporting their operations and playing active roles in society. At AmBank Islamic, we view CSR as a management concept whereby social and environmental concerns are integrated in business operations and interactions with stakeholders. With that being said, we have fulfilled our obligations through our business zakat distribution for FYE March 2014. Total zakat funds of RM1,335,175 were distributed to the people in need of which a sum of RM500,000 were donated for restoration and rehabilitation of Kg. Pasir Era, Kuala Krai; which was affected severely during a massive flood that hit Kelantan in December 2014. We were also concerned about the situation that befell AmBank Group staff during the flood and distributed RM102,000 to the affected staff, in hope that it would ease their burden during the trying time. AmBank Islamic also continues with its Students Adoption Programme with Yayasan Pelajaran MARA under AmKasih, the AmBank Group's CSR umbrella programme.

Over the past years, AmBank Islamic has succeeded in establishing a recognisable local, regional and international presence that has ensured it is a frontrunner in the regional and international Islamic banking industry. We were most gratified that our ongoing efforts were recognised with the "Issuer Award for Basel III Sukuk" at the 8th Annual Alpha Southeast Asia Deal & Solution Awards 2014.

As we end the year and brace ourselves to face another equally tough year ahead, we are cognisant of the potential challenges. Our fundamental principle remains acting in the best long-term interests of our stakeholders and as such, rest assured that we will be taking into consideration the relevant economic factors in executing our strategies in becoming the preferred Islamic bank in Malaysia. Moving forward to financial year 2016 with the aspiration to prosper with society, AmBank Islamic will undertake major initiatives which include:

i. Strengthening our core capabilities/existing channels to be ranked the top four Islamic Banks in Malaysia for financing, total assets and deposits by 2017.

ii. Enhancing commercial proposition of our innovative products and services for both Muslims and non-Muslims in the new business streams.

iii. Strengthening the Shariah Governance and enhancing infrastructure to comply with changes in the regulatory requirements.

iv. Inculcate branding and awareness of Islamic products through continuous effort in promotion and investment in our people and capability.

GENERAL INSURANCE

AmGeneral Insurance Berhad

Financial Performance Highlights

AmGeneral delivered strong results for the Group with a net profit after tax of RM240million for FY15, representing a year-over-year growth rate of 16%. Last year's results included a 15-month period. The combined ratio also registered good results at 91.2% due to the strong performance of underwriting attributed by sustaining growth momentum in the profitable segments.

Moving Forward

AmGeneral operates in a highly competitive market, particularly in the last financial year with competition coming from multinational insurers and takaful operators. The competition has been intense with insurers and takaful operators building their capabilities and growing their market share in anticipation of the detariff landscape in 2016.

Despite these market challenges, AmGeneral is able to achieve credible results as well as maintain its No.1 position in the motor insurance market for 2014*. This strong performance is the result of AmGeneral consistently deploying sales and marketing strategies products and services in order to retain customers as well as attracting new customers in chosen segments.

The outlook on AmGeneral is exciting with integration activities on Kurnia Insurans' business and operations at its completion stage. In addition for this new financial year, AmGeneral is embarking on a 3-year strategic framework that will provide AmGeneral with a clear path in positioning itself in an anticipated detariff environment. Detariff readiness has become one of the key initiatives within the strategic framework and preparation for this new environment is on schedule.

The 3-year strategic framework is targeted at strengthening AmGeneral's competitiveness, building our capacities and capabilities in order to allow AmGeneral to compete effectively and efficiently in the upcoming price-driven environment when the industry undergoes detariff. The framework provides AmGeneral with the necessary clarity and insights to focus and select which market segments it will compete in aggressively.

Currently as No.1 in motor, AmGeneral will implement several strategic initiatives to consolidate our position and to sustain our competitive advantage. Leveraging our large customer base, we will take the opportunity to grow our share in the SME and Personal Lines markets. Furthermore, by embracing and leveraging the digital platform, AmGeneral believes that we will be able to deliver unique customer experience, and empower our AmGeneral agents to provide a distinct and efficient service to our customers. To ensure successful execution of our strategic initiatives, we will also focus strategically on the development of human capital as key assets within the organization.

With the 3-year strategic plan in place as well as the ability to leverage on the experience and expertise of IAG in providing insights and leading practices, AmGeneral is well on its way in positioning itself in this highly competitive market.

* Statistical Bulletin – Market Share by Line of Business 2015

LIFE ASSURANCE

AmMetLife Insurance Berhad

AmMetLife is a strategic partnership between AMMB Holdings Berhad (AmBank Group) and MetLife International Holdings, Inc. (MetLife) which was inked on 30 April 2014. AmMetLife offers a comprehensive range of life assurance and wealth protection solutions distributed through a combination of over 175 AmBank and 16 AmMetLife branded branch offices, in addition to the strength of its authorised life insurance agents nationwide.

FY2014 Highlights

Following the unveiling of a new brand name - AmMetLife in May 2014, a fresh and vibrant "Live Ready" brand campaign was launched nationwide in August 2014. The campaign underscores AmMetLife's philosophy that "Customers are at the heart of everything we do", realised by delivering clear, transparent financial security and stability to Malaysians. The brand campaign was the first since the commencement of the strategic partnership, and will continue throughout. With the unveiling of a new brand, AmMetLife went on to redefine product offerings according to five consumer needs - education, protection, health, wealth and retirement. This is to enable consumers to make a better selection of the product which suits their needs.

In September 2014, Ramzi Toubassy was appointed Chief Executive Officer of AmMetLife upon receiving regulatory approval from Bank Negara Malaysia. Toubassy will be responsible for executing a transformation strategy to achieve profitable growth, accelerate shareholder return, as well as ensuring the operational effectiveness of the AmMetLife business in Malaysia.

As we work towards delivering suitable financial solutions for all our customers to help them live confidently today and be ready for tomorrow, AmMetLife launched four new products – ProtectCare Select, Secure Wealth, WealthSecure Max and ProtectSecure Style+ and two new riders (i) Payor Comprehensive – UDR & (ii) Critical Illness – UDR.

ProtectCare Select is a non-participating endowment plan which is distributed through our Direct & Telemarketing channel. Secure Wealth, a whole life par plan is distributed through our agency sales channel. ProtectSecure Style+ is a regular premium investment-linked plan and WealthSecure Max is an endowment plan designed with a guaranteed cash payment. Both WealthSecure Max and ProtectSecure Style+ are bancassurance products which are distributed through AmBank branches nationwide.

Performance

With regard to New Business performance, AmMetLife has achieved its target for the period ending FY 2015 with improved contribution of 26% from the Group Employee Benefits channel.

FAMILY TAKAFUL

AmMetLife Takaful Berhad

On 30 April 2014, AmBank Group and MetLife, Inc. ("MetLife") formed a strategic partnership in respect of the businesses of AmFamily Takaful Berhad ("AmTakaful"). This strategic partnership was approved by Bank Negara Malaysia and the Minister of Finance on 1 April 2014.

With this successful formation, AmTakaful became AmMetLife Takaful Berhad ("AmMetLife Takaful"). The new name took effect on 8 August 2014, with the launch of AmMetLife Takaful's new brand campaign – "Live Ready" in May 2014.

AmBank Group and MetLife share the same core values of integrity and honesty, partnership, innovation and customer-centricity. The partnership leverages the combined strengths of the two organisations to create a customer centric, modern and trusted Takaful provider in Malaysia.

FY2015 Highlights

AmMetLife Takaful introduced a new product naming convention to reflect five (5) consumer needs - education, protection, health, wealth and retirement. The product name is now followed by an "i" which means "Islamic" in financial industry so that customers can easily identify the Shariah compliant products.

Bancatakaful channel charted an overall improved performance on advisory products compared to FY2014. However, credit related product performance recorded lower performance in line with the Bank's slower financing growth.

The performance of AmMetLife Takaful's Group business, or Group Secure-*i* (previously known as Group Term Takaful) and Group HealthSecure-*i* (previously known as Group Hospital Surgical Takaful), improved significantly compared to the previous year.

AmMetLife Takaful is also a part of the consortium members providing takaful cover to all iBR1M members. In line with regulatory requirements, AmMetLife Takaful has successfully implemented the Islamic Financial Services Act 2013 ("IFSA") and the Goods and Services Tax 2014 ("GST").

New Products

In line with the new brand proposition, AmMetLife Takaful launched two new endowment products via Agency channel:

1. ProtectCare-*i* Shield – an endowment plan that provides death/TPD benefits and pays five times the sum covered if death/TPD is due to an accident. It also provides two additional benefits i.e. auto-withdrawal (provides payout every three years) and hospital benefit (due to accident).
2. ProtectCare-*i* Prime – an endowment plan that provides death/TPD benefits due to all causes and funeral benefits with three (3) selections of certificate terms i.e. 20, 25 and 30 years. ProtectCare-*i* Prime was also launched together with four new riders which included PrimeSaver Rider, Contributor Rider, Contributor CI Rider, Participant CI Rider.

Moving Forward

The merger transforms a competitive landscape of the takaful industries. This provides great opportunity to expand AmMetLife Takaful's services and operations in the country. AmMetLife Takaful expects to have a positive growth in the annual collected contributions compared to previous year, with continued focus on Bancatakaful, Group Employee Benefits, Dired & Telemarketing distribution channels and continue to grow the Agency force by implementing various initiatives. AmMetLife Takaful also aims to secure fulltime Takaful Specialists to distribute takaful solutions at AmBank branches. AmMetLife Takaful will pursue cooperation with AmBank SME to promote Group Employee Benefits solutions. AmMetLife Takaful is ambitious to provide excellent services to its customers and aspires to be ranked the seventh among Takaful Operators and Regional Takaful Centre of Excellence for MetLife by 2018.

GROUP INFORMATION SERVICES

Fiscal 2015 was an eventful and exciting year for Group Information Services ("GIS"), with plenty to cheer about, from gaining recognition to making significant strides in our drive to achieve the AmBank Group's ("the Group") strategic objectives. Nevertheless, GIS shows no sign of slowing down and will continue to play our role as an enabler and catalyst for change and improvement towards making AmBank your "modern Malaysian" banking group.

Outstanding Leadership

The year 2014 ended on a fruitful note with the Group Chief Information Officer ("CIO") clinching the award for CIO of the Year at the PIKOM Information Communication and Technology ("ICT") Leadership Awards 2014 in recognition of his visionary leadership, commitment to innovation and effective utilisation of ICT.

Organised by PIKOM, the National ICT Association of Malaysia, since 2008, the accolades are presented to individuals and firms demonstrating ICT best practices in their respective fields of business, commending the diligence, commitment and innovative business strategies required to make headway in the local and global marketplace, and contributing to the growth of the country's ICT industry.

Regulatory and Compliance-Driven Heavyweights

On the Group's path to Goods and Services Tax ("GST") compliance by 1 April 2015, GIS played a pivotal role in ensuring the financial and accounting solutions, and all relevant applications across the board were GST-ready. The group-wide GST readiness programme was accomplished successfully by the nationwide GST effective date.

In addition to the GST rollout and working closely with our Finance counterparts, we are putting in place the foundation for a more robust and sustainable regulatory reporting solution to promote data quality and effectiveness for submission to the regulators.

GIS strives to move to the next level while making sure the activities in our ordinary course of business are performed efficiently. After securing ISO/IEC 27001:2005 certification for half a decade, we recently upgraded our certification to the more stringent ISO/IEC 27001:2013, with zero non-compliance findings. We are thankful for the full commitment of our people at all levels in implementing the information security management system.

Post-Acquisition Integration

The consolidation of systems of the Group's acquired entities was successfully concluded last year. Both systems for AmBank Cards and MBF Cards were fully integrated to a single IT platform in December 2014. Customers can now enjoy an expanded suite of banking products and services to cater to their financial and lifestyle needs.

Similarly for the general insurance arm, the IT integration process for AmG Insurance Berhad and its wholly owned subsidiary, Kurnia Insurans (Malaysia) Berhad, crossed the finish line in November 2014. The merged entity is now known as AmGeneral Insurance Berhad, trading under the dual brands of AmAssurance and Kurnia.

Keeping Up with Digital Trends

To keep AmBank at the forefront of digital innovation and to discover the ever-evolving customer needs, AmBank emerged as the first industry player in the country to unveil a digitally-enabled crowdsourcing community platform, known as "TRUE Lab". The interactive and innovative platform empowers young professionals to define the way banking should be, from enhancing existing products and services to developing new financial solutions.

Another initiative to stay relevant and customer-centric is the new digital platform modernisation, aimed at transforming internet and mobile banking applications to promote an improved overall experience for both retail and non-retail banking customers.

While there is plenty of excitement in store for external customers, enticing and engaging internal stakeholders is just as important. Our employee intranet portal "Connected" has recently been given a major facelift with advanced features, appealing designs, improved information searches and enhanced site speed. The revamped intranet portal moves AmBank a step closer to becoming a digital workplace.

In our bid to make the intranet as comprehensive and powerful as possible for our internal users, more integrated features and services are in the pipeline, which will be developed and delivered by our in-house team!

Back-End Investments in Cutting-Edge IT Facilities, Infrastructure and Risk Management Applications

To ensure business continuity and transform the way we deliver our IT services, a new, highly reliable and secure data centre with state-of-the-art equipment was constructed at the end of last year. Migration will take place progressively in fiscal 2016.

We have also embarked on a new initiative to implement a cost-effective, scalable, robust and future-proof payment switch, with enriched functionalities and enhanced management capabilities, which will allow AmBank to introduce desired solutions for the changing marketplace while maintaining service quality.

In an effort to make AmBank a more resilient, safer financial institution and safeguard against unwanted risks, GIS lends technical expertise to adopt risk management solutions that conform to international standards.

People Development, Retention and Acquisition

On staff development and retention, we invest significantly in growing our human capital, the most valuable asset of the organisation. Employees are assessed individually on their levels and areas of technical competency ("TC") on an annual basis since the introduction of the framework in 2012.

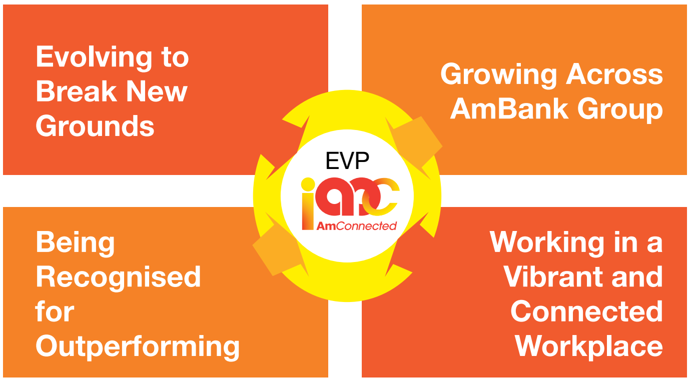
To develop overall competencies and to boost performance, the TC areas of training and development courses have been extended from five last year to 16.

The GIS team saw their hard work, dedication and contribution recognised at the GIS Appreciation Night last November at which employee recognition awards were presented.

GIS has continued to improve in the past few group-wide employee engagement surveys, conducted to invite employees' opinions and thoughts of the organisation. It was a testament to our belief of putting the right people in the right roles and for the right reasons.

With a strong Employee Value Proposition, GIS continues to groom our internal resources while being on the lookout for high-calibre, enthusiastic talent to shine and enable the Group to thrive.

2014/15 was centred on strengthening human capital capabilities and leadership bench-strength through reinforcing AmBank Group talent development and succession management programmes, as well as the enhancement of the Group's training programmes. AmBank Group focused on managing employee performance by leveraging on AmBank Group's employee value proposition (EVP) to attract and retain talent and also by effectively managing change brought about by various transformation programmes across the Group.



Evolving to Break New Grounds

- *Continuously challenging employees to innovate and to find creative and smart ways of doing things*
- *Providing employees with opportunities to learn, grow and to be part of this exciting journey towards attaining greater success*

- The Group moved to the next phase of the transformation programs that were implemented across the Group the previous year – to begin to realize the benefits from these programs.

- Further steps were also taken to improve HR's operating efficiency around people-centric business functions such as:

  - o Implementation of a new e-Leave system.
  - o Outsourcing of the medical benefits function to improve service to employees.
  - o Putting the training e-claim into operation to standardize the training expense reimbursement process.

Growing Across AmBank Group

- *Making employees proud to be part of AmBank Group*
- *Achieving professional and personal growth across the Group through structured and varied approaches to training and development programmes*

- AmBank Group's EVP programs continued to focus on improving the elements of development:

  - o Behavioural Competencies were embedded into the new Performance Management form, with an e-Learning module designed and implemented to educate employees on how to use it.
  - o Continuing the implementation of the Technical Competencies framework which would form the building blocks for a more systems-orientated approach to career and succession planning in 2016.
  - o Ensuring better quality talent meant that a review of the talent assessment process to include stringent talent profiling, personality assessments and competency based interviews applied consistently across the Group for potential talent in the top 4 groups of the grading structure.
  - o Launch of a significantly enhanced leadershipdevelopment program for talent, involving executive and team coaching as a tool for managing performance, and also a catalyst to build a coaching culture in AmBank. Apart from this business simulation and traditional classroom programs would complete the suite of development programs for talent.
  - o Opened access to a suite of 250 IT and Desktop e-Learning modules on our learning management system, MyLMS, that is available on-demand and easily accessible to all employees.
  - o Implementing a 70:20:10 learning reference model to further increase learning opportunities and encouraging a more practical and sustainable learning experience for employees.

Being Recognised for Outperforming

- *Recognition of employee contribution through the Group's Total Rewards Philosophy, benefits and Pay for Performance system*

- The focus for this pillar was the continuation of the next phase of TTR2 which was the roll-out of Flexible Benefits (Flex Bens) for *employees* in executive grades and above. Flex Bens empowers employees to take charge of their benefits spend, routing it to items that would be most attractive for them:

  - o The design and development of the support systems and interface of the Flex Bens site.

- o Communication and change management to assist all employees in understanding what Flex Bens is, and what are the benefits of moving into the program.

- o The Flex Bens cloud-based website was launched on Q1 FY2016

Working in a Vibrant & Connected Workplace:

– *Connecting employees across the Group as we live and breathe our shared brand values*

– *Leaders sustaining a workplace that is vibrant and exciting and where employees' views are encouraged and always appreciated*

- The Group's employer branding initiatives to attract talent in 2014 comprised:

    - o Articles published in The Star over a period of four months, with titles like 'Committed to Giving Back', '10 Reasons to Work for AmBank Group' and more.

    - o AmCareer flyers and a stylish and professional career booth at career fairs depicting our new brand.

    - o The continuance of the 'I **AmBank**ing on a balanced career' campaign, with prominent displays at the taxi stands of the Group main buildings outside Raja Chulan and Yap Kwan Seng, as well as an eye-catching LCD display along Jalan Bukit Bintang in Kuala Lumpur.

- Yielding significant results for the Group:

    - o AmBank leapt 65 places from 98 to 33 in Malaysia's 100 Leading Graduate Employers Awards.

- The training facilities in the AmBank Group Leadership Centre was renovated into a spacious and modern environment that is more conducive for learning and connectivity.

- Access to the web-based Performance Support Tool for Managers, a personalized library of handpicked articles, videos and podcasts from global leading sources that is easily accessible from a variety of devices.

"YOUR VOICE, SHAPING OUR FUTURE"

- An Employee Engagement Survey was conducted in October 2014, the 4th survey since the engagement journey began in 2010.

- The survey again exceeded expectations in achieving an impressive 93% participation rate, with over 9,970 employees taking the opportunity to express their views.

- A comprehensive total of 18 opinion items across 15 categories were presented in the survey, with AmBank Group obtaining an engagement score of 74%, unchanged from the 2013 survey despite the many changes the Group experienced in 2013 and 2014.

- With a stronger focus placed on selected improvement areas, categories such as 'Communication', 'Rewards & Recognition' and 'Leadership' continue to show steady improvement in the last 4 years.

- The Group also transitioned the engagement survey from a traditional engagement model to the three E's of Sustainable Engagement, with this year's results serving as a baseline for future engagement surveys.

- Engagement continues to be the key driver for most of our activities under the human capital agenda.

What's Ahead - 2015/16 Key Plans

As human capital building blocks are largely in place, the focus in 2015/16 would be on:

- **Retaining Capabilities** – to continue with AmBank group's employer branding strategy to attract talent but at the same time, recognizing the scarcity of talent, to emphasise the need to retain talent through providing continuous development and growth opportunities, an enriching workplace experience, inspiring leaders and effective management of well-being and engagement.

- **Career Management** – to identify potential career paths for employees and continue to increase leadership and technical exposure for the Group's employees as part of their ongoing career development.

- **Sustaining Momentum** – to continue with the implementation of the technical competency framework and migrating the management of that process into a more integrated system-orientated environment.

AmBank Group

Corporate Governance Asia
– 5th Asian Excellence Recognition Awards 2015

- Asia's Best Chief Financial Officer (Investor Relations) Award – *Mandy Simpson*
- Best Investor Relations Company in Malaysia
- Best Corporate Social Responsibility in Malaysia

PIKOM ICT Leadership Awards 2014

- Chief Information Officer of the Year – *Charles Tan*

AmBank Group

Corporate Governance Asia - 2nd Asian Company Secretary of the Year Award

- Asian Company Secretary of the Year (Malaysia) – *Koid Phaik Gunn*

10th Corporate Governance Asia Recognition Awards
– 2014 Best of Asia
– 5th Asian Corporate Director of the Year Award 2014

- Icon on Corporate Governance

AmInvest

The Edge - Lipper Malaysia Fund Awards 2015

- Fund Classification Awards
  – Bond Malaysian Ringgit 10-year performance category (period ended 31 December 2014)
  AmDynamic Bond
- Fund Classification Awards
  – Mixed Asset MYR Balanced-Malaysia Islamic category
  AmIslamic Balanced
- Best Mixed Asset Fund

The Asset Triple A Islamic Finance Awards 2015

- Malaysia's Best Islamic Asset Management House of the Year

Islamic Finance News

- IFN Islamic Investor Awards 2014
  Best Islamic Investment Strategist of the Year

AmInvest
Asia Asset Management 2014 Best of the Best Awards

- Malaysia's Best Pension Fund Manager
- Best Institutional House

World Finance Investment Management Awards 2014

- Best Investment Management Company
  (Third Consecutive Year)

Global Islamic Finance Awards (GIFA) 2014

- Best Islamic Fund Manager 2014

Kuala Lumpur Islamic Finance Forum (KLIFF) Islamic Finance Awards 2014

- Most Outstanding Islamic Fund Product
  AmIslamic Balanced

AmTrustee Berhad
Bond Pricing Agency Malaysia (BPAM) Bond Market Awards 2014

- Top Trustee Category:
  By Amounts Issued - Conventional
  By Number of Issuance - Islamic
  By Amounts Issued - All
  By Number of Issuance - All
  By Facility Limit - Islamic

AmBank
6th National Insurance Association of Malaysia (NIAM) Convention.

- First Runner Up

2014 PMAA Dragons of Malaysia Awards

- Silver Dragon Award Best Social Media or Word of Mouth Campaign
  ("What's Your Social Mileage" social media campaign)
- Order of Excellence, Best Innovative Idea or Concept for AmBank.com.my

AmMetLife
6th National Insurance Association of Malaysia (NIAM) Convention.

- First Runner Up

AmInvestment Bank
The Asset Triple A Islamic Finance Awards 2015

- Best Corporate Sukuk
  (Cagamas Berhad's RM70 million 1-year Sukuk and RM930 million 3-year Sukuk – Joint Lead Manager)

- Best Bank Capital Sukuk
  (AmIslamic Bank Berhad's RM200 million Tier-2 BASEL III-compliant Subordinated Sukuk Deal
  – Principal Adviser, Lead Arranger, and Lead Manager)

- Best REIT Sukuk
  (KLCC Real Estate Investment Trust RM1.55 billion Sukuk Murabahah – Joint Principal Advisers, Lead Arrangers and Lead Managers)

AmInvestment Bank
12th RAM League Awards 2014

- RAM Award of Distinction 2014
  – Lead Manager Award Islamic 2014 by Programme Value (2nd)

  – Lead Manager Award Islamic 2014 by Number of Issues (Joint 3rd)

- Blueprint Award
  – New Real-Estate Benchmark Deal
  (Midciti Sukuk Berhad's Sukuk Murabahah Programme of up to RM3 billion in nominal value)

- Market Pioneer Awards
  – First Basel III-compliant Sukuk
  (AmIslamic Bank Berhad's RM3 billion Subordinated Sukuk Murabahah Programme – Lead Arranger)

  – World's First RMB-bond by a Mortgage Corporation
  (Cagamas Global Sukuk Berhad's USD2.5 billion Multi-Currency Sukuk Programme)

NOTABLES & AWARDS

AmInvestment Bank
MARC 2014 Lead Managers Appreciation Evening

- *Issue Count (Conventional & Islamic) – First Runner Up*

Islamic Finance News - Deals of the Year Awards 2014

- Real Estate Deal of the Year Award *(Midciti RM1.555 billion Sukuk Murabahah)*

- Malaysia Deal of the Year Award *(Midciti RM1.555 billion Sukuk Murabahah)*

AmInvestment Bank
8th Annual Alpha Southeast Asia Deal & Solution Awards 2014

- Best Islamic REIT Deal of the Year in Southeast Asia
  (KLCC REIT's RM3 billion Sukuk Murabahah Programmes – Joint Principal Adviser, Joint Lead Arranger, Joint Lead Manager and Joint Bookrunner)

- Most Innovative Deal of the Year in Southeast Asia
  (Sole Principal Adviser, Lead Arranger and Lead Manager for AmIslamic Bank's RM200 million Basel III Sukuk – Arranger)

8th Annual Alpha Southeast Asia Best Financial Institution Awards 2014

- Best FX Bank for Corporates & FIs
  (Third consecutive year)

AmBank Islamic
8th Annual Alpha Southeast Asia Deal & Solution Awards 2014

- Most Innovative Deal of the Year in Southeast Asia
  – AmIslamic Bank Berhad's RM200 million Basel III Sukuk (Issuer)

12th RAM League Awards 2014

- Market Pioneer Awards
  First Basel III-compliant Sukuk
  – AmIslamic Bank Berhad's RM3 billion Subordinated Sukuk Murabahah Programme (Issuer)

The Asset Triple A Islamic Finance Awards 2015

- Best Bank Capital Sukuk
  – AmBank Islamic RM200 million Tier-2 BASEL III compliant subordinated sukuk deal (Issuer)

RESPONSIBILITY TO THE COMMUNITY

The AmBank Group takes a leading role in reaching out to society and shows its caring, connected and committed face in addressing a wide range of issues linked to the development of sustainable communities. These include the less fortunate, those in distress situations, youth, sports, culture, and the media. At a parallel level, the Group's initiatives also show its efforts at contributing to healthy intellectual growth.

Caring for the Underprivileged and Needy

AmKasih programme is a platform for the Group's CSR sustainable development initiatives. The AmKasih programme serves as an umbrella platform for all AmBank Group's CSR efforts to reach out to the community.

In support of the Kechara Soup Kitchen's efforts at distributing food to the homeless within the Klang Valley, AmBank Group's Retail Distribution and Services staff participated in these outings, covering areas such as Chow Kit, Petaling Street, Pudu, Dang Wangi, Jalan Tun Perak, Kota Raya, Sentul and Old Klang Road. The Group further supported the plight to end hunger issues among the homeless and urban poor population in the country by donating a Kia Prego van worth RM75,270 to Kechara Soup Kitchen.

Tan Sri Azman Hashim with Dato' Ruby Khong, Kechara Soup Kitchen at the ribbon cutting ceremony where Ambank donated a van to Kechara Soup Kitchen.

Kelab AmBank Group, together with AmBank Group worked hand in hand in reaching out to the community, particularly those who are underprivileged. In December 2014, the AmBank Group "Back to School & Christmas Charity Programmes" were conducted in six regions. These charity programmes benefited more than 372 students in Subang Jaya, Selangor, Lahad Datu, Sabah, Miri, Sarawak, Kulai, Johor and Raub, Pahang. Amongst the activity in the programme includes an exciting "Back to School" shopping spree for the school children, where they were treated to new school uniforms, shoes, stationaries, and other essential schooling items. They were also presented with a goodie bag each and at most of these sessions, the children were entertained by a jolly Santa Claus followed by a sumptuous lunch.

AmBank staff joyfully celebrated the Christmas Treats Giveaway event at Bangunan AmBank Group.

Spirit of Giving During Festive Periods

During the Holy Month of Ramadhan 2014, the Group organised a "Majlis Berbuka Puasa Amal Kumpulan AmBank Bersama Tan Sri Azman Hashim". The programme, participated by Kelab AmBank Group members, invited 187 children and senior citizens from 6 charity homes around Klang Valley, namely Rumah Bakti Nur Syaheera, Persatuan Kebajikan Al-Fikrah Malaysia, Pertubuhan Jalinan Kasih Anak-Anak Yatim/Miskin Selangor Dan Kuala Lumpur, Persatuan Kebajikan Islam Peribadi Mulia, Pertubuhan Kebajikan Anak Yatim Sayang Kuala Lumpur Dan Selangor, and Pusat Jagaan Suci Rohani for a Buka Puasa treat. They were also treated to a Hari Raya shopping experience and were given Duit Raya to further enliven their Raya experiences.

Aside from reaching out to the community, the involvement of AmBank staff also foster connectivity amongst each other, and to those from the less fortunate community. "Majlis Berbuka Puasa Amal Kumpulan AmBank" were also carried out in the Southern Region (Bahau, Negeri Sembilan) with 109 less fortunate children from Ibu Pejabat Polis Daerah Jempol and 9 schools around the Bahau area, namely SK Serting Ulu, SK Serting Hilir, SK Serting Felda, SK Jempol, SMK Jempol, SMK Batu Kikir, SMK Dato Mansor, SMA Hj Muhammad, and SMA Dato' Hj Mustafa. The Group also hosts Hari Raya shopping session and "Majlis Berbuka Puasa" for 109 children from Rumah Nur Kasih and Rumah Putera Anjung Kasih and also 3 schools - SK Seri Negeri, SK Kedawang and SK Kilim in Pulau Langkawi, Kedah (Northern Region).

For AmBank Group's Hari Raya Charity Programme, the celebration was held in two parts: the Southern and the East Coast Region. In the Southern Region, the programme was conducted in Batu Pahat, Johor and 80 single mothers and children from Persatuan Ibu Tunggal Batu Pahat, Pejabat Pendidikan Agama Islam Batu Pahat and Pertubuhan Peladang from Rengit, Sri Medan and Muar Selatan area participated in the programme. The same programme was also conducted in Kemaman, Terengganu where 58 children from Rumah Kebajikan Anak-Anak Yatim Al-Hijrah and Madrasah At-Tahfiz Al-Faaiz enjoyed a sumptuous spread

AmBank Staff celebrated Malaysia Day by distributing “Malaysian Treats” and performing “Di Sini Lahirnya Sebuah Cinta”.

The Senior Management and staff of AmBank Group celebrating the Deepavali Treats Giveaway.

of Hari Raya Aidilfitri delicacies and not to forget, the joy of receiving Duit Raya. AmBank Group also contributed necessary items requested by the homes such as praying mats, tables, chairs, a cabinet, a refrigerator and a television set.

AmBank Group Deepavali Charity Programme was held in Subang Jaya, Selangor for 140 youths, disabled children and senior citizens from Pusat Jagaan Rumah Kebajikan Rita Selangor in Kapar, Klang. The children were then ushered for a Deepavali shopping session at a local shopping mall followed by a sumptuous lunch of traditional Deepavali delicacies.

For Chinese New Year, AmBank Group celebrated the Year of the Goat in Skudai, Johor of Southern Region where the programme benefited 60 children and youths from underprivileged community around Skudai. After the shopping session, the children enjoyed a sumptuous high-tea at Dewan Serbaguna Skudai, Majlis Perbandaran Johor Bahru Tengah where they were entertained by a lion dance. We also contributed wheels chairs to Pusat Jagaan Orang Tua Ceria during this programme.

As a true Malaysian, AmBank Group went to East Malaysia to celebrate the Hari Gawai and Pesta Kaamatan in Sawarak and Sabah which marks the end of the paddy harvesting season and the beginning of the new planting season with the underprivileged family. The recipients in Sibu, Sarawak were 55 students from the Pusat Pemulihan Dalam Komuniti Murni, Sibu Jaya and 80 students from SK Pekan Nabawan, SK Kebu Baru, SK Tetagas, and SK Bahagia in Keningau, Sabah.

AmBank Group & Kelab AmBank Group showcase their appreciation towards the staff and customers through the distribution of treats during festive seasons. During the month of Ramadhan, Kelab AmBank Group distributed Bubur Lambuk and traditional Malaysian treats during Malaysia Day such as Kuih Bahulu, Kuih Bangkit and Muruku. For Deepavali, we distributed Indian sweet and savoury delicacies and for Christmas we distributed the iconic candy canes. The sessions were accompanied by a unique traditional Indian dance and beautiful carolling session, respectively.

The senior management of AmBank Group and staff during the Hari Raya charity programmes in Batu Pahat.

AmBank-MyKasih Community Programme

Making a difference in the lives of the needy and poor is the main objective of the AmBank MyKasih Community Programme, a unique social and community rehabilitation initiative which provides targeted groups with an allowance of RM40 per family per two weeks or RM80 per month for one year to help offset the costs of essential daily food items such as rice, sugar, flour, milk and cooking oil. The Group has allocated RM1 million per year in sponsoring this programme. The programme begins with the selection of families and uses factors such as household income, number of children in a family and their ages. With the support of local NGOs, these families are chosen regardless of creed, religion or elements that may deemed discriminatory. AmBank-MyKasih Community Programme was launched on 4 November 2009 with 50 families in Sentul, Kuala Lumpur with programme partner Ong Tai Kim supermarket. Leading-edge technologies via MyKad transactions ensure equitable distribution of the welfare support as the beneficiaries receive the aid without any intermediaries.

On 7 June 2014, the Chairman of AmBank Group, YBhg Tan Sri Azman Hashim officially launched the AmBank-MyKasih Community Programme in Menggatal, Sabah with 50 new families under this project. Meanwhile, another 50 new families in Kuala Terengganu (13 Sept 2014) became the beneficiaries of this programme. The programme has currently committed to 12 locations nationwide including Kota Bahru, Kelantan, Ayer Keroh, Melaka, Arau, Perlis, Bayan Baru and Rifle Range, Pulau Pinang, Sandakan and Menggatal, Sabah, Kuching, Sarawak, Kuala Terengganu, Sentul and, and Klang and USJ, Selangor. A series of basic financial literacy programmes are also managed by the programme, aimed at aiding adult family members manage their finances and boost their budgeting skills. They are also taught how to cope with difficult times and maintain a sustainable lifestyle.

Tan Sri Azman Hashim and family together with the AmBank Group representatives with the recipients of the house rehabilitation programme.

Supporting Social Causes and the Community

AmBank Group Flood Relief Programme

As a caring corporate citizen and in response to our call to initiate a Corporate Social Responsibility (CSR) programme in the flood affected areas, AmBank Group are assisting customers, staff and members of the public through the distribution of food and essential items in Kelantan.

We partnered with a local retail company to purchase essential items such as blankets, towel, and torch lights with batteries, candles, lighters, portable stoves, toiletries, canned and instant food, hand sanitizers, innerwear, sanitary pads, plastic mats, prayer grabs and drinking water. In addition, Kelab AmBank Group (KAG) members showed true connectivity by offering their volunteering services for clean-up works and distribution of food and essential items.

Kelab AmBank Group Initiatives

(1) KAG initiated fund raising activity internally where the account was opened from 31 December 2014 until 9 January 2015. We received strong support from all KAG members within AmBank Group and we managed to collect RM50,573.04 which had been distributed to affected AmBank Group staff during the flood.

(2) We also setup five collection centres in Menara AmBank, Bangunan AmBank Group, Menara AmMetLIfe, Menara Kurnia and Tropicana Fairway 3 starting from 31 December 2014 until 9 January 2015 which were opened to all staff and public to donate items such as baby milk powder, baby milk bottles, instant and canned food, clothing, sanitary pads/innerwear, disposable adult and baby diapers, drinking water and the result was overwhelming. The donated items were given out during the second phase of our trip to Kelantan.

AmKasih Flood Relief Programme – Phase 1 and Phase 2

YBhg Tan Sri Azman Hashim, Chairman, Ambank Group's visit to Kampung Guchil 7 and Kampung Pasir Era in Kuala Krai, Kelantan during the Phase 1 on 2 Jan 2015 had shown the immediate needs for corporate bodies such as AmBank Group to provide immediate assistance to the flood victims. He had made an announcement on a total contribution of RM1,000,000/- of which half was donated by tabung Yayasan Azman Hashim for the restoration of Kampung Pasir Era, Kuala Krai, Kelantan. We also contributed a total of 500 boxes of essential items to Kampung Guchil 7 and Kampung Pasir Era, Kuala Krai, Kampung Badang, Pengkalan Chepa, Kampung Kasar, Pasir Mas and Kampung Sireh, Pintu Geng, Kota Bharu during this session.

During Phase 2, which was conducted on 9 – 11 January 2015, we donated six lorries loaded with essential items, 16 units of four wheel drive (4WD) and one bus of Kelab AmBank Group volunteers to assist in the distribution of essential items in flood affected areas at Gua Musang, Kuala Krai and Kota Bharu. We also did cleaning up session at Sekolah Kebangsaan Sri Kampung Laut in Tumpat, Kelantan.

On Tuesday, 16 June 2015, we recently held a Key Presentation Ceremony for the villagers of Kampung Pasir Era in Kelantan. Through our house rehabilitation programme, we built 17 brand new houses filled with furniture, and restored 27 houses that were badly damaged during the flood disaster. A total of 44 families and approximately 220 people now have a new place to call home through this rehabilitation programme.

RESPONSIBILITY TO THE WORKPLACE

The AmBank Group makes every attempt to provide the best possible support to staff in order to foster their wellbeing, development and intellectual growth, these being intrinsically tied in to the value that staff will be able to add to the Group and to the community at large.

Balanced and Healthy Lifestyle

A wide range of sporting and competitive challenge events is hosted by the AmBank Group to ensure that staff are fit, healthy and alert in body and spirit while having a sense of healthy competition, all valuable attributes at the workplace. Staff, through the sports club, Kelab AmBank Group had many opportunities to show their prowess in tournaments and championships for snooker, bowling, darts, go-kart, paintball, futsal, badminton, bowling, sepak takraw, golf, carrom and snooker.

Recreational activities such as KAG Candat Sotong 2014 in Chendering, Terengganu attracted 368 participants nationwide. KAG also conducted Discover Scuba Diving Lesson in Panasonic Sports Complex, Shah Alam and Open Water Scuba Diving & Snorkelling Trip in the Perhentian Island, Terengganu.

On a weekly basis, Kelab AmBank Group promotes a healthier lifestyle through their "Fun Run" activity in Taman Tasik Titiwangsa and Zumba classes in HQ and Regional offices.

Kelab AmBank Group also organised a Breast Cancer Awareness Programme in collaboration with Mobecomm Technologies Sdn Bhd. The event started with a breast cancer awareness talk to promote awareness on breast cancer and the importance of an early detection. They also performed breast screening services with a special discounted rate for AmBank staff.

The volunteers from Bangunan AmBank Group during the Kelab AmBank Group Blood Donation Drive 2014.

Conducted annually in AmBank Group main buildings and Regional offices, KAG Blood Donation Drive is another initiative from the Group to enhance awareness amongst members on the importance of blood donation and how it can save thousands of life.

RESPONSIBILITY TO THE ENVIRONMENT

Wastage reduction is an area of priority for the AmBank Group. Throughout the buildings and regional offices, practices like double-sided printing, minimising colour prints and using electronic communications instead of hard copy printouts are encouraged where possible.

Three of the Group's buildings are designated as 'non-smoking' buildings – Bangunan AmBank Group, Menara AmBank Group and the AmBank Group Leadership Centre - to provide cleaner air for employees and customers alike. Pleasant greeneries and lush landscape areas, most notable in Bangunan AmBank Group and Menara AmBank Group in Kuala Lumpur, have been created to provide pockets of soothing beauty that makes for a more pleasant banking experience.

The AmBank Group has also sponsored Zoo Negara's Dromedary for over 29 years and plans are being made to extend the sponsorship so that the wellbeing of the beautiful camels will be extended in order for future generations to enjoy this unique animal.

Participants posing for a group photo during the KAG Weekly Fun Run event.

AmBank Group and Zoo Negara representatives at the KAG 29th year Zoo Negara Dromedary camels sponsorship event.

APRIL 2014

- Sabah Credit Corporation (SCC) launched its RM1.5 billion Sukuk Musharakah Programmes with AmInvestment Bank Berhad as the Principal Adviser, Lead Arranger and Lead Manager on Monday, 7 April. The event was witnessed by Yang Amat Berhormat Datuk Seri Panglima Musa Hj. Aman, Chief Minister of Sabah and Sabah Minister of Finance, Tan Sri Azman Hashim, Chairman, AmBank Group and YB Datuk Linda Tsen, Chairman, Sabah Credit Corporation.

- AmInvest, "Malaysia's Best Mixed Asset Group", unveiled its latest fund, Global Multi-Asset Income on Tuesday, 8 April. The fund provides an alternative to investors who are looking for answers to volatile markets, low yields and uncertain investment returns by focusing on diversification of investments and adopting a tactical approach to asset allocation.

- Mandy Simpson, Chief Financial Officer (CFO) of AmBank Group has been named Malaysia's CFO of the Year at The Asset Triple A Transaction Banking Treasury, Trade and Risk Management Awards 2014 on Tuesday, 8 April.

- AmBank (M) Berhad launched a second branch in Sungai Petani on Tuesday, 15 April. The Lagenda Heights branch is located in a fast growing and developing area in the northern part of Sungai Petani town.

MAY 2014

- The new brand names of **AmMetLife** and **AmMetLife Takaful** were unveiled on Tuesday, 6 May, breathing new life into the life assurance and Family Takaful businesses in Malaysia resulting from the strategic partnership between the AmBank Group and MetLife Inc.

- AmBank Group and its technology partner, TCS, won the Best Single Country Core Banking Implementation Award during the eighth Asian Banker Technology Implementation Awards ceremony on Friday, 21 May in conjunction with The Asian Banker Summit 2014.

Mandy Simpson was named Malaysia's "CFO of the Year" by The Asset, a leading publisher in Asia.

JUNE 2014

- On Monday, 23 June, Tan Sri Azman Hashim, Chairman, AmBank Group officially opened AmBank's first airport branch and first Bureau de Change (BDC) to provide ease and convenience for both travellers and shoppers at the new local and international low cost airport in Kuala Lumpur – klia2. The BDC offers currency exchange service of up to 29 types of currencies and is open 24 hours a day and 7 days a week.

- For the third year running, AmInvest has once again proven to be the country's Best Investment Management Company at the World Finance Investment Management Awards 2014 (Awards), making it the only company in the history of the Awards worldwide to have received and maintained such high standards.

JULY 2014

- AmBank (M) Berhad on Thursday, 3 July completed its maiden US Dollar Senior Unsecured Notes issuance of USD400 million under its USD2.0 billion Euro Medium Term Note Programme which was established in 2013. The Senior Notes, rated Baa1 by Moody's Investors Service and BBB+ by Standard & Poor's Ratings Services, have a tenor of five years and matures on 3 July 2019.

- AmInvest has launched two funds, namely US-Canada Income and Growth and Europe Equity Growth, in response to investors' demand for higher risk appetite and continuous search for higher yields than fixed deposit rates. The memorandums for US-Canada Income and Growth and Europe Equity Growth are dated 17 June 2014 and 10 July 2014 respectively.

AUGUST 2014

- AmMetLife Insurance Berhad and AmMetLife Takaful Berhad launched a new and vibrant "Live Ready" brand campaign nationwide on Tuesday, 12 August. The campaign underscores AmMetLife's philosophy that "Customers are at the heart of everything we do", realised by delivering clear, transparent financial security and stability to Malaysians.

- Consequently, Bangunan AmAssurance which is located at Jalan Lumut, Kuala Lumpur, has been renamed as Menara AmMetLife. This follows the unveiling of AmMetLife and AmMetLife Takaful and the successful formation of the strategic partnership between the AmBank Group and MetLife Inc.

SEPTEMBER 2014

- AmBank Islamic as a member of Association of Islamic Banking Institutions Malaysia was a Strategic Partner of the Global Islamic Finance Forum 2014, which took place at Sasana Kijang, Bank Negara Malaysia, Kuala Lumpur from Tuesday, 2 September to Thursday, 4 September.

- AmMetLife Insurance Berhad announced that it received approval from Bank Negara Malaysia for the appointment of Ramzi Albert Toubassy as its new Chief Executive Officer on Thursday, 4 September.

- AmBank Group presented a career talk to 300 new students of the Business and Accounting faculty of University Malaya on Thursday, 4 September at its premises. A total of three speakers were invited, consisting of AmBank Group and two other speakers coming from an accountancy firm and a multinational fast moving consumer goods company.

- AmBank Group has won the award for Best FX Bank for Corporates and Financial Institutions in Malaysia at the Eighth Annual Alpha Southeast Asia Best Financial Institution Awards & Corporate Awards 2014 at a special presentation ceremony held in Kuala Lumpur on Wednesday, 10 September.

- AmInvest hosted a media briefing on Wednesday, 10 September with Mr Ng Chze How, Senior Vice President, Retail & Retirement Funds, AmInvest and Ms Henrietta Lance, Senior Portfolio Manager,Global Resources Equities, Amundi Asset Management as speakers. Themed "Geopolitics Reinforces Opportunities in Global Resources Equities", the event discussed investment opportunities amidst the recent major geopolitical turmoil.

Winning the "Best Social Media or Word of Mouth Campaign" at the 2014 PMAA Dragons of Malaysia.

- AmGeneral Insurance announced that it received approval from Bank Negara Malaysia for the appointment of Derek Llewellyn Roberts as its new Chief Executive Officer on Wednesday, 17 September.

- AmBank's social media campaign, "What's Your Social Mileage" was honoured with a Silver Dragon Award for "Best Social Media or Word of Mouth Campaign" at the 2014 PMAA Dragons of Malaysia Awards held on Monday, 29 September. The all-new Retail Banking website, "ambank.com.my", also received the Order of Excellence for Best Innovative Idea or Concept.

- The ASEAN Fixed Income Summit, held on Monday, 29 September at Sasana Kijang in Kuala Lumpur saw the AmBank Group present as Platinum Sponsor. The event was hosted by Bank Negara Malaysia and co-hosted by Cagamas Berhad, Malaysian Association of Corporate Treasurers (MACT) and ACI – Financial Markets Association of Malaysia.

OCTOBER 2014

- AmGeneral Insurance launched the AmAssurance Express (AE), an express motor claims settlement service exclusively for AmAssurance motor policyholders under the Private Car Comprehensive (PCC) cover on Thursday, 9 October.

- AmBank Group recently received two awards at the 10th Corporate Governance Asia Recognition Awards – 2014 Best of Asia and 5th Asian Corporate Director of the Year Award 2014 on Friday, 24 October. Nigel Denby, Chief Risk Officer, AmBank Group received the two awards on behalf of AmBank Group.

- On Tuesday, 28 October, twenty one Top Contributors for Bancassurance under Retail Distribution were celebrated for their outstanding sales achievements in an Appreciation and Awards Night before they flew to Paris, France to attend the Sixth National Insurance Association of Malaysia (NIAM) Convention.

- AmBank Group was the Corporate Platinum Sponsor for Malaysia Australia Business Council Annual Gala Dinner which was held on Friday, 31 October in Kuala Lumpur.

- In line with the Retail Banking aspiration for FY15 to continue to drive business approach for low-cost deposits and to provide customers with a wider range of holistic customer centric solutions, Small Business Banking (SBB) was launched in October 2014.

NOVEMBER 2014

- AmMetLife Insurance announces the launch of WealthSecure Max on Monday, 3 November, a non-participating limited premium endowment plan which offers guaranteed cash payments, which is affordable from as low as RM150 monthly.

- AmBank Contact Centre won four awards at the 15th National Customer Experience Industry Awards and Gala Dinner 2014 held in Kuala Lumpur on Saturday, 8 November.

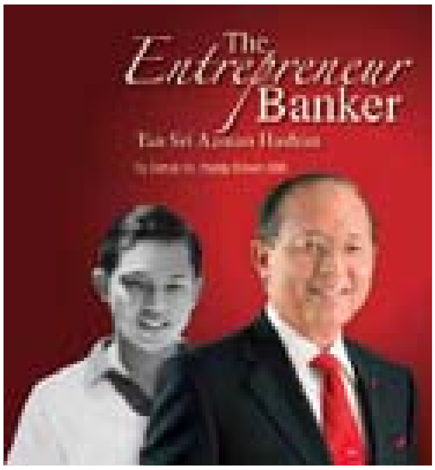
- AmIslamic Balanced, managed by award-winning AmInvest, was honoured as 'Most Outstanding Islamic Fund Product' at the Kuala Lumpur Islamic Finance Forum Islamic Finance Awards Presentation 2014 on Tuesday, 11 November.

- AmBank Group was the Official Bank for the Fifth OIC WORLD BIZ 2014 which was held from Monday-Friday, 10-14 November at Putra World Trade Centre, Kuala Lumpur.

- AmBank Group's Chief Information Officer, Charles Tan was honoured with the award for Chief Information Officer of the Year at the PIKOM ICT Leadership Awards 2014 held on Friday, 14 November.

- The biography of AmBank Group's Chairman, Tan Sri Azman Hashim was officially launched on Monday, 17 November at an event held at MPH Nu Sentral in Kuala Lumpur. Aptly titled "The Entrepreneur Banker" the book gives an insight to AmBank Group Chairman's extraordinary life as one of Malaysian banking industry's most prominent and enduring personalities.

- AmBank Wealth Management, together with AmInvest has launched a joint nationwide drive for AmIttikal, an innovative fund managed by AmInvest on Tuesday, 18 November.



The book cover of Tan Sri Azman Hashim's biography "The Entrepreneur Banker".

- For the second consecutive year, AmInvest was named the Best Islamic Fund Manager 2014 at the Global Islamic Finance Awards (GIFA) 2014 by Edbiz Consulting, an international Shariah advisory firm based in London.

- AmBank Group was the supporting partner in the Risk Management Conference (RMC) 2014 organised by the Asian Institute of Chartered Bankers (AICB). The conference gives a focus on "Bolstering Risk Management Amidst a Challenging Landscape"and was held on Wednesday, 26 November.

- On Thursday, 27 November, AmBank came on board as one of the twenty participating financial institutions at the Payment Systems Forum and Exhibition 2014 which was jointly organised by Bank Negara Malaysia and the National Cards Group.

DECEMBER 2014

- Koid Phaik Gunn, the Group Company Secretary, AmBank Group, has received the Asian Company Secretary of The Year Award in Malaysia presented by Corporate Governance Asia on Wednesday, 10 December.

Nigel Denby receiving the awards for Icon on Corporate Governance – AmBank Group, and Asian Corporate Director of the Year on behalf of AmBank Group.

Tan Sri Azman Hashim (seated) and Tan Sri Datuk Clifford Francis Herbert (left) during "The Entrepreneur Banker" book signing session.

Tan Sri Azman Hashim, Chairman, Asian Institute of Chartered Bankers with Mr Tay Kay Luan, CEO, Asian Institute of Chartered Bankers at the Risk Management Conference 2014.

- AmInvest has merged its unit trusts management and funds management companies, AmInvestment Services Berhad ("AIS") and AmInvestment Management Sdn Bhd ("AIM"), which will be housed under a single entity, AmInvestment Services Berhad. This merger was officiated on Monday, 1 December.

- AmBank launched TRUE Lab, a digitally enabled crowd sourcing community platform designed to crowd-source ideas from young professionals on banking solutions that they desire.

JANUARY 2015

- AmInvest launched a two-year close ended fixed income fund, AmIncome Regular 2, the only two-year maturity close-ended fund currently available in the market.

FEBRUARY 2015

- On Monday, 9 February, AmGeneral Insurance launched the Perfect Rider Plus, a personal accident protection plan that provides coverage for the driver and its passengers in the event of bodily injury, death or disablement due to an accident while driving, riding, boarding or alighting from a named vehicle.

- AmBank Group intranet was enhanced and the new "Connected" was revealed on Tuesday, 10 February 2015.

MARCH 2015

- AmInvestment Bank has won the Malaysia Deal of the Year and the Real Estate Deal of the Year awards at the Islamic Finance News Deals of the Year 2014 awards ceremony, which was held on Monday, 9 March in Kuala Lumpur.

- For the second consecutive year, AmInvest has taken home the asset class group award for Best Mixed Asset Fund in The Edge-Lipper Malaysia Fund Awards 2015 on Monday, 9 March.

- AmInvest has been honoured as Malaysia's Best Pension Fund Manager and Best Institutional House for the second year in succession by Asia Asset Management at its 2014 Best of the Best Awards on Friday, 27 March.

- AmInvestment Bank Berhad has swept a total of five awards at the 12th RAM League Awards 2014. The awards ceremony, which took place on Friday, 27 March in Kuala Lumpur, honoured AmInvestment Bank with RAM Award of Distinction 2014, Market Pioneer Awards as well as the Blueprint Award for their successful deals in the development of the bond and sukuk markets in Malaysia.

- The second TRUE offering – TRUE Products, comprising of the TRUE Transact Account, TRUE Savers Account, TRUE Debit MasterCard and TRUE Visa Credit Card was launched. To mark the launch of TRUE Products, road shows were conducted at Menara AmBank on 23 March, Bangunan AmBank on 24 March, and Menara MBf on 25 March to engage staff with better knowledge of the TRUE Products.

APRIL 2015

- AmBank Group was honoured with the Asia's Best Chief Financial Officer, Best Investor Relations Company in Malaysia and Best Corporate Social Responsibility in Malaysia Awards at the recent Fifth Asian Excellence Recognition Awards 2015 held on Friday, 10 April in Hong Kong. The Fifth Asian Excellence Recognition Awards 2015 is organised by Corporate Governance Asia and identifies excellence in financial performance, investor relations and communications, business ethics, corporate social responsibility and environmental practices in corporations.

AmBank Group was awarded with the *Asia's Best Chief Financial Officer, Best Investor Relations Company in Malaysia and Best Corporate Social Responsibility in Malaysia* Awards at the Fifth Asian Excellence Recognition Awards 2015.

AmInvestment Bank Berhad bagging five awards at the 12th RAM League Awards 2014.

CALENDAR OF EVENTS: SOCIAL AND SPORTS ACTIVITIES

APRIL 2014

- Kelab AmBank Group ("KAG") held its eighth Kelab AmBank Group Go-Kart Endurance Championship 2014 at Sepang International Kart Circuit in Sepang on Saturday, 5 April
- 20 staff from AmBank's Retail Distribution became zookeepers for a day on Saturday, 5 April by volunteering at the National Zoo in Ulu Kelang, Selangor
- Tan Sri Azman Hashim inaugurated the new building for Sekolah Jenis Kebangsaan Cina Serdang Baru 2 in Seri Kembangan, Selangor on Friday, 11 April being one of the biggest contributors for the construction of the new building which costs RM2 million
- AmBank Group entertained its clients to a magical musical experience through a special showing of "Sinbad The Musical" at the Kuala Lumpur Performing Arts Centre ("KLPAC") held on Saturday, 12 April
- KAG organised a Breast Cancer Awareness Campaign at Menara AmBank (22-23 April), Bangunan AmBank Group (24-25 April), Bangunan AmMetLife (28-29 April), Tropicana Fairway 3 (5-6 May) and Menara Kurnia (7-8 May) in collaboration with Mobecomm Technologies Sdn Bhd for the benefit of the Group's female employees
- A total of 296 players took part in the annual KAG Badminton Championship 2014 which was held from 19-20 April
- Low Khai Jei and SEA Games Champion Princess Mary Superal were crowned Champions at the RSGC AmBank Junior Amateur Open Golf Championship 2014 which was held from 22-24 April
- 110 members took part in the inaugural KAG Discover Scuba Diving Lesson 2014 held in the Panasonic Sports Complex, Shah Alam on Saturday, 26 April

Tan Sri Azman Hashim (seated, third from the right), YBhg Datuk Mohamed Azmi Mahmood (seated, far right), senior management and staff of Ambank Group posing for a group photo at a MyKasih event.

MAY 2014

- AmBank Group donated a Kia Pregio van worth RM75,270 to Kechara Soup Kitchen for their daily use of delivering food to the homeless and urban poor on Friday, 2 May
- KAG organised the "Candat Sotong 2014" carnival for the second time from 9 – 10 May in Chendering, Terengganu with a total participation of 368 KAG members
- AmBank Islamic contributed two hemodialysis machines to Yayasan Pusat Hemodialisis Islam Makmur Pahang worth RM80,000 on Thursday, 15 May as part of the AmBank Islamic's total Business Zakat distribution totalling RM1,726,500 for the financial year ended 2013
- AmBank Group was the Major Sponsor for the third edition of the KL International Jazz & Arts Festival 2014 (KLIJAF) which was held from 17-18 May featuring more than 100 musicians from North America, Europe, Australia, Japan, Singapore, Indonesia and Malaysia
- KAG organised a Hari Gawai treat for 55 children from Pusat Pemulihan Dalam Komuniti Murni, Sibu Jaya at the Boulevard Shopping Mall in Kuching, Sarawak on Tuesday, 20 May
- AmBank Group was the sponsor for the National Press Club (NPC) AmBank Media Legend Award 2014 held on Wednesday, 21 May
- KAG organised a Pesta Kaamatan celebration for 80 students from three schools in Keningau, Sabah – Sekolah Kebangsaan Kebu Baru, Sekolah Kebangsaan Tetagas and Sekolah Kebangsaan Bahagia on Thursday, 22 May
- Sybilimran Ibrahim of AmBank Islamic clinched his third KAG Golf title after emerging as the overall champion in the AmBank-KAG Golf Open 2014 which was held at the Kelab Golf Sultan Salahuddin Abdul Aziz Shah, Shah Alam on Saturday, 24 May
- Abdul Razak Mohammad from AmHorizon won the KAG Snooker 2014 Championship which was held on Saturday, 31 May

Kelab AmBank Group (KAG) organised many activities that keeps the members connected such as the KAG Go-Kart Challenge (right) and KAG 'Candat Sotong' Carnival (left).

- A total of 37 AmBank Group staff completed various Institute of Bankers ("IBBM") qualifications in the year 2011 and were honoured at the 17th IBBM Graduation & Awards Ceremony held on Saturday, 31 May in Kuala Lumpur

JUNE 2014

- AmBank Group's sports club, KAG organised its annual talent time contest, AmBagus 2014 in Kuala Lumpur on Monday, 1 June
- AmBank-MyKasih Community Programme was launched for the second time in Menggatal, Sabah on Sunday, 7 June
- AmBank Group organised the Sabah Region Family Day gathering at the Nexus Karambunai, Sabah on Sunday, 7 June in recognition for the contribution of its staff towards the growth of the Group
- AmBank Group was the main cash sponsor for the New Straits Times (NST) Streets Race 2014 which was held on Monday, 15 June
- A total of 69 members took part in the inaugural "KAG 4X4 Back to Nature 2014" challenge held in Luboh Kawah, Tanjong Malim, Perak on Tuesday, 20 June

JULY 2014

- Tan Sri Azman Hashim and YM Tunku Arishah hosted Buka Puasa events at their residence on 6, 13 and 20 July
- KAG distributed a total of 4,500 packets of bubur lambuk to KAG members and the public five locations – at Bangunan AmBank Group on 7 July, Menara AmBank on 8 July, Menara Kurnia on 9 July, Menara AmMetLife on 10 July and Tropicana Fairway 3 on 16 July
- KAG held its annual Hari Raya shopping and Buka Puasa charity programmes for the less fortunate in Kuala Lumpur, Langkawi and Bahau, Negeri Sembilan from 11-19 July
- Treasury Operations, on behalf of Group Operations, organised a charity programme at Rumah Titian Kaseh in Taman Tasik Titiwangsa, Kuala Lumpur on Saturday, 19 July
- On Wednesday, 23 July, AmInvest presented gift packages to Pusat Jagaan Al-Fikrah, a charity home in Kajang, Selangor with 60 adults and children consisting of the disabled, elderly and individuals who were abandoned or neglected by their next-of-kin

AUGUST 2014

- Tan Sri Azman Hashim and YM Tunku Arishah Tunku Maamor held an open house for Hari Raya Aidilfitri on Sunday, 17 August
- As part of the National Day of Mourning, the AmBank Group on Friday, 22 August, participated in the Government's call to observe a minute of silence in honour of the 298 passengers and crew who perished in the Malaysia Airlines flight MH17 tragedy

SEPTEMBER 2014

- AmBank Group presented a career talk to 300 new students of the Business and Accounting faculty of University Malaya on Thurday, 4 September
- AmBank-MyKasih Community Programme was launched for the second time in Kuala Terengganu on Saturday, 13 September
- AmBank Group organised the East Coast Region Family Day gathering at the Primula Beach Hotel, Kuala Terengganu on Saturday, 13 September in recognition of the staff's contribution towards the growth of the Group
- In conjunction with Malaysia Day, AmBank Group held a special celebration on Wednesday 17 September, by distributing "Malaysian Treats" concurrently in eight buildings across the AmBank Group in Kuala Lumpur
- AmBank Group participated in The Edge Kuala Lumpur Rat Race® 2014 organised by The Edge Media Group on Tuesday, 23 September which saw a total of 660 runners participating in the event
- AmBank Group was the Main Sponsor for the eighth edition of the International Art Expo Malaysia 2014 which was held from 25-28 September at the Matrade Exhibition and Convention Centre ("MECC")
- AmBank Group was the Main Sponsor for "Utusan Malaysia Snooker Tournament" which was held on Saturday 27 September and 11 October in Cheras, Kuala Lumpur

OCTOBER 2014

- Following the successful Blood Donation Drive in the Klang Valley, Kelab AmBank Group (KAG) continued their mission to educate and encourage the public on blood donation in Malaysia. The team headed to AmBank branches in Menara Liang Court, Georgetown, Pulau Pinang and Metropolis Tower, Johor Bahru, Johor, on 13 and 9 October respectively to conduct the event
- AmBank Group was one of the sponsors for the prestigious "Langkawi International Mountain Bike Challenge (LIMBC) 2014", which was held in Pulau Langkawi, Kedah from 11 to 18 October
- AmBank Group participated in the Bursa Bull Charge 2014 run on Tuesday, 21 October. Representing the Group were James Yong Chee Kiong, Zed Hasrizal Zainal Abidin, and Soh Beng Teong from AmInvestment Bank Berhad, and Erwan Hilmee Esham from AmBank (M) Berhad

L-R: Soh Beng Teong, Zed Hasrizal Zainal Abidin, James Yong Chee Keong, and Erwan Hilmee Esham raring ready for the Bursa Bull Charge challenge.

- Kelab AmBank Group on Tuesday 28 October organised a Deepavali treat for 140 recipients from Pusat Jagaan Rumah Kebajikan Rita, Klang in Mydin Wholesale Hypermarket Subang Jaya

- Deepavali, or the "Festival of Lights" symbolises the triumph of good over evil in Hindu belief, and it also signals a time for reaffirmation of hope and a renewed commitment to friendship and goodwill. Kelab AmBank Group, brings to life these same ideals in its festive Deepavali celebration that was held on Wednesday, 29 October at the foyer of Menara AmBank, at Jalan Yap Kwan Seng

- The 35th Malaysian Investment Banking Association (MIBA) Annual Dinner was held on 31 October at the Grand Ballroom, Hilton Kuala Lumpur once again saw AmInvestment Bank crowned as the Overall Champion for the MIBA Games 2014

NOVEMBER 2014

- In an effort to further enlightened AmBank staff on safety regulations and wellness programs, AmBank Group Operational Safety & Health (OSH), Kelab AmBank Group (KAG), Group Human Resource (GHR) and Group Corporate Communications and Marketing (GCCM) jointly organised the AmBank Group Safety and Wellness Campaign 2014 from 3-7 November

- AmBank Group table tennis players bagged two out of the three main titles at the Inter-Financial Institutions Table-Tennis Tournament 2014 which was held from 7 to 9 November at Dewan Serbaguna Tan Sri Sheikh Ahmad in Kuala Lumpur. The team was declared the Champion in the Team Event category after beating Bank Simpanan Nasional 3-0, making it the fifth consecutive year since 2010 for AmBank Group to win the title in this category

Tan Sri Azman Hashim, Chairman, AmBank Group and the senior management of AmBank Group helping participants of Programme Community AmBank-MyKasih at Pasar Raya Borong Besar Mydin.

- The biography of AmBank Group's Chairman, Tan Sri Azman Hashim was officially launched on Monday, 17 November at an event held at MPH Nu Sentral, Kuala Lumpur

- AmBank Group congratulates Team S.A.M. (Saya Anak Malaysia) for winning the Grand Prize for AmBank Group's Malaysia Day "Wefie" contest, held in conjunction with the Malaysia Day celebrations in the Group on Saturday, 21 November

- AmBank Group sponsored a total of RM15,000 for the inter-media futsal event. Held at the Kelab Kilat Club field on Saturday, 22 November, the tournament saw ten teams from the editorial departments of New Straits Times, Berita Harian, Harian Metro, Bernama, Astro, Berita Publishing, TV3, Blu Inc Media, Karangkraf and the Malaysian Press Photographers Association

- AmBank Group entered its 29th year of sponsoring Zoo Negara's Dromedary camels with a contribution of RM40,000 for year 2014. This year, the Group has involved its sports club, Kelab AmBank Group (KAG) and also brought in the Savers' G.A.N.G. accountholders to participate in the sponsorship programme activities. A mock cheque presentation and a series of activities were held on Friday, 22 November at Zoo Negara Malaysia

- As part of the AmConnective initiatives, Kelab AmBank Group has organised four Weekly Fun Run activities throughout November and December at Taman Tasik Titiwangsa, Kuala Lumpur

DECEMBER 2014

- In line with Retail Banking's FY15 aspiration to build new value segments namely Small Business and Young Professionals, Project Ronin was set-up to launch a new value proposition and solution called TRUE, which targets the Young Professionals segment. On Wednesday, 3 December, the first TRUE Offering – TRUE Lab was launched internally for AmBank Group staff

- For the very first time, Kelab AmBank Group organised its inaugural "Photo Contest" among the KAG members. The photography challenge was held on Friday, 13 December at Haji Dorani Home Stay in Sungai Besar, Selangor

- A total of 130 Kelab AmBank Group Anglers packed their fishing gears and participated in the annual KAG Fishing Competition held at Sea Lion Fishing Pond, Port Klang, Selangor on Sunday, 14 December

- Kelab AmBank Group, brought to life the cheers and good tidings of Christmas especially the spirit of caring, sharing and harmony amongst Malaysians through its Christmas Treats celebration held on Wednesday, 17 December

- KAG held its "Back to School Charity Campaign" throughout the whole month of December in Selangor, Sarawak, Sabah and Johor on 2 December, Subang, Selangor on 8 December, Raub, Pahang on 10 December, Arau, Perlis, 17 December, Lahad Datu, Sabah on 20 December and Miri, Sarawak on 22 December

- On Friday, 12 December, staff were invited to the foyer of Menara AmBank in Jalan Yap Kwan Seng in Kuala Lumpur to participate in a fun campaign entitled #LifeGetsFun

- Malaysia emerged triumphant in the Girls category of the AmBank SportExcel International Junior Golf 2014 tournament held at the Kota Permai Golf and Country Club in Shah Alam, Selangor from 16 -18 December

- AmBank Inner Central Region organised a charity programme for 60 children and youths from Pertubuhan Kebajikan Anak Yatim Mary on Saturday, 20 December

JANUARY 2015

- The flood devastation that hit the East Coast Region in December inspired AmBank Group to provide assistance to the victims and AmBank Staff affected by the flood in Kelantan. Kelab AmBank Group distributed food and essential items to several areas in Kelantan on 2 and 3 January and continued its effort on Saturday,10 January

- Despite the muddy battle grounds and scorching hot weather, 322 paintball aficionados marched on and fire their paintball pellets with gusto during Kelab AmBank Group's Super 7 Paintball Championship held on Saturday, 10 January at Sri Awana Paintball Park, Bangi, Selangor

Senior Management of AmBank Group and KAG members taking a group photo with underpriviledged children at a charity event organised by KAG

- Following the successful launch of the "The Entrepreneur Banker" Book by Tan Sri Azman Hashim, Chairman, AmBank Group last year, a book signing ceremony was held on Saturday, 17 January in MPH Mid Valley Megamall with the proceeds from the book sales going to a charity of Tan Sri Azman's choice, Diabetes Malaysia

- AmMetLife Insurance Berhad and AmMetLife Takaful Berhad spread cheer to the schooling community in Tumpat and Kota Bharu, Kelantan on Tuesday, 27 January, providing essential items to school children who were recently affected by the floods

FEBRUARY 2015

- National runners R.Thevan and Noor Amelia clinched the Men and Women's Open 10km title in the inaugural AmBank Kuala Lumpur Run 2015 which was held in Padang Merbok on Saturday, 8 February

- Kelab AmBank Group organised a Chinese New Year treats giveaway for 60 children and youths in Skudai, Johor on Monday, 16 February

- The AmBank Group, as major sponsor presented "Konsert Doa Langit dan Bumi", a fundraising concert in collaboration with Putra World Trade Centre (PWTC) and Rasamusic Sdn Bhd at Dewan Merdeka, PWTC, Kuala Lumpur featuring legends namely Datuk Ramli Sarip, Dato' M Nasir, Dato' Hattan, Awie and renowned musicians amongst them, Man Kidal on Sunday, 22 February. The objective of the concert was to raise more funds for Malaysians who were affected by the recent floods in the states of Kelantan, Pahang, Terengganu, Perak and Perlis

- Embracing the festive spirit of Chinese New Year, AmMetLife Insurance Berhad ushered in the Year of The Goat in celebratory fashion with an acrobatic lion dance performance and "yee sang" toss with senior management and staff from AmMetLife and AmBank Group as well their agency leaders from the Central Region on Wednesday, 25 February

- In the spirit of Chinese New Year, AmInvest presented gift packages to the old folks and children of Pusat Kebajikan dan Sosial Kim Loo Ting ("Home") during a visit on Friday, 27 February

- Our golfers did AmBank Group proud at the recent 43rd Inter-Financial Institutions Golf Tournament 2015 when they clinched the Team Event category for the first time. The tournament was held on Saturday, 28 February at the Staffield Country Resort Golf, Mantin, Negeri Sembilan

Tan Sri Azman Hashim, Chairman, AmBank Group (centre) lighting up AmGames torch to signify the launch of AmGames 2015.

MARCH 2015

- AmBank Group hosted a Chinese New Year 2015 Open House at a leading local hotel attended by 1,200 people comprising clients, guests and members of the media on Tuesday, 3 March

- Kelab AmBank Group welcomed the Year of the Goat by treating its customers and staff to Chinese New Year festive delicacies in the foyer of Bangunan AmBank Group (BAG), Jalan Raja Chulan in Kuala Lumpur on Thurday, 5 March

- For the 11th consecutive year, AmBank Group brings the 11th AmBank Group-Inter Financial Institutions Futsal Tournament 2014/15. At the presentation ceremony on 13 March, Syed Anuar Syed Ali, Head, Group Corporate Communications and Marketing, AmBank Group presented the mock cheque to Encik Saliman Zainal, President, National Banks Sports Council to symbolise AmBank Group's contribution as the Title Sponsor

- Defending champion Bank Simpanan Nasional (BSN) failed to defend their 11th AmBank Group-Inter Financial Institutions Futsal Tournament 2014/15 Men's Open title after losing 10-9 on penalties in the final at the Uptown Sports, Bandar Baru Bangi on 15 March

- AmBank Group was the Main Sponsor for the 18th National Olympic Academy (NOA) for Young Participants 2015 which was organised by the Olympic Council of Malaysia (OCM) and held from 16–21 March at its premises

- AmBank Group's dart player Anbarajan Retinasamy from Group Information Services clinched double titles in the Kelab AmBank Group Dart Tournament 2015 by winning the Men's Singles and Doubles categories. A total of 151 Kelab AmBank Group members took part in the tournament which was held on Saturday, 29 March in Kuala Lumpur

The champion of AmGames 2015, Head Office 1, joyously posing with the senior management of AmBank Group

JUNE 2015

- Organised by AmBank Group's sports club, Kelab AmBank Group (KAG), the fifth inter-regional games, AmGames 2015 saw a total of 1,125 participants coming from nine regions all over Malaysia, including Sabah and Sarawak on 5 and 6 June.

2014 Review of the Economic Performance

Global growth in 2014 was a modest 3.4 percent, with uneven growth across and within regions. There was a pickup in growth in advanced economies relative to the previous year. Meanwhile, emerging market and developing economies exhibited a slowdown in 2014.

In 2014, the global financial markets were characterised by two distinct trends. For the first eight months of 2014, the global financial markets were enjoying a relatively low volatile period. But the global financial markets were plagued with higher volatility in the subsequent period of the year mainly due to uncertainty surrounding the monetary policy normalisation in the US, a resurgence of concerns over global growth prospects, and increased uncertainty over the implications of the sharp decline in commodity prices on commodity-producing countries.

The US economy in 2014 continued to show broader signs of improvement despite being held down by the weather-related blip in the first quarter when GDP contracted. Positive outlook was further bolstered by the increase in business investment and employment.

Economic activity in the euro area remained subdued although the initial hopes were particularly high that the region would finally turn the tide and returned to solid and accelerating growth. The economy failed to gain momentum in the first half of 2014 and came largely to a standstill in the second mainly due to investment which grew less-than-expected although private consumption and exports developed. Japanese economy saw higher consumer spending prior to the consumption tax hike in April. Thereafter, consumer spending declined. The weak demand conditions weighed on business activity. The economy entered into a technical recession in the third quarter despite better export performance.

Emerging market and developing economies exhibited a slowdown in 2014. Despite the slowdown, these economies still accounted for three-fourths of 2014 global growth. In Asia, while most economies benefitted from higher external demand, growth remained divergent across the region. Domestic demand moderated in a number of economies amid country-specific developments.

China's structural reforms led to a larger-than-expected slowdown in economic activity. Nevertheless, the periodic introduction of targeted policy measures to support the productive and rural sectors did help stabilise China's 2014 growth. India performed better than that of commodity centric nations like Brazil, Russia, and South Africa. Declining inflation and current account imbalance from the proficient monetary policies, together with some serious efforts to consolidate fiscal balance were the main factors. Growth in the selected ASEAN countries like Indonesia, Philippines, Singapore and Thailand decelerated due to policy stabilisation, bad weather and political issues.

In the case of Malaysia, strong private consumption and exports powered GDP growth to a 4-year high of 6.0% in 2014, despite slowdowns in both fixed investment and government spending. Private consumption grew by a robust 7.1%, near the pace in the previous year, to contribute more than half of GDP growth from the demand side. The rise was driven by job creation, low unemployment, and higher wages. Cash transfers from the government continued to supplement incomes and support consumption. Government efforts to rein in the budget deficit saw expansion in government consumption ease to 4.4%.

Fixed investment growth slowed for a second straight year to 4.7%. Although private fixed investment decelerated, it still grew by 11.0%, with a focus on manufacturing and services. The government's fiscal tightening and the completion of some projects led to a 4.9% contraction in public fixed investment. While a decline in inventories dragged down GDP growth, a rebound in net exports after seven years of negative contribution to GDP growth.

Services sector grew by 6.3% to generate most of the economic growth in 2014. Communications, wholesale and retail trade, and real estate and business services registered robust growth, reflecting buoyant household spending and business expansion. Tourism spurred the pace of growth in accommodation and restaurants.

Manufacturing rose 6.2% in 2014, the strongest performance in 4 years supported by export-oriented manufacturing activities, particularly electronics and electrical products, and in consumer products, including food and drinks. Construction maintained double-digit expansion of 11.6% for a third year on vigorous housing activity in the Klang Valley, Penang, and Johor and on civil engineering projects that included the Klang Valley mass rapid transport system, Janamanjung power station, and the expansion of the North–South Expressway.

Though much smaller than services or manufacturing, mining made its most significant contribution to GDP growth in 7 years as crude oil production recovered by 4.3% in 2014 from contraction in 2013, and as natural gas production posted a small gain. Better food production lifted growth in agriculture to 2.6%, despite a sharp fall in natural rubber production and floods on the east side of the peninsula that hit palm oil production late in 2014. The price of palm oil weakened as plunging global oil prices undercut demand for biofuel.

Inflation picked up in 2014 to average 3.1%, the highest in 3 years. Upwards inflationary pressure was driven mainly by domestic cost factors particularly from the government decisions to reduce subsidies namely fuel and raise electricity tariffs. Fuel subsidies, which largely benefitted higher-income groups, were cut in 2013 and removed in 2014. Also, inflationary pressure stemmed from the buoyant consumer demand.

In 2014, external sector remained resilient amid continued uncertainty in the global economic and financial environment. The trade and current account surpluses widened. Exports grew 6.4% following a robust performance from manufactured goods, particularly electronics and electrical products, and higher exports of commodities, partly from rising oil production and shipments. Merchandise imports lagged exports. Imports of consumer products and intermediate goods needed by manufacturers grew, but imports of capital goods fell, reflecting slower fixed investment.

Overall, the current account recorded a larger surplus equivalent to 4.8% of gross national income in 2014.

Malaysia's external debt was $213.0 billion at the end of 2014, equal to 69.6% of GDP, a marginal increase over 12 months. Slightly over half of the external debt has medium- to long-term maturity, and about half comprises non-resident holdings of ringgit-denominated debt securities and deposits.

Bank Negara Malaysia raised its policy interest rate by 25 basis point to 3.25% in July 2014 to dampen inflationary pressure expected from the planned introduction of a 6.0% goods and services tax in April 2015. It was also concerned about speculation in property and high household debt. Growth in lending to households moderated to 9.9% in December 2014 from 11.5% a year earlier, while lending to businesses picked up to 9.4% from 7.9%.

Ringgit performance in 2014 followed two noticeable patterns. Between February and August 2014, the ringgit was broadly on a strengthening trend due to sustained portfolio inflows. From September onwards, the ringgit, along with most regional currencies, faced depreciation pressures as investors unwound their holdings of financial assets in the region amidst nervousness about a possible change in US monetary policy and signs of weakness in the global growth momentum. Also the sharp drop in global oil prices weighed on the performance of the ringgit. For the year as a whole, the ringgit depreciated by 6.1% to RM3.4950 against the US dollar.

Malaysian Government Securities (MGS) yields were affected by domestic and external factors during the year. Market expectations and the eventual policy rate increase by BNM led to upward adjustments at the shorter-end of the MGS yield curve. Sustained interest from non-resident and local investors contributed to the downward shift at the longer-end of the MGS yield curve. This downward trend, however, was reversed in December as resident investors consolidated their investment positions towards the end of the year.

Government's effort to lower the budget deficit saw the fiscal gap narrow to 3.5% of GDP in 2014, mainly on higher revenue. Strong economic growth added with rising oil and gas production generated 3.4% higher revenue. The government raised operating expenditure by 3.9% but continued to trim net development expenditure, by 5.5% in 2014.

Economic Prospects in 2015

Global growth is expected to remain moderate, likely to expand by 3.5% with uneven prospects across the main countries and regions. Outlook for advanced economies is expected to improve from 2014, generally benefiting from lower oil prices. The US economy should grow around 2.6% in 2015, with domestic demand supported by lower oil prices, more moderate fiscal adjustment, and continued support from an accommodative monetary policy stance, despite the projected gradual rise in interest rates and some drag on net exports from stronger dollar. Euro area is showing signs of picking up, likely to expand by 1.0% supported by lower oil prices, low interest rates, quantitative easing and a weaker euro.

After a disappointing 2014, growth in Japan is also projected to pick up 0.8% from a weaker yen and lower oil prices.

Emerging market and developing economies is projected to be lower in 2015 in view of weaker prospects for some large emerging market economies and oil-exporting countries. Yet, these regions will still account for more than 70% of global growth in 2015. Brazil's growth is likely to contract by 1.1% affected by a drought, tightening of macroeconomic policies and weak private sector sentiment. Russia should likely experience a contraction of 3.7% impacted by the sharply lower oil prices and increased geopolitical tensions.

China's growth is expected to decelerate moderately to 7% as the government continues to focus on high-quality growth added with its ongoing gradual structural reform. Growth will benefit from lower commodity prices, which will bolster domestic consumption and invigorate global demand for PRC exports. India's growth prospects look promising at this stage despite significant challenges remain, expected to grow 7.4% in FY2014. The economy is anticipated to overtake China to become the third fastest growing economy in the region.

In ASEAN, Indonesia's growth of 5.1% projected in 2015 depends on the government's reform speed and policies to accelerate infrastructure development, improve the investment climate, reduce logistic costs, and enhance budget implementation. Philippines is expected to register strong growth of 6.7% in 2015 based on buoyant private consumption, a solid outlook for investment and exports, and recovery in government expenditure. Singapore's projected 2.4% growth in 2015 will be influenced by the global economic recovery, domestic services sector with finance, insurance, and business services will be the main drivers of growth again in 2015 while growth in labour-intensive sectors like construction, retail, and food services could be constrained by the persistently tight labour market. Thailand's 2.8% growth in 2015 will come from a relatively calm political environment, the restoration of government investment, better prospects for exports to the major industrial economies, and lower fuel costs for businesses and consumers.

For other emerging market commodity exporters, lower oil and other commodity prices will take a toll on the terms of trade and real incomes. Oil exporters will have to absorb a large terms-of-trade shock and face greater fiscal and external vulnerabilities. Those with fiscal space can allow public spending to adjust gradually to lower oil revenues. With some exchange rate flexibility, a depreciation would facilitate the adjustment.

As for oil importers, lower oil prices will reduce inflationary pressure and external vulnerabilities. Meanwhile, economies with oil subsidies, the lower oil prices will provide some fiscal space to strengthen their fiscal positions. Adding on, space for macroeconomic policy to support growth remains limited in many emerging market and developing economies.

Malaysia's economic growth prospect in 2015 is expected to slow down to 4.7% owing to softer demand and the slump in prices for oil and other commodities. The slowdown will be tempered by expected benefits to manufacturing, which now comprises one quarter of the economy, and to services such as tourism. The benefits will flow from lower fuel costs, ringgit depreciation, and improving economic outlook in the major industrial economies, particularly the US.

Private consumption is expected to moderate in 2015. Lower earnings from oil and other commodities will weigh on spending. So will the new 6% goods and services tax. Lending to households should decelerate further with the economy's household debt at 87.9% of GDP. A cooling housing market and recent weakness in share prices could dent confidence, as indicated by consumer and business sentiment weakening late in 2014. Nevertheless, healthy labour market, lower fuel prices with fuel subsidies abolished and government cash transfers will provide positive booster to private consumption.

Fixed investment will face headwinds from the slump in commodities, ringgit depreciation, fiscal tightening, and possibly higher borrowing costs. The government's Economic Transformation Programme to upgrade industry and infrastructure continues to generate investment projects, though the flow from this pipeline to oil and other commodity projects may diminish this year.

All the economic sectors are expected to expand, albeit at a more moderate pace in 2015. The services and manufacturing sectors would remain as key growth drivers, benefiting from the resilience of domestic demand. Growth in the mining sector is projected to be sustained amid rising output from a new oil field. Weighed down by lower commodity prices, the agriculture sector is expected to record lower but still positive growth.

Export is expected to moderate in 2015 to 1.5% due mainly to lower commodity exports which constitute 23% of total exports, dragged by softer prices of crude oil, liquefied natural gas (LNG) and crude palm oil (CPO). However, manufactured products stand to benefit from the improvement economic environment in several of the advanced economies and the sustained growth in Asia. The expected improvement in manufactured exports will come from the E&E sector with moderate growth from non-E&E exports mainly from the resource-based products, particularly chemicals, petroleum and rubber products.

The current account of the balance of payments is projected to remain in a surplus position of about 3.0% of gross national income (GNI). Even though gross exports are expected to record slower growth amid lower commodity prices, the improvement in economic activity in several advanced economies and sustained growth of regional economies will lend support to manufactured exports. Stronger travel account in conjunction with `Malaysia - Year of Festivals 2015´ tourism promotion is expected to provide a lift to the services account.

Headline inflation is projected to be lower at 2.5% in 2015 due mainly to lower energy and food prices. In particular, the decline in global oil prices would lead to lower domestic fuel prices through the managed float fuel pricing mechanism. The subdued external price pressures would also mitigate increases in the cost of imports stemming from the recent ringgit depreciation, thereby moderating imported inflation. These would partly offset some of the impact from the implementation of the GST on 1 April 2015.

After raising its policy interest rate once in 2014 to 3.25%, Bank Negara has paused in light of surprisingly low inflation and heightened risks to growth. The monetary policy is expected to focus on ensuring steady growth of the domestic economy amid contained risks to inflation.

In January 2015, the government revised its budget and reset the fiscal deficit target for 2015 at 3.2% of GDP, a modest tightening from 2014's actual deficit of 3.5%. Meeting this target could be a challenge as almost one-third of government revenue derives from oil and gas.

Revenue will also suffer from slowing economic growth, weak prices of commodities other than hydrocarbons, and income tax cuts for individuals and businesses. Further, reconstruction after floods late in 2014 adds budget strain. On the positive side, subsidy reform will produce substantial fiscal savings, and the goods and service tax will broaden sources of revenue.

AMMB HOLDINGS BERHAD
(223035-V)
(Incorporated in Malaysia)

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The directors have pleasure in presenting their report together with the audited financial statements of AMMB HOLDINGS BERHAD for the financial year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company.

The subsidiaries, as listed in Note 16 to the financial statements, provide a wide range of retail banking, wholesale banking, investment banking, Islamic banking and related financial services which also include underwriting of general and life insurance, family takaful, stock and share-broking, futures broking, investment advisory and asset, real estate investment trust and unit trusts management. During the financial year, the Company's wholly-owned subsidiary, AMAB Holdings Sdn Bhd partially disposed of its equity interests in AmMetLife Takaful Berhad (formerly known as AmFamily Takaful Berhad) and AmMetLife Insurance Berhad (formerly known as AmLife Insurance Berhad). Consequently, these entities, which provide underwriting of life insurance and family takaful, ceased to be subsidiaries and are accounted for as joint ventures in the financial statements of the Group as at 31 March 2015.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year, other than as mentioned above.

SIGNIFICANT AND SUBSEQUENT EVENTS

Significant and subsequent events to the financial year are as disclosed in Note 58 and 59, respectively, to the financial statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	2,044,553	1,310,476
Attributable to:		
Equity holders of the Company	1,918,630	1,310,476
Non-controlling interests	125,923	–
	2,044,553	**1,310,476**

OUTLOOK FOR NEXT FINANCIAL YEAR

For the coming financial year 2016 (FY2016), domestic demand will continue to be the anchor of growth with exports remaining resilient. The Group expects the Malaysian economy to grow by 4.7% in calendar year 2015. Private expenditure will grow moderately, balanced with a stronger increase in public spending due to the turnaround in public investment. Inflation is expected to stay around 2.5% - 2.7%, reflecting impacts from the implementation of the Goods and Services Tax since 1 April 2015 and weak Ringgit, partially offset by softer global commodity prices and demand.

Business and economic conditions are expected to remain challenging while compliance requirements increase over the longer term. Over the medium-term, the banking sector is expected to experience slower loans growth and narrower net interest spreads while asset quality may come under pressure.

BUSINESS PLAN AND STRATEGY

For FY2015 – 2017, the Group will continue to be guided by four strategic agendas to achieve the Group's vision to be Malaysia's preferred diversified, internationally connected financial solutions group, as follows:

1. Deliver on focused organic growth:

   Retail Banking's focus is to strengthen its relationship with business partners, improve service culture, upgrade its digital platforms, execute its simplification agenda and continue to target Small Business and the Emerging Affluent, particularly Young Professionals.

   Wholesale Banking will focus on prioritising growth in targeted markets with higher flow businesses across all asset classes, simplifying its processes to improve speed of service to customers, enhancing collaboration amongst its various services to cross-sell with right products and pricing, driving deposits and trade utilisation through integrated propositions and leveraging ANZ's connectivity on trade finance.

   General Insurance aims to maintain its top position in motor, build a customer-oriented organisation, drive premium growth via focused action plans in penetrating new markets, improve supply chain management, strengthen alliances with key partners and leverage on its pricing capability to lead the impending de-tariffed market.

   Islamic Banking will focus on enhancing collaboration between AmBank Islamic Berhad ("AmBank Islamic") (formerly known as AmIslamic Bank Berhad) and AmBank Group's business units, offering tailored products for higher value segments, driving growth in low-cost deposits and inculcating brand awareness of shariah-compliant products.

2. Leverage strategic partnerships and deliver on acquisitions

   The Group's emphasis has shifted to topline growth as system integration with MBF Cards (M'sia) Sdn Bhd and AmGeneral Insurance Berhad ("Kurnia") is complete, while synergies are still being reaped.

   In general insurance, the partnership with Insurance Australia Group supports the integration of Kurnia as well as implementation of international best practices.

   The Group also leverages on its strategic partnership with MetLife International Holdings, Inc. in both Life Assurance and Family Takaful businesses to share global best practices on brand enhancements, product innovations, distribution and system capabilities.

3. Continue to optimise efficiency.

   We will continue to build scalable customer service delivery capabilities and simplify our business and operating models. For capital management, the Group is progressively optimising its holding company structure and capital allocation.

4. Build sustainability by strengthening corporate governance, nurturing human capital and delivering superior customer experience.

   The Group is continuously investing to enhance risk management oversight, controls and compliance. Initiatives are progressively being rolled out to enhance employee engagement and talent management. We are investing in next wave technologies to enable the Group to deliver on superior customer experience in target segments.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors, the results of operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than significant events as disclosed in Note 58 to the financial statements.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the succeeding twelve months.

DIVIDENDS

During the financial year, the Company paid a final single-tier dividend of 16.9% in respect of the financial year ended 31 March 2014 amounting to RM509,397,243. This amount was noted in the directors' report for that financial year and paid on 12 September 2014 to shareholders whose names appeared in the Record of Depositors on 29 August 2014.

An interim single-tier dividend of 12.0% for the financial year ended 31 March 2015 amounting to RM361,702,181 was paid on 16 December 2014 to shareholders whose names appeared in the Record of Depositors on 4 December 2014.

The directors propose the payment of a final single-tier dividend of 15.3% in respect of the current financial year ended 31 March 2015, to be paid to shareholders whose names appear in the Record of Depositors on a date to be determined by the directors. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2016.

RESERVES, PROVISIONS AND ALLOWANCES

There were no material transfers to or from reserves, provisions and allowances during the financial year other than as disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS AND FINANCING

Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and financing and the making of allowances for doubtful debts and financing, and have satisfied themselves that all known bad debts and financing had been written off and adequate allowance had been made for doubtful debts and financing.

At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts and financing or the amount of the allowance for doubtful debts and financing in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the income statements and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that current assets, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, have been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or

(b) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year, other than those incurred in the normal course of business of the Group and of the Company.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company, that would render any amount stated in the financial statements misleading.

ISSUE OF SHARES AND DEBENTURES

The following are changes during the financial year in debt and equity securities that were issued by the Group.

(i) AmBank (M) Berhad ("AmBank") had issued Tranche 5 and Tranche 6 of the Senior Notes amounting to RM400.0 million and RM1,400.0 million respectively under the Senior Notes Programme of up to RM7.0 billion in nominal value.

(ii) AmBank issued USD400.0 million Senior Notes under its USD2.0 billion Euro Medium Term Note Programme in nominal value (or its equivalent in other currencies) ("the Programme"). The Programme was approved by the Securities Commission on 4 July 2013.

The net proceeds from the Programme will be utilised by AmBank for its working capital, general funding requirements and other corporate purposes. The notes, with a tenor of 5 years and maturing on 3 July 2019, are rated Baa1 by Moody's Investors Service and BBB+ by Standard & Poor's Ratings Services. The notes bear a coupon of 3.125% per annum and are payable semi annually.

(iii) AmBank Islamic issued Tranche 2 of its Senior Sukuk amounting to RM100.0 million under its programme of up to RM3 billion in nominal value. The Senior Sukuk bears profit rate of 4.40% per annum and has a tenor of 5 years.

AmBank Islamic issued the third and fourth tranches of the Senior Sukuk which amounted to RM300.0 million and RM900.0 million, respectively. The Senior Sukuk bear a profit rate of 4.25% and 4.45% per annum and have a tenure of 2.5 years and 5 years, respectively.

Save as disclosed above and in Note 24 and Note 26 to the financial statements, there were no share cancellations, shares held as treasury shares, resale of treasury shares, and issuance and repayment of other debt and equity securities by the Group and by the Company during the financial year.

SHARE OPTIONS

There were no options granted during the financial year by the Company to take up unissued shares of the Company, other than the options granted under the Executives' Share Scheme, as disclosed below and in Note 30 to the financial statements.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options, other than the options granted under the Executives' Share Scheme.

EXECUTIVES' SHARE SCHEME

At the 22nd Extraordinary General Meeting held on 26 September 2008, the shareholders approved the proposal by the Company to establish an executives' share scheme ("ESS") of up to fifteen percent (15%) (which was subsequently reduced to ten percent (10%) as approved by the Board of Directors pursuant to the ESS By-Laws) of the issued and paid-up ordinary share capital of the Company at any point in time for the duration of the ESS for eligible executives (including senior management) and executive directors of the Group (excluding subsidiaries which are dormant or such other subsidiaries which may be excluded under the terms of the By-Laws) who fulfil the criteria for eligibility stipulated in the By-Laws governing the ESS ("Eligible Executives"). The ESS is implemented and administered by an executives' share scheme committee ("ESS Committee"), in accordance with the By-Laws. The functions of the ESS Committee has since been consolidated with that of Group Nomination and Remuneration Committee ("GNRC") from 29 October 2013. The ESS was established on 12 January 2009 and would be in force for a period of ten (10) years.

The awards granted to such Eligible Executives can comprise shares and/or options to subscribe for shares ("Options"). Shares to be made available under the ESS ("Scheme Shares") will only vest or Options are only exercisable by Eligible Executives who have duly accepted the offers of awards under the ESS ("Scheme Participants") subject to the satisfaction of stipulated conditions. Such conditions are stipulated and determined by the GNRC.

To facilitate the implementation of the ESS, the Company entered into a Trust via the signing of a Trust Deed on 24 February 2009 with AmTrustee Berhad ("Trustee"). The Trustee shall, at such times as the ESS Committee shall direct, subscribe for or acquire the necessary number of new or existing ordinary shares to accommodate any future transfer of Scheme Shares to Scheme Participants. For the aforementioned purpose and to enable the Trustee to meet payment of expenses in relation to the administration of the Trust, the Trustee will be entitled from time to time to accept funding and/or assistance, financial or otherwise from the Company and/or its subsidiaries.

The salient features of the ESS are disclosed in Note 30 to the financial statements.

During the financial year, the Trustee had purchased 12,221,600 of the Company's issued ordinary shares from the open market at an average price of RM6.68 per share. The total consideration paid for the purchase including transaction costs amounted to RM81,654,630.

As at 31 March 2015, 7,709,000 shares have been vested and transferred from the Trustee to certain Eligible Employees of subsidiaries in accordance with the terms under the ESS. As at 31 March 2015, the Trustee held 12,854,350 ordinary shares representing 0.43% of the issued and paid-up capital of the Company. These shares are held at a carrying amount of RM86,109,841.

DIRECTORS

The directors who served on the Board since the date of the last report are:

Tan Sri Azman Hashim
Dato' Azlan Hashim
Tun Mohammed Hanif bin Omar
Tan Sri Datuk Clifford Francis Herbert
Tan Sri Datuk Dr Aris Osman @ Othman
Dato' Rohana binti Mahmood
Shayne Cary Elliott
Mark David Whelan
Soo Kim Wai
Dato' Seri Ahmad Johan bin Mohammad Raslan (Appointed on 9 December 2014)
Chin Yuen Yin (Appointed on 20 January 2015)
Suzette Margaret Corr (Appointed on 23 January 2015)
Gilles Planté (Retired on 8 October 2014)
Ashok Ramamurthy (Resigned on 9 December 2014)
Dato' Gan Nyap Liou @ Gan Nyap Liow (Resigned on 31 December 2014)
Alistair Marshall Bulloch (Alternate Director to Shayne Cary Elliott, Mark David Whelan and Suzette Margaret Corr)

DIRECTORS' INTERESTS

Under the Company's Articles of Association, the directors are not required to hold shares in the Company.

The interests in shares and options in the Company, of those who were directors at the end of the financial year as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

DIRECT INTERESTS

In the Company

	No. of Ordinary Shares of RM1.00 each			
Shares	Balance at 1.4.2014	Bought	Sold	Balance at 31.3.2015
Dato' Azlan Hashim	218,000	–	–	218,000

INDIRECT INTERESTS

In the Company

		No. of Ordinary Shares of RM1.00 each			
Shares	Name of Company	Balance at 1.4.2014	Bought	Sold	Balance at 31.3.2015
Tan Sri Azman Hashim	Amcorp Group Berhad	432,679,068	–	(41,610,065)	391,069,003

By virtue of Tan Sri Azman Hashim's shareholding in the Company, he was deemed to have interests in the shares of its subsidiaries to the extent the Company has an interest ("Deemed Interest"). Tan Sri Azman Hashim has ceased to have any Deemed Interest by virtue of a reduction in the shareholding of Amcorp Group Berhad in the Company to below 15% since 9 January 2014 in the previous financial year.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in shares, options and scheme shares in the Company or shares in its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors or the fixed salary of a full-time employee as shown in Note 36 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm in which the director is a member, or with a company in which the director has a substantial financial interest, except for the related party transactions as shown in Note 44 to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CORPORATE GOVERNANCE

(i) BOARD RESPONSIBILITY AND OVERSIGHT

The Board of Directors (the "Board") remains fully committed in ensuring that the principles and best practices in corporate governance are applied consistently in the Group. Since the Company is a holding company, its major business activities are conducted through its various subsidiaries. The Board complies with the recommendations on corporate governance as set out in the Malaysian Code on Corporate Governance 2012.

The Board supervises the management of the Group's businesses, policies and affairs with the goal of enhancing shareholders' value. The Board meets 11 times in a year to carry out its duties and responsibilities, with additional Board meetings being convened, whenever required.

The Board addresses key matters concerning strategy, finance, organisation structure, business developments, human resource (subject to matters reserved for shareholders' meetings By-Laws), and establishes guidelines for overall business, risk and control policies, capital allocation and approves all key business developments.

The Board currently comprises twelve (12) directors with wide skills and experience, of which four (4) are Independent Non-Executive Directors. The Directors participate fully in decision making on key issues regarding the Company and its subsidiaries. The Independent Non-Executive Directors ensure strategies proposed by the Management are fully discussed and examined, as well as take into account the long term interests of various stakeholders.

There is a clear division between the roles of Chairman and the Group Managing Director.

The Senior Management team of the subsidiaries are invited to attend Board meetings to provide presentations and detailed explanations on matters that have been tabled. The Group Company Secretary has been empowered by the Board to assist the Board in matters of governance and in complying with statutory duties.

(ii) COMMITTEES OF THE BOARD

The Board delegates certain responsibilities to Board Committees. These committees, which were created to assist the Board in certain areas of deliberation, are:

1 Group Nomination and Remuneration Committee

2 Audit and Examination Committee

3 Group Risk Management Committee

4 Group Information Technology Committee

The roles and responsibilities of each committee are set out under the respective terms of reference, which have been approved by the Board. The minutes of the Committee meetings are tabled at the subsequent Board meetings for comment and notation.

CORPORATE GOVERNANCE (CONT'D.)

(ii) COMMITTEES OF THE BOARD (CONT'D.)

The attendance of Board members at the meetings of the Board and the various Board Committees is as set out below:

Number of Meetings attended in Financial Year ("FY") 2015

	Board of Directors	Audit and Examination Committee	Group Risk Management Committee	Group Information Technology Committee	Group Nomination and Remuneration Committee
Tan Sri Azman Hashim	10 (Chairman)	N/A	N/A	N/A	N/A
Dato' Azlan Hashim	7	3	N/A	3	N/A
Tun Mohammed Hanif bin Omar	9	N/A	N/A	N/A	8
Tan Sri Datuk Clifford Francis Herbert	9	6	9 (Chairman)	N/A	9 (Chairman)
Tan Sri Datuk Dr Aris Osman @ Othman	9	5 (Chairman)	7	N/A	9
Dato' Rohana binti Mahmood	9	N/A	N/A	4 (Chairman)[b]	9
Dato' Seri Ahmad Johan bin Mohammad Raslan (appointed on 9 December 2014)	3	N/A	N/A	1	N/A
Dato' Gan Nyap Liou @ Gan Nyap Liow (resigned on 31 December 2014)	5	3	N/A	4[a]	3
Shayne Cary Elliott	10	1[c]	N/A	N/A	N/A
Mark David Whelan	9	N/A	7	N/A	N/A
Gilles Planté (retired on 8 October 2014)	4	3	N/A	N/A	4
Chin Yuen Yin (appointed on 20 January 2015)	2	1	N/A	N/A	N/A
Suzette Margaret Corr (appointed on 23 January 2015)	2	N/A	N/A	N/A	2
Soo Kim Wai	9	N/A	N/A	N/A	9
Ashok Ramamurthy (resigned on 9 December 2014)	7	N/A	N/A	4	N/A
Number of meetings held in FY 2015	**10**	**6**	**9**	**5**	**9**

Notes:
1) All attendances reflect the number of meetings attended during the Directors' tenure of service.
2) N/A represents non-committee member.

[a] Ceased as Chairman on 31 December 2014 following resignation as Director.
[b] Appointed as Chairman on 13 January 2015 (was a member prior to the appointment).
[c] Appointed as member on 20 January 2015.

CORPORATE GOVERNANCE (CONT'D.)

(ii) COMMITTEES OF THE BOARD (CONT'D.)

Group Nomination and Remuneration Committee

The Committee comprises six (6) members, all of whom are Non-Executive Directors and chaired by an Independant Non-Executive Director. The Committee is responsible for:

- regularly reviewing the board structure, size and composition, as well as making recommendations to the Board of the Company with regard to any changes that are deemed necessary.
- recommending the appointment of Directors to the Board and Committees of the Board as well as annually review the mix of skills, experience and competencies that Non-Executive and Executive Directors should bring to the Board.
- on an annual basis, assessing the effectiveness of the Board as a whole and the Committees as well as the contribution of the Chairman and each Director to the effectiveness of the Board.
- recommending to the Board the framework/methodology for the remuneration of the Directors, Chief Executive Officers and other Senior Management staff with the relevant experience and expertise needed to assist in managing the Group effectively. The services of consultants are utilised to review the methodology for rewarding Executive Directors and Management staff according to the Key Performance Indicators required to be achieved.
- recommending the appointment of Shariah Committee members as well as reviewing the annual performance of the Shariah Committee members and recommending the remuneration for the Shariah Committee members.
- to implement the Executives' Share Scheme (the "Scheme") in accordance with the By-Laws of the Scheme as approved by the shareholders of the Company.

The Committee met ten (10) times during the financial year 2015.

Audit and Examination Committee

The Committee comprises five (5) members, three (3) of whom are Independent Non-Executive Directors.

The Board has appointed the Audit and Examination Committee ("AEC") to assist in discharging its duties of maintaining a sound system of internal controls to safeguard the Group's assets and shareholders' investments.

The AEC met six (6) times during the financial year 2015 to review the scope of work of both the internal audit function and the statutory auditors, the results arising thereafter as well as their evaluation of the system of internal controls. The AEC also followed up on the resolution of major issues raised by the internal auditors, statutory auditors as well as the regulatory authorities in the examination reports. The consolidated financial statements of the Group and its subsidiaries were reviewed by the AEC prior to their submission to the Board of the Company for adoption.

In addition, the AEC has reviewed the procedures set up by the Group to identify and report, and where necessary, seek approval for related party transactions and, with the assistance of the internal auditors, reviewed the related party transactions.

Group Risk Management Committee

Risk management is an integral part of the Group's strategic decision-making process which ensures that the corporate objectives are consistent with the appropriate risk-return trade-off. The Board approves the risk management strategy and sets the broad risk tolerance level; and approves activities after considering the risk bearing capacity and readiness.

The Risk Management Committees have also been established at AmInvestment Bank Berhad ("AmInvestment Bank"), AmBank and AmBank Islamic to oversee the overall management of credit, market, liquidity, operational, legal and capital risks impacting the Group. They are assisted by the Group Risk Management Department.

The Group Risk Management Department is independent of the various business units and acts as the catalyst for the development and maintenance of comprehensive and sound risk management policies, strategies and procedures within the Group. The functions encompass research and analysis, portfolio risk exposure reporting, compliance monitoring, formulation of policies and risk assessment methodologies, and formulation of risk strategies.

There were nine (9) meetings held during the financial year 2015.

CORPORATE GOVERNANCE (CONT'D.)

(ii) COMMITTEES OF THE BOARD (CONT'D.)

Group Information Technology Committee

The Group Information Technology Committee ("GITC") comprises three (3) members, and chaired by an Independant Non-Executive Director. The Committee is responsible to provide governance for Information Technology and to ensure that the overall strategic IT direction is aligned with the Group's business objectives and strategy. GITC's key responsibilities include to provide strategic direction for IT development within the Group and ensuring that IT strategic plans are aligned with the Group's business objectives and strategy, to ensure the establishment of Group-wide IT policy, procedures and frameworks including IT security and IT risk management, to provide oversight of the Group's long term IT strategic plans and budget, to establish and monitor the overall performance, efficiency and effectiveness of IT services including performance metrics and to review the adequacy and utilisation of the Group's IT resources including computer hardware, software, personnel and other IT related investments.

There were five (5) meetings held during the financial year 2015.

Internal Audit and Internal Control Activities

The Head of the Group Internal Audit Department reports to the AEC. Group Internal Audit assists the AEC in assessing and reporting on business risks and internal controls, and operates within the framework defined in the Audit Charter.

The AEC approves the Group Internal Audit's annual audit plan, which covers the audit of all major business units and operations within the Group. The results of each audit are submitted to the AEC and significant findings are discussed during the AEC meeting. The minutes of the AEC meeting are formally tabled to the Board for notation and action, where necessary. The Chief Internal Auditor and the external auditors also attend the AEC meetings by invitation and the AEC holds separate meetings with the Chief Internal Auditor and external auditors whenever necessary.

The scope of internal audit covers review of the adequacy of the risk management processes, operational controls, financial controls, compliance with laws and regulations, lending practices and information technology, including the various application systems in production, data centres and network security.

Group Internal Audit focuses its efforts on performing audits in accordance with the audit plan, which is prioritised based on a comprehensive risk assessment of all significant areas of audit identified in the Group. The structured audit risk assessment approach ensures that all risk-rated areas are kept in view to ensure appropriate audit coverage and audit frequency. The risk based audit plan is reviewed annually taking into account the changing financial significance of the business and risk environment.

Group Internal Audit also performs investigations and special reviews, and participates actively in major system development activities and project committees to advise on risk management and internal control measures.

(iii) MANAGEMENT INFORMATION

All Directors review Board papers and reports prior to the Board meeting. Information and materials, relating to the operations of the Company and its subsidiaries that are important to the Directors' understanding of the items in the agenda and related topics, are distributed in advance of the meeting. The Board reports, include among others, minutes of meetings of all Committees of the Board, monthly performance of the Group, credit risk management, asset liability and market risk management and industry benchmarking as well as prevailing regulatory developments and the economic and business environment.

These reports are issued giving sufficient time before the meeting to enable the Directors to be prepared and to obtain further explanations, where necessary, and provides input on Group policies.

CORPORATE GOVERNANCE (CONT'D.)

RATINGS BY EXTERNAL AGENCIES

On 17 March 2015, Moody's published its new bank rating methodology. As a result, AmBank (M) Berhad's Baa1 long-term deposit rating and ba1 baseline credit assessment were placed under review for possible upgrade. The review takes into account the bank's track record of improving credit fundamentals, particularly capitalization and asset quality.

RAM Ratings has reaffirmed its ratings on AMMB Holdings Berhad and its banking subsidiaries. Similarly, Standard & Poors' rating on AmBank (M) Berhad was also reaffirmed.

Details of AMMB Holdings Berhad and its banking subsidiaries' ratings are as follows:

Rating agency	Date accorded	Rating classification	Ratings
AmBank (M) Berhad			
Moody's Investors Service	March 2015	Long-term foreign currency deposit rating	Baa1[1]/RuR up[2]
		Short-term foreign currency deposit rating	P-2
Standard & Poor's Ratings Services	December 2014	Foreign long-term issuer credit rating	BBB+/Negative
		Foreign short-term issuer credit rating	A-2
RAM Rating Services	December 2014	Long-term financial institution rating	AA2/Stable
		Short-term financial institution rating	P1
AmInvestment Bank Berhad			
RAM Rating Services	December 2014	Long-term financial institution rating	AA2/Stable
		Short-term financial institution rating	P1
AmBank Islamic Berhad			
RAM Rating Services	December 2014	Long-term financial institution rating	AA2/Stable
		Short-term financial institution rating	P1
AMMB Holdings Berhad			
RAM Rating Services	December 2014	Long-term corporate credit rating	AA3/Stable
		Short-term corporate credit rating	P1

[1] Rating within this class was placed on review on March 18, 2015
[2] RuR up – Rating under review for possible upgrade

SHARIAH COMMITTEE

The Shariah Committee reports functionally to AmBank Islamic's Board of Directors and this provides for the independence of the Shariah Committee in exercising their duties.

Shariah Committee comprises five (5) members and is responsible and accountable on matters related to Shariah. This includes:

(i) advising Board of Directors and Management of AmBank Islamic and other entities within the Group on Shariah matters;

(ii) endorsing and validating products and services, and the operations in relation to Islamic Banking; and

(iii) providing advice and guidance on management of zakat and charity funds.

The Shariah Committee members also sit in the Shariah Oversight Committee, a sub-committee to the Shariah Committee performing an oversight function to assess work carried out by Shariah review, Shariah audit, Shariah regulatory review and Shariah risk management. Shariah Oversight Committee is also responsible to provide guidance and advice on matters pertaining to Shariah non-compliance incidents and Shariah non-compliance income (if any).

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors.

TAN SRI AZMAN HASHIM

TAN SRI DATUK DR ARIS OSMAN @ OTHMAN

Kuala Lumpur, Malaysia

Date: 12 June 2015

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, **TAN SRI AZMAN HASHIM** and **TAN SRI DATUK DR ARIS OSMAN @ OTHMAN**, being two of the directors of **AMMB HOLDINGS BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 129 to 326 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2015 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 62 on page 327 have been prepared 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors.

TAN SRI AZMAN HASHIM

TAN SRI DATUK DR ARIS OSMAN @ OTHMAN

Kuala Lumpur, Malaysia
Date: 12 June 2015

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **MANDY JEAN SIMPSON**, being the Officer primarily responsible for the financial management of **AMMB HOLDINGS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 129 to 327 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act,1960.

Subscribed and solemnly declared by the abovenamed **MANDY JEAN SIMPSON** at Kuala Lumpur in the Wilayah Persekutuan on 12 June 2015

MANDY JEAN SIMPSON

COMMISSIONER FOR OATHS
No. W 530
TAN SEOK KETT
MALAYSIA
Lot 350, 3rd Floor, Wisma MPL,
Jalan Raja Chulan,
50200 Kuala Lumpur.

Before me,
COMMISSIONER FOR OATHS

Report on the financial statements

We have audited the financial statements of AMMB Holdings Berhad, which comprise the statements of financial position as at 31 March 2015 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 129 to 326.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatesment, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 ("the Act") in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors except for those subsidiaries which were put in members' voluntary winding up, as indicated in Note 16 to the financial statements, where such financial statements and auditors' reports were not available. Such financial statements have not been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries that have been audited were not subject to any qualification and in respect of the subsidiaries incorporated in Malaysia, did not include any comment required to be made under Section 174(3) of the Act.

Other reporting responsibilities

The supplementary information set out in Note 62 on page 327 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ERNST & YOUNG	**Chan Hooi Lam**
AF: 0039	No. 2844/02/16(J)
Chartered Accountants	Chartered Accountant

Kuala Lumpur, Malaysia
Date: 12 June 2015

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 (Restated) RM'000	Group 1 April 2013 (Restated) RM'000	Company 31 March 2015 RM'000	Company 31 March 2014 RM'000
ASSETS						
Cash and short-term funds	5	10,758,600	10,287,346	11,780,148	12,464	53,189
Securities purchased under resale agreements	6	–	–	200,605	–	–
Deposits and placements with banks and other financial institutions	7	4,068,819	1,063,122	2,322,657	25,131	212,103
Derivative financial assets	8	1,437,537	528,810	383,257	–	–
Financial assets held-for-trading	9	4,674,223	3,836,161	7,330,719	–	–
Financial investments available-for-sale	10	10,387,275	11,640,846	6,139,616	110,704	186,834
Financial investments held-to-maturity	11	3,864,508	3,798,565	6,219,804	–	–
Loans, advances and financing	12	86,173,795	87,170,577	82,586,332	–	–
Receivables: Investments not quoted in active markets	13	551,163	168,830	–	–	–
Statutory deposits with Bank Negara Malaysia	14	3,214,591	3,122,961	2,907,435	–	–
Deferred tax assets	15	83,434	127,121	151,721	–	–
Investment in subsidiaries and other investments	16	–	–	–	9,507,225	9,507,225
Investment in associates and joint ventures	17	662,273	252,475	244,656	–	–
Other assets	18	3,667,045	3,400,779	3,067,971	20,381	23,894
Reinsurance, retakaful assets and other insurance receivables	56	433,929	473,012	601,279	–	–
Investment properties	56(VIII)	7,713	7,713	87,878	–	–
Property and equipment	19	266,562	351,468	393,905	536	705
Intangible assets	20	3,348,121	3,383,662	3,351,507	–	–
Assets held for sale	58(3),(4)	204,236	3,126,042	–	–	–
TOTAL ASSETS		**133,803,824**	**132,739,490**	**127,769,490**	**9,676,441**	**9,983,950**
LIABILITIES AND EQUITY						
Deposits and placements of banks and other financial institutions	21	2,301,664	4,120,923	3,152,946	–	–
Recourse obligation on loans and financing sold to Cagamas Berhad	22	2,769,585	3,318,263	3,337,941	–	–
Derivative financial liabilities	8	1,385,478	541,224	422,655	–	–
Deposits from customers	23	92,130,049	89,698,878	84,829,987	–	–
Term funding	24	8,302,354	6,644,641	6,255,969	1,206,000	1,906,000
Bills and acceptances payable	25	–	–	1,964,800	–	–
Debt capital	26	4,580,573	4,766,198	4,205,232	–	–
Redeemable cumulative convertible preference share	56(VII)	198,821	193,137	183,490	–	–
Deferred tax liabilities	15	116,557	116,870	124,521	–	–
Other liabilities	27	3,917,675	3,841,569	5,243,919	40,873	52,626
Insurance, takaful contract liabilities and other insurance payables	56	2,544,649	2,568,031	5,106,700	–	–
Liabilities directly associated with assets held for sale	58(3)	48,995	2,835,367	–	–	–
Total Liabilities		**118,296,400**	**118,645,101**	**114,828,160**	**1,246,873**	**1,958,626**
Share capital	28	3,014,185	3,014,185	3,014,185	3,014,185	3,014,185
Reserves	29	11,440,960	10,128,756	9,053,551	5,415,383	5,011,139
Equity attributable to equity holders of the Company		14,455,145	13,142,941	12,067,736	8,429,568	8,025,324
Non-controlling interests	31	1,052,279	951,448	873,594	–	–
Total Equity		**15,507,424**	**14,094,389**	**12,941,330**	**8,429,568**	**8,025,324**
TOTAL LIABILITIES AND EQUITY		**133,803,824**	**132,739,490**	**127,769,490**	**9,676,441**	**9,983,950**
COMMITMENTS AND CONTINGENCIES	**49**	**116,765,056**	**103,478,931**	**102,467,484**	**–**	**–**
NET ASSETS PER SHARE (RM)	**54**	**4.80**	**4.36**	**4.00**	**2.80**	**2.66**

The accompanying notes form an integral part of the financial statements.

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 (Restated) RM'000	Company 31 March 2015 RM'000	Company 31 March 2014 RM'000
Operating revenue	55	9,142,521	9,606,005	1,390,013	665,919
Interest income	32	4,327,234	4,677,033	4,655	8,789
Interest expense	33	(2,346,099)	(2,397,659)	(67,116)	(77,744)
Net interest income		1,981,135	2,279,374	(62,461)	(68,955)
Net income from Islamic banking business	61(xxii)	864,687	943,947	–	–
Income from insurance business		1,495,615	2,057,100	–	–
Insurance claims and commissions		(1,077,566)	(1,585,184)	–	–
Net income from insurance business	56(l)	418,049	471,916	–	–
Other operating income	34	1,457,585	1,026,273	1,385,358	657,130
Share in results of associates and joint ventures		3,188	21,274	–	–
Net income		4,724,644	4,742,784	1,322,897	588,175
Other operating expenses	35	(2,089,442)	(2,133,058)	(11,224)	(7,089)
Acquisition and business efficiency expenses	37	(68,436)	(29,279)	–	–
Operating profit		2,566,766	2,580,447	1,311,673	581,086
(Allowances)/Writeback for impairment on loans, advances and financing	38	30,534	(67,760)	–	–
Net impairment writeback/(loss) on:					
Financial investments	39	(2,541)	(6,560)	–	–
Doubtful receivables - net		36,867	(69,096)	–	–
Foreclosed properties	18(c)	(5,770)	(6,704)	–	–
Property and equipment	19	(4,116)	–	–	–
Intangible assets	20	(1,336)	(1,865)	–	–
Writeback of provision for commitments and contingencies	27(i)	19,255	30,519	–	–
Transfer to profit equalisation reserve	27(ii)	(35,379)	(10,743)	–	–
Profit before taxation and zakat		2,604,280	2,448,238	1,311,673	581,086
Taxation and zakat	40	(559,727)	(577,183)	(1,197)	(4,881)
Profit for the financial year		**2,044,553**	**1,871,055**	**1,310,476**	**576,205**
Attributable to:					
Equity holders of the Company		1,918,630	1,782,380	1,310,476	576,205
Non-controlling interests		125,923	88,675	–	–
Profit for the financial year		**2,044,553**	**1,871,055**	**1,310,476**	**576,205**
EARNINGS PER SHARE (SEN)	42				
Basic		63.83	59.29		
Fully diluted		63.82	59.26		

The accompanying notes form an integral part of the financial statements.

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000	Company 31 March 2015 RM'000	Company 31 March 2014 RM'000
Profit for the financial year		2,044,553	1,871,055	1,310,476	576,205
Other comprehensive income/(loss):					
Items that will not be reclassified subsequently to income statement					
Remeasurement of defined benefit liability		1,016	1,942	–	–
Income tax effect	15	(224)	(486)	–	–
		792	1,456	–	–
Items that may be reclassified to income statement					
Translation of foreign operations		60,237	14,290	–	–
Net movement on cash flow hedges		(4,672)	20,898	–	–
Financial investments available-for-sale					
- net unrealised gains/(loss) on changes in fair value		120,046	(44,653)	–	–
- net gains reclassified to income statement		(56,980)	(62,651)	–	–
- share of reserve movements in equity accounted joint ventures		3,303	–	–	–
Income tax effect	15	(13,138)	20,510	–	–
		108,796	(51,606)	–	–
Other comprehensive income/(loss) for the financial year, net of tax	41	109,588	(50,150)	–	–
Total comprehensive income for the financial year		**2,154,141**	**1,820,905**	**1,310,476**	**576,205**
Total comprehensive income for the financial year attributable to:					
Equity holders of the Company		2,039,275	1,742,383	1,310,476	576,205
Non-controlling interests		114,866	78,522	–	–
		2,154,141	**1,820,905**	**1,310,476**	**576,205**

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

Group	Note	Ordinary share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Regulatory reserve RM'000	Profit equalisation reserve RM'000	AFS reserve/ (deficit) RM'000	Cash flow hedging reserve/ (deficit) RM'000	Foreign currency translation reserve RM'000	Executives' share scheme reserve RM'000	Shares held in trust for ESS RM'000	Non-participating funds RM'000	RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to Equity Holders of the Company														
			Non-Distributable									Distributable				
												Retained earnings				
At 1 April 2013		3,014,185	2,537,372	1,879,770	–	1,313	29,061	(12,644)	(6,122)	83,196	(74,938)	110,364	4,506,179	12,067,736	873,594	12,941,330
Profit for the financial year		–	–	–	–	–	–	–	–	–	–	–	1,782,380	1,782,380	88,675	1,871,055
Other comprehensive income/(loss), net		–	–	–	–	–	(70,748)	15,674	14,335	–	–	–	742	(39,997)	(10,153)	(50,150)
Net loss on financial investments available-for-sale	41	–	–	–	–	–	(70,748)	–	–	–	–	–	–	(70,748)	(10,822)	(81,570)
Net gain on cash flow hedge	41	–	–	–	–	–	–	15,674	–	–	–	–	–	15,674	–	15,674
Translation of foreign operations	41	–	–	–	–	–	–	–	14,335	–	–	–	–	14,335	(45)	14,290
Remeasurement of defined benefit liability	41	–	–	–	–	–	–	–	–	–	–	–	742	742	714	1,456
Total comprehensive income/(loss) for the financial year		–	–	–	–	–	(70,748)	15,674	14,335	–	–	–	1,783,122	1,742,383	78,522	1,820,905
Purchase of shares pursuant to Executives' Share Scheme ("ESS")^		–	–	–	–	–	–	–	–	–	(45,278)	–	–	(45,278)	–	(45,278)
Share-based payment under ESS, net		–	–	–	–	–	–	–	–	35,945	–	–	–	35,945	–	35,945
ESS shares vested to employees of subsidiaries		–	–	–	–	–	–	–	–	(39,685)	61,782	–	–	22,097	–	22,097
Transfer of ESS shares recharged																
- difference on purchase price for shares vested		–	–	–	–	–	–	–	–	–	–	–	(3,250)	(3,250)	(68)	(3,318)
Net utilisation of profit equalisation reserve		–	–	–	–	(53)	–	–	–	–	–	–	53	–	–	–
Unallocated surplus transfer		–	–	–	–	–	–	–	–	–	–	22,629	(30,172)	(7,543)	–	(7,543)
Transfer to statutory reserve		–	–	59,079	–	–	–	–	–	–	–	–	(59,079)	–	–	–
Dividends paid	43	–	–	–	–	–	–	–	–	–	–	–	(669,149)	(669,149)	(600)	(669,749)
Transactions with owners and other equity movements		–	–	59,079	–	(53)	–	–	–	(3,740)	16,504	22,629	(761,597)	(667,178)	(668)	(667,846)
At 31 March 2014		**3,014,185**	**2,537,372**	**1,938,849**	**–**	**1,260**	**(41,687)**	**3,030**	**8,213**	**79,456**	**(58,434)**	**132,993**	**5,527,704**	**13,142,941**	**951,448**	**14,094,389**

Group	Note	Ordinary share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Regulatory reserve RM'000	Profit equalisation reserve RM'000	AFS reserve/ (deficit) RM'000	Cash flow hedging reserve/ (deficit) RM'000	Foreign currency translation reserve RM'000	Executives' share scheme reserve RM'000	Shares held in trust for ESS RM'000	Non-participating funds RM'000	RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to Equity Holders of the Company														
			Non-Distributable									Distributable				
												Retained earnings				
At 1 April 2014		3,014,185	2,537,372	1,938,849	–	1,260	(41,687)	3,030	8,213	79,456	(58,434)	132,993	5,527,704	13,142,941	951,448	14,094,389
Profit for the financial year		–	–	–	–	–	–	–	–	–	–	–	1,918,630	1,918,630	125,923	2,044,553
Other comprehensive income/(loss), net		–	–	–	–	–	63,509	(3,511)	60,243	–	–	–	404	120,645	(11,057)	109,588
Net income/(loss) on financial investments available-for-sale	41	–	–	–	–	–	63,509	–	–	–	–	–	–	63,509	(11,439)	52,070
Net gain on cash flow hedge	41	–	–	–	–	–	–	(3,511)	–	–	–	–	–	(3,511)	–	(3,511)
Translation of foreign operations	41	–	–	–	–	–	–	–	60,243	–	–	–	–	60,243	(6)	60,237
Remeasurement of defined benefit liability	41	–	–	–	–	–	–	–	–	–	–	–	404	404	388	792
Total comprehensive income/(loss) for the financial year		–	–	–	–	–	63,509	(3,511)	60,243	–	–	–	1,919,034	2,039,275	114,866	2,154,141
Purchase of shares pursuant to Executives' Share Scheme ("ESS")^^		–	–	–	–	–	–	–	–	–	(81,655)	–	–	(81,655)	–	(81,655)
Share-based payment under ESS, net		–	–	–	–	–	–	–	–	32,455	–	–	–	32,455	–	32,455
ESS shares vested to employees of subsidiaries		–	–	–	–	–	–	–	–	(41,918)	53,979	–	–	12,061	–	12,061
Transfer of ESS shares recharged - difference on purchase price for shares vested		–	–	–	–	–	–	–	–	–	–	–	(4,252)	(4,252)	(100)	(4,352)
Transfer to regulatory reserve		–	–	–	2,800	–	–	–	–	–	–	–	(2,800)	–	–	–
Net utilisation of profit equalisation reserve		–	–	–	–	2,644	–	–	–	–	–	–	(2,644)	–	–	–
Unallocated surplus transfer		–	–	–	–	–	–	–	–	–	–	63,800	(54,175)	9,625	–	9,625
Redemption of shares in a subsidiary		–	–	–	–	–	–	–	–	–	–	–	–	–	(2,543)	(2,543)
Arising from disposal of equity interests in subsidiaries		–	–	–	–	–	–	–	–	–	–	(142,618)	318,412	175,794	–	175,794
Dividends paid	43	–	–	–	–	–	–	–	–	–	–	–	(871,099)	(871,099)	(11,392)	(882,491)
Transactions with owners and other equity movements		–	–	–	2,800	2,644	–	–	–	(9,463)	(27,676)	(78,818)	(616,558)	(727,071)	(14,035)	(741,106)
At 31 March 2015		**3,014,185**	**2,537,372**	**1,938,849**	**2,800**	**3,904**	**21,822**	**(481)**	**68,456**	**69,993**	**(86,110)**	**54,175**	**6,830,180**	**14,455,145**	**1,052,279**	**15,507,424**

		Attributable to Equity Holders of the Company					
			Non-Distributable			Distributable	
Company	Note	Ordinary share capital RM'000	Share premium RM'000	Executives' share scheme reserve RM'000	Shares held in trust for ESS RM'000	Retained earnings RM'000	Total equity RM'000
At 1 April 2013		3,014,185	2,536,065	83,196	(74,938)	2,544,374	8,102,882
Profit for the financial year		–	–	–	–	576,205	576,205
Other comprehensive income, net		–	–	–	–	–	–
Total comprehensive income for the financial year		–	–	–	–	576,205	576,205
Purchase of shares pursuant to Executives' Share Scheme ("ESS")^		–	–	–	(45,278)	–	(45,278)
Share-based payment under ESS, net		–	–	35,945	–	–	35,945
ESS shares vested to employees of subsidiaries		–	–	(39,685)	61,782	2,622	24,719
Dividends paid	43	–	–	–	–	(669,149)	(669,149)
Transactions with owners and other equity movements		–	–	(3,740)	16,504	(666,527)	(653,763)
At 31 March 2014		**3,014,185**	**2,536,065**	**79,456**	**(58,434)**	**2,454,052**	**8,025,324**

		Attributable to Equity Holders of the Company					
			Non-Distributable			Distributable	
Company	Note	Ordinary share capital RM'000	Share premium RM'000	Executives' share scheme reserve RM'000	Shares held in trust for ESS RM'000	Retained earnings RM'000	Total equity RM'000
At 1 April 2014		3,014,185	2,536,065	79,456	(58,434)	2,454,052	8,025,324
Profit for the financial year		–	–	–	–	1,310,476	1,310,476
Other comprehensive income, net		–	–	–	–	–	–
Total comprehensive income for the financial year		–	–	–	–	1,310,476	1,310,476
Purchase of shares pursuant to Executives' Share Scheme ("ESS")^^		–	–	–	(81,655)	–	(81,655)
Share-based payment under ESS, net		–	–	32,455	–	–	32,455
ESS shares vested to employees of subsidiaries		–	–	(41,918)	53,979	2,006	14,067
Dividends paid	43	–	–	–	–	(871,099)	(871,099)
Transactions with owners and other equity movements		–	–	(9,463)	(27,676)	(869,093)	(906,232)
At 31 March 2015		**3,014,185**	**2,536,065**	**69,993**	**(86,110)**	**2,895,435**	**8,429,568**

^ Represents the purchase of 6,172,200 of the Company's issued ordinary shares from the open market by a trustee appointed by the ESS committee at an average price of RM7.34 per share.

^^ Represents the purchase of 12,221,600 of the Company's issued ordinary shares from the open market by a trustee appointed by the ESS committee at an average price of RM6.68 per share.

The accompanying notes form an integral part of the financial statements.

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 (Restated) RM'000	Company 31 March 2015 RM'000	Company 31 March 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation and zakat		2,604,280	2,448,238	1,311,673	581,086
Add/(Less) adjustments for:					
Amortisation of intangible assets	35,37	85,173	94,478	–	–
Amortisation of costs of debt capital		223	–	–	–
Accretion of discount less amortisation of premium		(150,243)	(206,841)	–	–
Depreciation of property and equipment	35,37	62,458	69,338	169	316
Loss/(Gain) on disposal of property and equipment	34	(30)	(461)	–	202
Gross dividend income from investments	34	(40,753)	(67,666)	(1,384,876)	(657,182)
Impairment loss on doubtful receivables, net		(36,867)	69,096	–	–
Impairment loss on financial investments	39	2,541	6,560	–	–
Impairment loss on foreclosed properties	18(c)	5,770	6,704	–	–
Impairment loss on property and equipment	19	4,116	–	–	–
Impairment loss on intangible assets	20	1,336	1,865	–	–
Property and equipment written off	35	180	970	–	–
Sundry receivables written off		176	1,131	–	–
Allowance for losses on loans, advances and financing, net	38	595,623	819,208	–	–
Net gain on redemption of financial investments held-to-maturity	34	–	(8,319)	–	–
Net gain on revaluation of derivatives		(103,915)	(59,696)	–	–
Net (gain)/loss on revaluation of financial assets held-for-trading		(27,349)	71,040	–	–
Net loss on sale of financial assets held-for-trading		24,903	42,157	–	–
Net gain on sale of financial investments available-for-sale		(56,850)	(95,379)	–	–
Net gain on revaluation of investment properties		–	(4,180)	–	–
Net gain on disposal of subsidiaries	34	(475,873)	–	–	–
Writeback of provision for commitments and contingencies		(19,255)	(30,519)	–	–
Scheme shares and options granted under Executives' Share Scheme ("ESS")	35	31,386	35,945	–	–
Share in results of associates and joint ventures		(3,188)	(21,274)	–	–
Transferred to profit equalisation reserve		35,379	10,743	–	–
Intangible assets written off	35	–	4	–	–
Operating profit/(loss) before working capital changes		2,539,221	3,183,142	(73,034)	(75,578)
Decrease/(Increase) in operating assets:					
Securities purchased under resale agreements		(50,336)	(34,735)	–	–
Deposits and placements with banks and other financial institutions		(3,209,177)	1,111,054	186,971	(156,428)
Financial assets held-for-trading		(732,730)	2,048,810	–	–
Loans, advances and financing		474,078	(5,612,740)	–	–
Reinsurance, retakaful assets and other insurance receivables		35,604	96,336	–	–
Other assets		(648,561)	(160,661)	(5,628)	(3,300)
Statutory deposits with Bank Negara Malaysia		(91,630)	(215,526)	–	–
Increase/(Decrease) in operating liabilities:					
Deposits from customers		2,431,171	4,868,891	–	–
Deposits and placements of banks and other financial institutions		(1,819,259)	967,977	–	–
Bills and acceptances payable		–	(1,964,800)	–	–
Term funding		1,657,714	388,672	(700,000)	400,000
Recourse obligation on loans and financing sold to Cagamas Berhad		(548,678)	(19,678)	–	–
Insurance, takaful contract liabilities and other insurance payables		23,977	48,307	–	–
Other liabilities		490,617	(1,393,553)	(11,752)	4,749
Cash generated from/(used in) operations		552,011	3,311,496	(603,443)	169,443
Taxation and zakat (paid)/refunded, net		(549,615)	(588,262)	(1,519)	4,659
Net cash generated from/(used in) operating activities		2,396	2,723,234	(604,962)	174,102

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 (Restated) RM'000	Company 31 March 2015 RM'000	Company 31 March 2014 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
(Purchase)/Disposal of financial investments - net		1,379,430	(3,657,813)	79,740	(163,972)
Dividends received from other investments		30,565	50,750	–	–
Proceeds from disposal of property and equipment		429	1,136	–	–
Purchase of property and equipment	19	(75,876)	(74,119)	–	(847)
Purchase of intangible assets	20	(86,020)	(156,895)	–	–
Dividends received from subsidiaries		–	–	1,381,267	651,579
Return of surplus funds from associate		–	60	–	–
Purchase of receivables: investments not quoted in active markets		(378,193)	(168,830)	–	–
Arising from purchase of shares for ESS by the appointed trustee		(81,655)	(45,278)	(81,655)	(45,278)
ESS shares vested to eligible employees		53,979	61,782	53,978	61,782
Transfer of ESS shares recharged difference on purchase price for shares vested		(4,252)	(3,250)	2,006	2,622
Dividend received from associate		12,459	13,395	–	–
Net proceeds from disposal of subsidiaries		653,038	–	–	–
Net cash (used in)/generated from investing activities		1,503,904	(3,979,062)	1,435,336	505,886
CASH FLOWS FROM FINANCING ACTIVITIES					
Redemption of shares in subsidiary by non-controlling interests		(2,543)	–	–	–
Proceeds from unsecured bonds and notes		–	548,562	–	–
Repayment of medium term notes		(247,800)	–	–	–
Dividends paid by Company to its shareholders		(871,099)	(669,149)	(871,099)	(669,149)
Dividends paid to non-controlling interests by subsidiaries		(11,392)	(600)	–	–
Net cash used in financing activities		(1,132,834)	(121,187)	(871,099)	(669,149)
Net increase/(decrease) in cash and cash equivalents		373,466	(1,377,015)	(40,725)	10,839
Cash and cash equivalents at beginning of the financial year		10,407,955	11,780,148	53,189	42,350
Effect of exchange rates changes		(165)	4,822	–	–
Cash and cash equivalents at end of the financial year (Note 1)		**10,781,256**	**10,407,955**	**12,464**	**53,189**

Note 1: Cash and Cash Equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000	Company 31 March 2015 RM'000	Company 31 March 2014 RM'000
Cash and short-term funds	10,758,600	10,287,346	12,464	53,189
Bank overdrafts (Note 27)	–	(759)	–	–
Reclassified to assets held for sale (Note 58(3))	22,656	121,368	–	–
Cash and cash equivalents	**10,781,256**	**10,407,955**	**12,464**	**53,189**

The accompanying notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

AMMB Holdings Berhad ("AMMB" or the "Company") is a public limited liability company incorporated and domiciled in Malaysia, and listed on the main market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The registered office of the Company is located at Level 22, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

The principal activity of the Company is that of investment holding.

The subsidiaries, as listed in Note 16, provide a wide range of wholesale banking, retail banking, investment banking and related financial services which also include Islamic banking business, underwriting of general and life insurance, family takaful, stock and share-broking, futures broking, investment advisory and asset, real estate investment trust and unit trust management services. During the financial year, the Company's wholly-owned subsidiary, AMAB Holdings Sdn Bhd partially disposed of its equity interests in AmMetLife Takaful Berhad (formerly known as AmFamily Takaful Berhad) and AmMetLife Insurance Berhad (formerly known as AmLife Insurance Berhad). Consequently, these entities which provide underwriting of life insurance and family takaful, ceased to be subsidiaries and are accounted for as joint ventures in the financial statements of the Group as at 31 March 2015.

There have been no significant changes in these activities during the financial year, other than as mentioned above.

The consolidated financial statements of the Company and its subsidiaries ("AMMB Group" or the "Group") and the separate financial statements of the Company have been approved and authorised for issue by the Board of Directors on 29 April 2015.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis unless otherwise indicated in the financial statements.

2.2 Statement of compliance

The consolidated financial statements of the Group and the separate financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRSs"), and the requirements of the Companies Act, 1965 in Malaysia.

2.3 Presentation of financial statements

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

The statements of financial positions are presented in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (i.e. "current") and more than 12 months after the reporting date (i.e. "non-current") is presented in Note 50.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2015.

Subsidiaries are entities (including structured entities) over which the Group has control.

The Group controls an investee if:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

2. ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation (Cont'd.)

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

The income statement and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in the income statement; and
- Reclassifies the parent's share of components previously recognised in OCI to the income statement or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.5 Summary of significant accounting policies

(a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the income statement. It is then considered in the determination of goodwill.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(a) Business combinations and goodwill (Cont'd.)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 139, is measured at fair value with changes in fair value recognised either in the income statement or as a change to OCI. If the contingent consideration is not within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

(b) Investment in subsidiaries

In the Company's separate financial statements, investment in subsidiaries is accounted for at cost less accumulated impairment losses. On disposal of such investments, the difference between the net disposal proceeds and its carrying amount is included in the income statement.

(c) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associates or joint ventures since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(c) Investment in associates and joint ventures (Cont'd.)

The income statement reflects the Group's share of the results of operations of the associates or joint ventures. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associates or joint ventures, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

The aggregate of the Group's share of profit or loss of the associates and joint ventures is shown on the face of the income statement and represents profit or loss after tax and non-controlling interests in the associates or joint ventures.

The financial statements of the associates or joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in associates or joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in associates or joint ventures are impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amounts of the associates or joint ventures and their carrying values, then recognises the loss as "impairment loss on associates or joint ventures" in the income statement.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the income statement.

In the Company's separate financial statements, investment in associates or joint ventures are stated at cost less accumulated impairment losses. On disposal of such investment, the difference between net disposal proceeds and its carrying amount is included in the income statement.

(d) Transactions with non-controlling interests

Non-controlling interests represent the portion of equity in subsidiaries not held directly or indirectly by the Group.

Non-controlling interests are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position, separately from the Group shareholders' equity. Any losses applicable to the non-controlling interests in excess of the non-controlling interests are allocated against the interests of the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. In such circumstances, the carrying amounts of the non-controlling interests shall be adjusted to reflect the changes in relative interests in the subsidiaries. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognised directly in equity and attributable to the owners of the Group.

(e) Foreign currencies

(i) Functional and presentation currency

The Group's consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(e) Foreign currencies (Cont'd.)

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate at the reporting date.

All differences arising on settlement or translation of monetary items are recognised in the income statement with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed, at which time, the cumulative amount is reclassified to the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on changes in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or the income statement are also recognised in OCI or the income statement, respectively).

(iii) Group entities

On consolidation, the assets and liabilities of foreign subsidiaries and operations are translated into RM at the exchange rates prevailing at the reporting date and their income statements are translated at the average exchange rates for the financial year. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign subsidiary or operation, the component of OCI relating to that particular foreign subsidiary or operation is recognised in the income statement.

(f) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Purchased computer software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Freehold land has an unlimited life and therefore, is not depreciated. Depreciation of other property and equipment is calculated on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(f) Property, plant and equipments (Cont'd.)

The annual depreciation rates for the various classes of property, plant and equipment are as follows:

Leasehold land	2% or remaining lease period, whichever is shorter
Freehold buildings	2%
Leasehold buildings	2% or over the term of short term lease, whichever is shorter
Leasehold improvements	20%
Motor vehicles	20%
Computer hardware	20%
Office and residential equipment, furniture and fittings	20% - 25%

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, to ensure the amount, method and period of depreciation are consistent with the previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

(g) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of investment properties is calculated on a straight-line basis over the estimated useful lives of the assets. The investment properties related to freehold land is not depreciated.

Investment properties belonging to the life insurance fund of the Group are measured initially at cost, including related and incidental expenditure incurred. Subsequent to initial recognition, these investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of these investment properties are recognised in the income statement of the life insurance fund in the financial year in which they arise. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

In the absence of current prices in an active market, alternative valuation methods are used such as recent prices on less active markets or discounted cash flow valuations. Discounted cash flow valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(g) Investment properties (Cont'd.)

Transfers are made to or from investment properties only when there are changes in use. For transfers from investment properties to owner-occupied properties, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an owner-occupied properties become investment properties, the Group accounts for the properties in accordance with the policy under property, plant and equipment up to the date of the change in use.

(h) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(i) The Group as a lessee

Finance leases that transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in "interest expense" in the income statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term. The aggregate benefits of incentives provided by the lessor are recognised as a reduction of rental expenses over the lease term on a straight-line basis.

(ii) The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(i) Intangible assets, other than goodwill arising from business combination

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category that is consistent with the function of the intangible assets.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(i) Intangible assets, other than goodwill arising from business combination (Cont'd.)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

(i) Research and development costs

Research costs are expensed as incurred. Development expenditure on an individual software project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development; and
- The ability to use the intangible asset generated.

Following initial recognition of the software development expenditure as an asset, the asset is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight-line basis over the period of expected benefit of 3 to 7 years, except for certain major core infrastructure projects where the useful life has been determined to be 10 years. During the period of development, the asset is tested for impairment annually.

(j) Financial instruments – initial recognition and subsequent measurement

(i) Date of recognition

All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes party to the contractual provisions of the instrument. This includes regular way trades; purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

(ii) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(iii) Subsequent measurement

The subsequent measurement of financial instruments depends on their classification as described below:

(a) Financial assets and financial liabilities at fair value through profit or loss: held-for-trading

Financial assets or financial liabilities held-for-trading are recorded in the statement of financial position at fair value. Changes in fair value are recognised in "investment and trading income". Interest and dividend income or expense is recorded in "investment and trading income", "interest income" or "interest expense", as appropriate and in accordance with the terms of the contract, or when the right to the payment has been established.

Included in this classification are debt securities and equities.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(j) Financial instruments – initial recognition and subsequent measurement (Cont'd.)

(iii) Subsequent measurement (Cont'd.)

(b) Financial assets and financial liabilities at fair value through profit or loss: designated as fair value through profit or loss

Financial assets and financial liabilities classified in this category are those that have been designated by management on initial recognition. Management may only designate an instrument at fair value through profit or loss upon initial recognition when the following criteria are met, and designation is determined on an instrument by instrument basis:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.
- The assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
- The financial instrument contains one or more embedded derivatives which significantly modify the cash flows that otherwise would be required by the contract.

Financial assets and financial liabilities designated at fair value through profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recognised in "investment and trading income". Interest is earned or accrued in "interest income" or "interest expense", respectively, using the effective interest rate ("EIR"), while dividend income is recorded in "investment and trading income" when the right to the payment has been established.

(c) Financial assets and financial liabilities at fair value through profit or loss: derivatives

The Group uses derivatives such as interest rate swaps and futures, credit default swaps, cross-currency swaps, forward foreign exchange contracts and options on interest rates, foreign currencies and equities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in "investment and trading income".

Derivatives embedded in other financial instruments are treated as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contract, and the host contract is not itself held for trading or designated at fair value through profit or loss. The embedded derivatives separated from the host are carried at fair value in the trading portfolio with changes in fair value recognised in the income statement.

(d) Financial investments available-for-sale ("AFS")

Financial investments AFS include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held-for-trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

The Group has not designated any loans, advances and financing as AFS.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(j) Financial instruments – initial recognition and subsequent measurement (Cont'd.)

(iii) Subsequent measurement (Cont'd.)

(d) Financial investments available-for-sale ("AFS") (Cont'd.)

After initial measurement, financial investments AFS are subsequently measured at fair value with unrealised gains or losses recognised in OCI in the "AFS reserve" until the investment is derecognised, at which time the cumulative gain or loss is recognised in "other operating income", or the investment is determined to be impaired, when the cumulative loss is reclassified from the "AFS reserve" to the income statement in "impairment losses on financial investments". Interest earned whilst holding financial investments AFS is reported as interest income using the EIR method. Dividends earned whilst holding financial investments AFS are recognised in the income statement as "other operating income" when the right to the payment has been established.

The Group evaluates whether the ability and intention to sell its financial investments AFS in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial investments due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial investments. Reclassification to loans and receivables is permitted when the financial investments meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity. Reclassification to the held-to-maturity category is permitted only when the entity has the ability and intention to hold the financial investments accordingly.

For a financial investment reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the investment that has been recognised in equity is amortised to the income statement over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

Unquoted shares in organisations which are set up for specific socio-economic reasons and equity instruments received as a result of loan restructuring or loan conversion which do not have a quoted market price in an active market that are carried at cost as their fair values cannot be reliably measured are also classified as financial investments AFS.

(e) Financial investments held-to-maturity

Non-derivative financial instruments with fixed or determinable payments and fixed maturities are classified as financial investments held-to-maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, financial investments held-to-maturity are measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in "interest income" in the income statement. The losses arising from impairment are recognised in the income statement in "impairment losses on financial investments".

If the Group were to sell or reclassify more than an insignificant amount of financial investments held-to-maturity before maturity (other than in certain specific circumstances), the entire category would be tainted and would have to be reclassified as financial investments AFS. Furthermore, the Group would be prohibited from classifying any financial investments as held-to-maturity during the following two years.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(j) Financial instruments – initial recognition and subsequent measurement (Cont'd.)

(iii) Subsequent measurement (Cont'd.)

(f) Financial assets at amortised cost – loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in "interest income" in the income statement. The losses arising from impairment are recognised in the income statement in "impairment losses on loans, advances and financing" for loans, advances and financing or "doubtful receivables" for losses other than loans, advances and financing.

(g) Financial liabilities at amortised cost

Financial liabilities issued by the Group, that are not designated at fair value through profit or loss, are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

After initial measurement, term funding, debt capital and other borrowings are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

A compound financial instrument which contains both a liability and an equity component is separated at the issue date. A portion of the net proceeds of the instrument is allocated to the debt component on the date of issue based on its fair value (which is generally determined based on the quoted market prices for similar debt instruments). The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the debt component. The value of any derivative features (such as a call option) embedded in the compound financial instrument other than the equity component is included in the debt component.

(h) "Day 1" profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the Group immediately recognises the difference between the transaction price and fair value (a "Day 1" profit or loss) in "investment and trading income". In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the income statement when the inputs become observable, or when the instrument is derecognised.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(j) Financial instruments – initial recognition and subsequent measurement (Cont'd.)

(iii) Subsequent measurement (Cont'd.)

(i) Reclassification of financial assets

The Group may reclassify a non-derivative trading asset out of the "held-for-trading" category and "available-for-sale" category under rare circumstances and into the "loans, advances and financing" category if it meets the definition of loans and receivables and the Group has the intention and ability to hold the financial asset for the foreseeable future or until maturity. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new amortised cost. If a financial asset is reclassified, and if the Group subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

For a financial asset reclassified out of the "available-for-sale" category, any previous gain or loss on that asset that has been recognised in equity is amortised to the income statement over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired then the amount recorded in equity is recycled to the income statement.

(iv) Derecognition of financial assets and financial liabilities

(a) Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
  - the Group has transferred substantially all the risks and rewards of the asset, or
  - the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(k) Repurchase and reverse repurchase agreements

Securities sold under repurchase agreements at a specified future date are not derecognised from the statement of financial position as the Group retains substantially all the risks and rewards of ownership. The corresponding cash received is recognised in the statement of financial position as an asset with a corresponding obligation to return it, including accrued interest, as a liability within "securities sold under repurchase agreements", reflecting the transaction's economic substance as a loan to the Group. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of the agreement using the EIR. When the counterparty has the right to sell or repledge the securities, the Group reclassifies those securities in its statement of financial position to "financial assets held-for-trading pledged as collateral" or to "financial investments available-for-sale pledged as collateral", as appropriate.

Conversely, securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within "securities purchased under reverse repurchase agreements", reflecting the transaction's economic substance as a loan by the Group. The difference between the purchase and resale prices is recorded in "net interest income" and is accrued over the life of the agreement using the EIR.

If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within "financial liabilities held-for-trading" and measured at fair value with any gains or losses included in "investment and trading income".

(l) Securities lending and borrowing

Securities lending and borrowing transactions are usually collateralised by securities or cash. The transfer of the securities to counterparties is only reflected on the statement of financial position if the risks and rewards of ownership are also transferred. Cash advanced or received as collateral is recorded as an asset or liability.

Securities borrowed are not recognised on the statement of financial position, unless they are then sold to third parties, in which case the obligation to return the securities is recorded as a trading liability and measured at fair value with any gains or losses included in "net trading income".

(m) Sell and buy back agreements for Islamic securities

These are obligations of the Group to perform its commitment to buy back specified Islamic securities at maturity. Gains and losses are recognised upon sale and shown as trading gain or loss from financial assets held-for-trading.

(n) Fair value measurement

The Group and the Company measure financial instruments such as financial assets at fair value through profit or loss, financial investments available-for-sale and derivatives at fair value at each statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Group and to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(n) Fair value measurement (Cont'd.)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets or liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The fair value hierarchies of financial instruments that are measured at fair value are disclosed in Note 53.

The fair value hierarchies of financial assets, financial liabilities and non-financial assets that are not measured at fair value, but for which fair value is disclosed, are also disclosed in Note 53.

(o) Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred "loss event"), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Loans, advances and financing are classified as impaired in accordance with the criteria as disclosed in Note 52.2 Credit Risk Management - Impairment - Defination of past due and impaired loans.

(i) Financial assets carried at amortised cost – loans and receivables

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(o) Impairment of financial assets (Cont'd.)

(i) Financial assets carried at amortised cost – loans and receivables (Cont'd.)

The amount of any impairment loss identified 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). The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR. If the Group has reclassified trading assets to loans, advances and financing, the discount rate for measuring any impairment loss is the new EIR determined at the reclassification date. The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the income statement. Interest income continues to be accrued as "interest income on impaired loans, advances and financing" in the income statement on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to "impairment losses on loans, advances and financing" in the income statement.

For financial assets which are not individually significant and that have been individually assessed but with no impairment loss are grouped together for collective impairment assessment. These financial assets are grouped based on the Group's internal credit grading system that considers credit risk characteristics such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics of the Group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that do not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows for a group of assets should reflect and be directionally consistent with changes in related observable data from year to year. The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

The Group early adopted BNM's Guidelines that require the banking subsidiaries to maintain in aggregate, collective impairment allowances and regulatory reserves of no less than 1.2% of total outstanding loans/financing, net of individual impairment allowances, pursuant to paragraph 13.1 of the BNM's Policy Document on Classification and Impairment Provisions for Loans/Financing. The regulatory reserves are maintained in addition to the collective impairment allowances recognised in accordance with MFRS, and it will be set aside from the retained profits to a separate reserve within equity as an additional credit risk absorbent.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(o) Impairment of financial assets (Cont'd.)

(ii) Financial investments AFS

For financial investments AFS, the Group assesses at each reporting date whether there is objective evidence that an investment is impaired.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of "interest income". If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from OCI and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised in OCI.

(iii) Rescheduled and restructured loans

Where possible, the Group seeks to reschedule or restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been rescheduled or restructured, any impairment is measured using the original EIR as calculated before the modification of terms. Management continually reviews impaired rescheduled or restructured loans for a certain period to ensure all terms are adhered to and that future payments are likely to occur before reclassification back to performing status.

(iv) Collateral valuation

The Group seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the Group's quarterly reporting schedule, however, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have a readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, housing price indices, audited financial statements, and other independent sources. (See Note 52.2 for further analysis of collateral).

(v) Collateral repossessed

The Group's policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets that are determined better to be sold are immediately transferred to assets held for sale at their fair value at the repossession date in line with the Group's policy.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(p) Hedge accounting

The Group makes use of derivative instruments to manage exposures to interest rate, foreign currency and credit risks, including exposures arising from forecast transactions and firm commitments. In order to manage particular risks, the Group applies hedge accounting for transactions which meet specified criteria.

At inception of the hedge relationship, the Group formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the risk management objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis.

At each hedge effectiveness assessment date, a hedge relationship must be expected to be highly effective on a prospective basis and demonstrate that it was effective (retrospective effectiveness) for the designated period in order to qualify for hedge accounting. A formal assessment is undertaken by comparing the hedging instrument's effectiveness in offsetting the changes in fair value or cash flows attributable to the hedged risk in the hedged item, both at inception and at each quarter end on an ongoing basis. A hedge is expected to be highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated were offset by the hedging instrument in a range of 80% to 125% and were expected to achieve such offset in future periods. Hedge ineffectiveness is recognised in the income statement. For situations where the hedged item is a forecast transaction, the Group also assesses whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the income statement.

(i) Fair value hedges

The change in the fair value of a hedging derivative is recognised in "investment and trading income" in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in "investment and trading income" in the income statement.

For fair value hedges relating to items recorded at amortised cost, any adjustment to carrying value is amortised through the income statement over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in the income statement.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the "cash flow hedge reserve", while any ineffective portion is recognised immediately in "investment and trading income" in the income statement.

Amounts recognised as OCI are transferred to the income statement when the hedged transaction affects the income statement, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(p) Hedge accounting (Cont'd.)

(iii) Hedges of a net investment

Hedges of net investments in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in OCI while any gains or losses relating to the ineffective portion are recognised in the income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the income statement.

(q) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(r) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

The following assets have specific characteristics for impairment testing:

(i) Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(ii) Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(s) Foreclosed properties

Foreclosed properties are those acquired in full or partial satisfaction of debts and are stated at cost less impairment losses. The policy for the measurement of foreclosed properties is in accordance with Note 2.5(o)(v) on collateral repossessed.

(t) Cash and cash equivalents

Cash and short-term funds in the statement of financial position comprise cash and bank balances with banks and other financial institutions and short-term deposits maturing within one month.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term funds as defined above, excluding deposits and monies held in trust and net of outstanding bank overdrafts.

(u) Assets held for sale

The Group classifies assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. This condition is regarded as met only when the sale is probable and the assets are available for immediate sale in their present condition, management has committed to the sale and the sale is expected to have been completed within one year from the date of the classification. Such assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is:

- A component of the Group that is a CGU or a group of CGUs;
- Classified as held for sale or already disposed in such a way; or
- A major line of business or major geographical area.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement.

Additional disclosures are provided in Note 19 and Note 58. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

(v) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement net of any reimbursement.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(w) Contingent liabilities and contingent assets

A contingent liability is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or in extremely rare cases whereby there is a liability that cannot be recognised because it cannot be measured reliably. The contingent liability is not recognised but instead is disclosed in the financial statements. A possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group is also disclosed as a contingent liability unless the probability of outflow or economic resources is remote.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. The Group does not recognise contingent assets in the financial statements but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(x) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

(y) Profit Equalisation Reserve ("PER")

PER is the amount appropriated out of the total Islamic banking gross income in order to maintain a certain level of return to Investment Account Holders ("IAH") which is as stipulated by Bank Negara Malaysia's Guidelines on Profit Equalisation Reserve. This amount appropriated is shared by the IAH and the Group. The creation of PER establishes an obligation to manage distribution to the IAH from Shariah perspective. The PER of the IAH is classified as a liability and is recognised at cost. The subsequent apportionments of profit to the IAH are recognised in the income statement. The eventual distribution of PER as profit distributable to IAH will be treated as an outflow of funds due to the settlement of obligation to the IAH. The PER of the Group is allocated from retained profits and classified as a separate reserve in equity and is non-distributable. Subsequent apportionment from and distributions to retained profits are treated as transfers between reserves.

(z) Recognition of income and expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Operating revenue of the Group comprises all types of revenue derived from commercial banking and non-financial services rendered by the subsidiaries.

Operating revenue of the Company comprises gross interest income, gross diviodend income, fee and commission earned and other income.

The following specific recognition criteria must be met before revenue is recognised.

(i) Interest/financing income and similar income and expense

For all financial assets and financial liabilities measured at amortised cost, interest bearing financial investments classified as AFS and financial assets and financial liabilities designated at fair value through profit or loss, interest/financing income or expense is recorded using the EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(z) Recognition of income and expenses (Cont'd.)

(i) Interest/financing income and similar income and expense (Cont'd.)

The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded in the income statement. However, for a reclassified financial asset for which the Group subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(ii) Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

(a) Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include loan arrangement, commission income, asset management, custody and other management and advisory fees.

Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the EIR on the loan. When it is unlikely that a loan will be drawn down, the loan commitment fees are recognised over the commitment period on a straight-line basis.

(b) Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

(iii) Dividend income

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(iv) Investment and trading income

Results arising from trading activities include all gains and losses from changes in fair value, dividends for financial investments held-for-trading and financial investments available-for-sale. This includes any ineffectiveness recorded in hedging transactions.

(v) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(z) Recognition of income and expenses (Cont'd.)

(vi) Sale of unit trusts

Revenue from sale of unit trusts is recognised upon allotment of units, net of cost of units sold.

(vii) Customer loyalty programmes

Award credits under customer loyalty programmes are accounted for as a separately identifiable component of the transaction in which they are granted. The fair value of the consideration received in respect of the initial sale is allocated between the award credits and the other components of the sale. Income generated from customer loyalty programmes is recognised in the income statement.

(aa) Employee benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution pension plan

The Group makes contributions to the Employee Provident Fund ("EPF") in Malaysia. Such contributions are recognised as an expense in the income statement as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Defined benefit plans

The calculation of defined benefit obligations is performed annually by qualified actuaries using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI in the period in which they occur and recorded in defined benefit reserve. Remeasurements are not reclassified to the income statement in subsequent periods.

Past service costs are recognised in the income statements on the earlier of:

- the date of the plan amendment or curtailment; or
- the date that the Company recognises restructuring-related costs.

Net interest and other expenses relating to defined benefit plans are calculated by applying the discount rate to the net defined benefit liability or asset and recognised in the income statement.

(iv) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(aa) Employee benefits (Cont'd.)

(v) Share-based payment transactions

The Company operates an equity-settled share-based compensation scheme wherein shares or options to subscribe for shares of the Company are granted to eligible directors and employees of the Group based on certain financial and performance criteria and such conditions as it may deem fit.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for the period is recorded in "personnel costs" and represents the movement in cumulative expense recognised as at the beginning and end of that period.

Where the terms of an equity-settled award are modified, the minimum expense recognised in "personnel costs" is the expense as if the terms had not been modified. An additional expense is recognised for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the counterparty are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (Note 42).

(ab) Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared.

Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

(ac) Taxes

(i) Current tax

Current tax assets and liabilities for the current and prior financial years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in the income statement except to the extent that the tax relates to items recognised outside the income statement, either in OCI or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(ac) Taxes (Cont'd.)

(ii) Deferred tax (Cont'd.)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the income statement is recognised outside the income statement. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in the income statement.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(ad) Zakat

This represents business zakat payable by the Group to comply with Shariah principles as approved by AmBank Islamic's Shariah Committee. Zakat provision is calculated using the profit and loss method at a zakat rate of 2.5% of the net profit after tax and is based on the percentage of Muslim shareholders of the Company.

In the financial year, the Group has fulfilled its obligation to pay business zakat to state zakat authorities and other identified beneficiaries (asnaf) comprising poor and needy students under the student adoption programme, flood victims and non-governmental organisations.

(ae) Earnings Per Share ("EPS")

The Group presents basic and diluted EPS data for its ordinary shares in Note 42. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period net of treasury shares. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(af) Segment reporting

Segment reporting in the financial statements are presented on the same basis as is used by management internally for evaluating operating segment performance and in deciding how to allocate resources to operating segments. Reportable segments are operating segments or aggregations of operating segments that meet specific criteria. Operating segments are distinguishable components of the Group about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Group's segmental reporting is based on the following operating segments: retail banking, wholesale banking, insurance and operating segments, as disclosed in Note 55.

(ag) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all the liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

(ah) Shares held in trust for ESS and contracts on own shares

Own equity instruments of the Company that are acquired by the Company for the ESS are reflected in equity and accounted for at weighted average cost. Consideration paid or received on the purchase, sale, issue or cancellation of the Company's own equity instruments is recognised directly in equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

When the Company holds own equity instruments on behalf of their clients, those holdings are not included in the Company's statement of financial position.

(ai) Fiduciary assets

The Group provides trust and other fiduciary services that result in the holding or investing of assets on behalf of their clients. Assets held in a fiduciary capacity are not recognised as assets of the Group.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(aj) Product classification

The insurance subsidiaries issue contracts that transfer insurance risks or financial risks or both.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rate, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Insurance and takaful risk is the risk other than financial risk.

An insurance and takaful contract is a contract under which the insurance subsidiaries (the "insurer" and the "takaful operator") have accepted significant insurance and takaful risk from another party (the "policyholders" and the "participants") by agreeing to compensate the policyholders and the participants if a specified uncertain future event (the "insured" and the "covered event") adversely affects the policyholders and the participants. As a general guideline, the insurers and the takaful operators determine whether they have significant insurance and takaful risk, by comparing benefits paid with benefits payable if the insured and the covered event did not occur.

Investment contracts are those contracts that do not transfer significant insurance and takaful risk. Based on this definition, all certificates issued by the takaful operator have been assessed to be takaful contracts as at the reporting date.

Once a contract has been classified as an insurance and a takaful contract, it remains an insurance and a takaful contract for the remainder of its life-time, even if the insurance and takaful risk reduces significantly during this financial year, unless all rights and obligations are extinguished or expired. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

Insurance and investment contracts are further classified as being either with or without discretionary participation features ("DPF"). DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

- likely to be a significant portion of the total contractual benefits;
- whose amount or timing is contractually at the discretion of the issuer; and
- that are contractually based on the:
    - performance of a specified pool of contracts or a specified type of contract;
    - realised and/or unrealised investment returns on a specified pool of assets held by the issuer; or
    - the profit or loss of the insurer, fund or other entity that issues the contract.

Under the terms of the contracts, surpluses in the DPF funds can be distributed to the policyholders and the shareholders respectively. The insurer has the discretion over the amount and timing of the distribution of these surpluses to policyholders. All DPF liabilities, including unallocated surpluses, both guaranteed and discretionary, at the end of the reporting period are held within insurance or investment contract liabilities, as appropriate.

For financial options and guarantees which are not closely related to the host insurance contract and/or investment contract with DPF, bifurcation is required to measure these embedded derivatives separately at fair value through profit or loss. However, bifurcation and unbundling is not required if the embedded derivative is itself an insurance contract and/or investment contract with DPF, or if the host insurance contract and/or investment contract itself is measured at fair value through profit or loss.

For the purpose of product classification under MFRS 4, Insurance Contracts ("MFRS 4"), the insurer adopts maximum policy benefits as the proxy for insurance risk and cash surrender value as the proxy for realisable value of the insurance contract on surrender. The insurer defines insurance risk to be significant when the ratio of the insurance risk over the deposit component is not less than 105% of the deposit component at any point of the insurance contract in force. Based on this definition, all policy contracts issued by the insurer are considered insurance contracts as at the reporting date.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(ak) Reinsurance and retakaful

The insurer and the takaful operator cedes insurance and takaful risks in the normal course of business for all its businesses. Reinsurance and retakaful assets represent balances due from reinsurance and retakaful companies. Amounts recoverable from reinsurers and retakaful operators are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and the underlying takaful contracts and are in accordance with the related reinsurance contracts and the terms of the relevant retakaful arrangements.

Ceded reinsurance and retakaful arrangements do not relieve the insurer and the takaful operator from its obligations to the policyholders and the participants. Premiums, contributions and claims are presented on a gross basis for both ceded and assumed reinsurance and retakaful.

Retakaful arrangements entered into by the takaful operator meets the classification requirements of takaful contracts. Arrangements that do not meet these classification requirements are accounted for as financial assets. As at the reporting date, all retakaful arrangements entered into by the takaful operator during the financial year met the classification requirements of takaful contracts.

Reinsurance and retakaful assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting period. Impairments occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance and retakaful asset that the insurer and the takaful operator may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the insurer and the takaful operator will receive from the reinsurer and the retakaful operator. The impairment loss is recorded in the income statement.

Gain and loss on buying reinsurance, if any, will be recognised in the income statement at the inception of the agreement.

The insurer also assumes reinsurance risk in the normal course of business for general and life insurance contracts when applicable.

Premiums, contributions and claims on assumed reinsurance and retakaful are recognised as revenue or expenses in the same manner as they would be if the reinsurance and retakaful were considered direct business, taking into account the product classification of the reinsured and retakaful business. Reinsurance and retakaful liabilities represent balances due to reinsurance and retakaful companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract and retakaful arrangement.

Reinsurance and retakaful assets or liabilities are derecognised when the contractual rights are extinguished or expired or when the contract is transferred to another party.

Reinsurance and retakaful contracts that do not transfer significant insurance and takaful risk are accounted for directly through the statement of financial position. These are deposit assets or financial liabilities that are recognised based on the consideration paid or received less any explicit identified premiums, contributions or fees to be retained by the reinsured and takaful operator subjected to retakaful. Investment income on these contracts is accounted for using the effective yield method when accrued.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(al) Insurance and takaful receivables

Insurance and takaful receivables are amounts receivable under the contractual terms of an insurance and a takaful contract. On initial recognition, insurance and takaful receivables are measured at fair value based on the consideration received or receivable. Subsequent to initial recognition, insurance and takaful receivables are measured at amortised cost using the effective yield method.

Insurance and takaful receivables are assessed at each reporting date for objective evidence of impairment. If there is objective evidence that the insurance and takaful receivable is impaired, the insurer and the takaful operator reduces the carrying amount of the insurance and takaful receivables accordingly and recognises that impairment loss in the income statement. The insurer and the takaful operator gathers the objective evidence that an insurance and a takaful receivable is impaired using the same process adopted for financial assets carried at amortised cost. The impairment loss is calculated under the same method used for these financial assets.

Insurance and takaful receivables are derecognised when the rights to receive cash flows from them have expired or when they have been transferred and the insurer and the takaful operator has also transferred substantially all risks and rewards of ownership.

(am) General insurance underwriting results

The general insurance underwriting results are determined for each class of business after taking into account premiums, movements in premiums and claims liabilities and commissions.

(i) Gross premiums

Gross premiums are recognised in a financial year in respect of risks assumed during the particular financial year.

(ii) Reinsurance premiums

Inwards facultative reinsurance premiums are recognised in the financial year in respect of the facultative risk assumed during the particular financial year, as the case of direct policies, following individual risks' inception dates.

Inwards treaty reinsurance premiums comprise both proportional and non-proportional treaties. In respect of reinsurance premiums relating to proportional treaties it is recognised on the basis of periodic advices received from the cedants given that the periodic advices reflect the individual underlying risks being incepted and reinsured at various inception dates of these risks and contractually accounted for, as such to reinsurers under the terms of the proportional treaties. In respect of reinsurance premiums relating to non-proportional treaties which cover losses occurring during a specified treaty period, the inwards treaty reinsurance premiums are recognised based on the contractual premiums already established at the start of the treaty period under the non-proportional treaty contract.

(iii) Premium liabilities

Premium liabilities represent the insurer's future obligations on insurance contracts as represented by premiums received for risks that have not yet expired. In determining premium liabilities at reporting date, the method that most accurately reflects the actual unearned premium is used, as described in Note 2.5 (an).

(iv) Claims liabilities

A liability for outstanding claims is recognised in respect of both direct insurance and inward reinsurance.

The amount of claims liabilities is the best estimate of the expenditure required together with related expenses less recoveries to settle the present obligation at the reporting date.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(am) General insurance underwriting results (Cont'd.)

(iv) Claims liabilities (Cont'd.)

Provision is also made for the cost of claims, together with related expenses, incurred but not reported at the reporting date, using a mathematical method of estimation.

(v) Acquisition costs

The gross costs of acquiring and renewing insurance policies and income derived from ceding reinsurance premiums are recognised as incurred and properly allocated to the periods in which it is probable they give rise to income.

(an) General insurance contract liabilities

General insurance contract liabilities are recognised when contracts are entered into and premiums are charged. The valuation of general insurance contract liabilities is in accordance with the Risk-Based Capital ("RBC") Framework for Insurers issued by BNM.

These liabilities comprise claims liabilities and premium liabilities.

(i) Claims liabilities

Claims liabilities are recognised in respect of both direct insurance and inward reinsurance. Claims liabilities refer to the obligation by the insurer, whether contractual or otherwise to make future payments in relation to all claims that have been incurred as at valuation date. These include provision for claims reported, claims incurred but not reported ("IBNR"), claims incurred but not enough reserve ("IBNER") together with related claims handling costs. Claims liabilities consist of the best estimate value of the claims liabilities and the Provision of Risk Margin for Adverse Deviation ("PRAD") calculated at the overall level. The liability is discounted at a risk free rate. No provision for equalisation or catastrophe reserve is recognised. The liabilities are derecognised when the claim is paid and settled, discharged or cancelled.

(ii) Premium liabilities

Premium liabilities are recorded at the higher of the following:

- aggregate of the unearned premium reserves ("UPR"); and
- the best estimate value of the insurer's unexpired risk reserve ("URR") as at the valuation date and the PRAD calculated at the overall level.

(iii) UPR

The UPR represent the portion of the premiums of insurance policies written less deductible acquisition costs that relate to the unexpired period of the policies at the end of the financial year.

In determining UPR at the end of the reporting period, the method that most accurately reflects the actual unearned premium used is as follows:

i. 25% method for Malaysian marine cargo, aviation cargo and transit business of annual Malaysian general policies business;
ii. Daily time apportionment method for all other classes; and
iii. 1/24th method for inward treaty business.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(an) General insurance contract liabilities (Cont'd.)

(iv) URR

The URR is the prospective estimate of the expected future payments arising from future events insured under policies in force as at the valuation date and also includes allowance for the insurer's expenses, including overheads and cost of reinsurance expected to be incurred during administering these policies and settling the relevant claims and expected future premium refunds. The URR is discounted at a risk free rate.

(v) Liability adequacy test

At each reporting date, the insurer reviews its unexpired risks and a liability adequacy test ("LAT") is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows (taking into consideration current loss ratios) after taking account of the investment return expected to arise on assets relating to the relevant general insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums less related deferred acquisition costs is inadequate, the deficiency is recognised in the income statement by setting up a provision for liability adequacy.

(ao) Life insurance underwriting results

The surplus transferable from the life fund to the income statement is based on the surplus determined by an annual actuarial valuation of the long-term liabilities to policyholders.

(i) Gross premiums

Gross premiums are recognised as soon as the amount of the premiums can be reliably measured. First year premium is recognised from inception date and subsequent premium is recognised when it is due. At the end of the financial year, all due premiums are accounted for to the extent that they can be reliably measured. Premiums not received on due dates are recognised as revenue in the income statement and reported as outstanding premiums in the statement of financial position.

(ii) Reinsurance premiums

Gross reinsurance premiums on ceded reinsurance are recognised as an expense when payable or on the date on which the policy is effective.

(iii) Creation of units

Net creation of units which represents premium paid by policyholders as payment for a new contract or subsequent payments to increase the amount of that contract are reflected in the income statement of investment linked funds. Net creation of units is recognised on a receipt basis.

(iv) Benefits, claims and expenses

Benefits and claims that are incurred during the financial year are recognised when a claimable event occurs and/or the insurer is notified. Benefits and claims, including settlement costs, are accounted for using the case-by-case method and for this purpose, the amounts payable under a policy are recognised as follows:

- maturity and other policy benefit payments due on specified dates are treated as claims payable on the due dates;
- death, surrender and other benefits without due dates are treated as claims payable, on the date of receipt of intimation of death of the assured or occurrence of contingency covered; and
- bonus on participating policy upon its declaration.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(ao) Life insurance underwriting results (Cont'd.)

(v) Commission and agency expenses

Commission and agency expenses, which are costs directly incurred in securing premium on insurance policies and income derived from reinsurers in the course of ceding of premiums to reinsurers, are charged to the income statement in the financial year in which they are incurred.

(ap) Life insurance contract liabilities

Life insurance liabilities are recognised when contracts are entered into and premiums are charged.

These liabilities are measured by using a prospective actuarial valuation method. The liability is determined as the sum of the present value of future guaranteed and, in the case of a participating life policy, appropriate level of non-guaranteed benefits, and the expected future management and distribution expenses, less the present value of future gross considerations arising from the policy discounted at the appropriate risk discount rate. The liability is based on best estimate assumptions and with due regard to significant recent experience. An appropriate allowance for provision of risk margin for adverse deviation from expected experience is made in the valuation of non-participating life policies, the guaranteed benefits liabilities of participating life policies and non-unit liabilities of investment-linked policies.

The liability in respect of policies of a participating insurance contract is taken as the higher of the guaranteed benefit liabilities or the total benefit liabilities at the contract level derived as stated above.

In the case of a life policy where a part of, or the whole of the premiums are accumulated in a fund, the accumulated amount, as declared to the policy owners, are set as the liabilities if the accumulated amount is higher than the figure as calculated using the prospective actuarial valuation method.

Where policies or extensions of a policy are collectively treated as an asset at the fund level under the valuation method adopted, the value of such asset is eliminated through zerorisation.

In the case of a 1-year life policy or a 1-year extension to a life policy covering contingencies other than death or survival, the liability for such life insurance contracts comprises the provision for unearned premiums and unexpired risks, as well as for claims outstanding, which includes an estimate of the incurred claims that have not yet been reported to the insurer.

Adjustments to the liabilities at each reporting date are recorded in the income statement. Profits originating from margins of adverse deviations on run-off contracts are recognised in the income statement over the life of the contract, whereas losses are fully recognised in the income statement during the first year of run-off. The liability is derecognised when the contract expires, is discharged or is cancelled. At each reporting date, an assessment is made of whether the recognised life insurance liabilities are adequate, net of present value of in-force business ("PVIF") by using an existing liability adequacy test. Any deficiency is charged to the income statement.

The valuation of insurance contract liabilities is determined according to BNM's RBC Framework for Insurers and MFRS 4. The RBC Framework for Insurers issued by BNM meets the requirement of LAT under MFRS 4.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(aq) Family takaful fund

The family takaful fund is maintained in accordance with the requirements of the Islamic Financial Services Act 2013 and consists of Qard from the takaful operator, accumulated deficit in the family takaful fund and AFS reserve of the family takaful fund.

The family takaful fund surplus or deficit is determined by the takaful operator's appointed actuary by an annual actuarial valuation of the family takaful fund. Any deficit in the family takaful fund will be made good by the takaful operator fund via a loan or Qard. Surplus distributable to the participants is determined after deducting benefits paid and payable, retakaful, provisions, reserves and wakalah fees. The surplus may be distributed to the takaful operator and participants in accordance with the terms and conditions of the respective contracts.

Revenue of the family takaful fund consists of gross takaful contributions and investment income. Unrealised income is deferred and receipts in advance are treated as liabilities on the statement of financial position.

(i) Contribution income

Contribution is recognised as soon as the amount of the contribution can be reliably measured. First year contribution is recognised from inception date and subsequent contribution is recognised when it is due.

At the end of the financial year, all due contributions are accounted for to the extent that they can be reliably measured. Contributions not received on due date are recognised as revenue in the income statement and reported as outstanding contributions in the statement of financial position.

(ii) Investments of investment-linked business

Investments of investment-linked business are stated at fair values. Any increase or decrease in value of these investments is taken to the income statement.

All investments of investment-linked funds are stated at closing market prices or indicative market prices as at the end of each financial year.

(iii) Creation or cancellation of units

Amounts received for units created represent contributions paid by unit holders as payments for new contracts or subsequent payments to increase the amount of contracts.

Creation or cancellation of units is recognised in the financial statements at the next valuation date, after the request to purchase or sell units is received from the unit holders.

(iv) Provision for outstanding claims

A liability for outstanding claims is recognised when a claimable event occurs and/or the takaful operator is notified.

Claims and provision for claims arising from family takaful certificates, including settlement costs less retakaful recoveries, are accounted for using the case basis method and for this purpose, the benefits payable under family takaful certificates are recognised as follows:

- Maturity or other certificate benefit payments due on specified dates are treated as claims payable on the due dates;
- Death, surrender and other benefits without due dates are treated as claims payable on the date of receipt of intimation of death of the participant or occurrence of contingency covered.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(aq) Family takaful fund (Cont'd.)

(v) Actuarial liabilities

The actuarial liability is calculated using the discounted cash flow method. This is to ensure that any future negative cash flow resulting from insufficient tabarru' charges to meet expected benefit outgo are eliminated. Family takaful liabilities are recognised when contracts are entered into and contribution is charged.

The liabilities are based on best estimate assumptions as determined by the Appointed Actuary. An appropriate allowance for provision of risk margin for adverse deviation from expected experience is made in the valuation of liabilities.

In the case of a family certificate where a part of, or the whole of the contributions are accumulated in a fund, the accumulated amount, as declared to the participants, are set as liabilities. Zerorisation is applied at certificate level and no certificate is treated as an asset under the valuation method adopted.

Adjustments to the liabilities at each reporting date are recorded in the income statement. Profits originating from margins of adverse deviations on run-off contracts, are recognised in the income statement over the life of the contract, whereas losses are fully recognised in the income statement during the first year of run-off.

The liability is derecognised when the contract expires, is discharged or is cancelled. At each reporting date, an assessment is made of whether the recognised family takaful liabilities are adequate by using a LAT.

Any inadequacy is recorded in the income statement by establishing technical reserves for the loss. In subsequent years, the liability for a block of business that has failed the adequacy test is based on the assumptions that are established at the time of loss recognition. Losses arising from liability adequacy testing can be reversed in future years if the liability no longer exists/required.

(ar) Takaful operator fund

(i) Wakalah fees, commission expenses and management expenses

In accordance with the principles of wakalah, as approved by the Shariah Committee of the takaful operator and agreed between the participants and the takaful operator, an agreed percentage of the gross contribution will be charged by the takaful operator on an upfront basis to the family takaful fund as wakalah fees.

The wakalah fees charged by the takaful operator to the participants are used to pay all management expenses and commission expenses in the takaful operator fund, which are incurred on behalf of the family takaful fund. All management expenses are recognised in the takaful operator fund as incurred.

Commission expenses, which are costs directly incurred in securing contributions on takaful certificates are recognised in the takaful operator fund as incurred and properly allocated to the years in which it is probable they give rise to income.

(ii) Expense liabilities

The expense liabilities of the takaful operator is required to match relevant projected costs of maintaining and servicing in-force contracts and associated overhead expenses for the full contractual obligation of the takaful certificates. The movement in expense liabilities is released over the term of the takaful contracts and recognised in the income statement.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of significant accounting policies (Cont'd.)

(ar) Takaful operator fund (Cont'd.)

(ii) Expense liabilities (Cont'd.)

(a) Expense liabilities of takaful operator fund

The valuation of expense liabilities in relation to contracts of the family takaful fund is conducted separately by the Appointed Actuary in the takaful operator fund. The method used to value expense liabilities is consistent with the method used to value takaful liabilities of the corresponding family takaful contracts. In valuing the expense liabilities, the present value of expected future expenses payable by the takaful operator in managing the takaful fund for the full contractual obligation of the takaful contracts less any expected cash flows from future wakalah fee income, and any other income due to the takaful operator fund that can be determined with reasonable certainty, are taken into consideration.

(b) Liability adequacy test ("LAT")

At each financial year end, the takaful operator reviews the expense liabilities of the takaful operator fund to ensure that the carrying amount is sufficient or adequate to cover the obligations of the takaful operator fund for all managed takaful certificates.

In performing this review, the takaful operator considers all contractual cash flows and compares this against the carrying value of expense liabilities. Any deficiency is recognised in the income statement.

3. CHANGES IN ACCOUNTING POLICIES

3.1 New and amended standards and interpretations adopted

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following new and amended standards and interpretations which became effective for the Group and the Company on 1 April 2014.

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

The adoption of these new and amended standards did not have any material impact on the financial statements of the Group and the Company except for the adoption of Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities.

The nature of the new and amended standards and interpretations are described below:

(a) Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and "simultaneous realisation and settlement". These amendments are to be applied retrospectively. Upon adoption of the amendments, the Group has restated certain financial assets and liabilities in the statement of financial position of the Group which did not meet the offsetting criteria that were previously reported on a net basis. The effects of restatement are disclosed in Note 60.

3. CHANGES IN ACCOUNTING POLICIES (CONT'D.)

3.1 New and amended standards and interpretations adopted (Cont'd.)

(b) Amendments to MFRS 10, MFRS 12 and MFRS 127 Investment Entities

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under MFRS 10 Consolidated Financial Statements and must be applied retrospectively subject to transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss.

(c) Amendments to MFRS 136 Recoverable Amount Disclosures for Non-Financial Assets

These amendments to MFRS 136 remove the requirement to disclose the recoverable amount of a cash-generating unit ("CGU") to which goodwill or other intangible assets with indefinite useful lives has been allocated when there has been no impairment or reversal of impairment of the related CGU. In addition, the amendments introduce additional disclosure requirements when the recoverable amount is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation technique used which are in line with the disclosure required by MFRS 13 Fair Value Measurement.

(d) Amendments to MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting

These amendments provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measure of hedge effectiveness. Retrospective application is required.

3.2 Significant change in regulatory requirements: Bank Negara Malaysia ("BNM") Guidelines

On 4 February 2014, BNM issued a letter requiring banking institutions to maintain, in aggregate, collective impairment allowances and regulatory reserves of no less than 1.2% of total outstanding loans/financing, net of individual impairment allowances, pursuant to paragraph 13.1 of the BNM's Policy Document on Classification and Impairment Provisions for Loans/Financing. The regulatory reserves are maintained in addition to the collective impairment allowances recognised in accordance with MFRS, and it will be set aside from the retained profits to a separate reserve within equity as an additional credit risk absorbent. Banking institutions are required to comply with this requirement by 31 December 2015. The Group early adopted this requirement.

During the financial year, AmInvestment Bank Berhad has transferred RM2.8 million from its retained earnings to the regulatory reserve in accordance with BNM's requirements. The early adoption of this requirement did not have any impact to the profit or loss of the Group and AmInvestment Bank Berhad.

Further details on the regulatory reserve are disclosed in Note 29.

3.3 Standards issued but not yet effective

The following are standards issued but not yet effective up to the date of issuance of the Group's and Company's financial statements. The Group and the Company intend to adopt the relevant standards when they become effective.

Note	Description	Effective for financial year ending
3.2a(i)	Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions	31 March 2016
3.2a(ii)	Annual Improvements to MFRSs 2010-2012 Cycle	31 March 2016
3.2a(iii)	Annual Improvements to MFRSs 2011-2013 Cycle	31 March 2016
3.2b(i)	Annual Improvements to MFRSs 2012-2014 Cycle	31 March 2017
3.2b(ii)	Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	31 March 2017

3. CHANGES IN ACCOUNTING POLICIES (CONT'D.

3.3 Standards issued but not yet effective (Cont'd.)

Note	Description	Effective for financial year ending
3.2b(iii)	Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants	31 March 2017
3.2b(iv)	Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	31 March 2017
3.2b(v)	Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception	31 March 2017
3.2b(vi)	Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations	31 March 2017
3.2b(vii)	Amendments to MFRS 127 Equity Method in Separate Financial Statements	31 March 2017
3.2b(viii)	Amendments to MFRS 101 Disclosure Initiatives	31 March 2017
3.2b(ix)	MFRS 14 Regulatory Deferral Accounts	31 March 2017
3.2c(i)	MFRS 15 Revenue from Contracts with Customers	31 March 2018
3.2d(i)	MFRS 9 Financial Instruments	31 March 2019

The nature of the standards that are issued and relevant to the Group but not yet effective are described below. The Group and the Company are assessing the financial effects of their adoption.

(a) Standards effective for financial year ending 31 March 2016

(i) Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions

The amendments to MFRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

(ii) Annual Improvements to MFRSs 2010-2012 Cycle

The Annual Improvements to MFRSs 2010-2012 Cycle include a number of amendments to various MFRSs, which are summarised below.

(i) MFRS 2: Share-based Payment

This improvement clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition;
- A performance target must be met while the counterparty is rendering service;
- A performance target may relate to the operations or activities of an entity, or those of another entity in the same group;
- A performance condition may be a market or non-market condition; and
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

This improvement is effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

3. CHANGES IN ACCOUNTING POLICIES (CONT'D.)

3.3 Standards issued but not yet effective (Cont'd.)

(a) Standards effective for financial year ending 31 March 2016 (Cont'd.)

(ii) Annual Improvements to MFRSs 2010-2012 Cycle (Cont'd.)

(ii) MFRS 3: Business Combinations

The amendments to MFRS 3 clarifies that contingent consideration classified as liabilities (or assets) should be measured at fair value through profit or loss at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of MFRS 9 or MFRS 139. The amendments are effective for business combinations for which the acquisition date is on or after 1 July 2014.

(iii) MFRS 8: Operating Segments

The amendments are to be applied retrospectively and clarify that:

- an entity must disclose the judgements made by management in applying the aggregation criteria in MFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar; and
- the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

(iv) MFRS 116: Property, Plant and Equipment and MFRS 138 Intangible Assets

The amendments remove inconsistencies in the accounting for accumulated depreciation or amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amendments clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

(v) MFRS 124: Related Party Disclosures

The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services.

(iii) Annual Improvements to MFRSs 2011-2013 Cycle

The Annual Improvements to MFRSs 2011-2013 Cycle include a number of amendments to various MFRSs, which are summarised below.

(i) MFRS 3: Business Combinations

The amendments to MFRS 3 clarify that the standard does not apply to the accounting for formation of all types of joint arrangement in the financial statements of the joint arrangement itself. This amendment is to be applied prospectively.

(ii) MFRS 13: Fair Value Measurement

The amendments to MFRS 13 clarify that the portfolio exception in MFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of MFRS 9 (or MFRS 139 as applicable).

3. CHANGES IN ACCOUNTING POLICIES (CONT'D.)

3.3 Standards issued but not yet effective (Cont'd.)

(a) Standards effective for financial year ending 31 March 2016 (Cont'd.)

(iii) Annual Improvements to MFRSs 2011-2013 Cycle (Cont'd.)

(iii) MFRS 140: Investment Property

The amendments to MFRS 140 clarify that an entity acquiring investment property must determine whether:

- the property meets the definition of investment property in terms of MFRS 140; and
- the transaction meets the definition of a business combination under MFRS 3,
to determine if the transaction is a purchase of an asset or is a business combination.

(b) Standards effective for financial year ending 31 March 2017

(i) Annual Improvements to MFRSs 2012-2014 Cycle

The Annual Improvements to MFRSs 2012-2014 Cycle include a number of amendments to various MFRSs, which are summarised below.

(i) MFRS 5 Non-current Assets Held for Sale and Discontinued Operations

The amendment to MFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in MFRS 5.

The amendment also clarifies that changing the disposal method does not change the date of classification. This amendment is to be applied prospectively to changes in methods of disposal that occur in annual periods beginning on or after 1 January 2016, with earlier application permitted.

(ii) MFRS 7 Financial Instruments: Disclosures

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in MFRS 7 in order to assess whether the disclosures are required.

In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

(iii) MFRS 119 Employee Benefits

The amendment to MFRS 119 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

(iv) MFRS 134 Interim Financial Reporting

MFRS 134 requires entities to disclose information in the notes to the interim financial statements "if not disclosed elsewhere in the interim financial report".

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

3. CHANGES IN ACCOUNTING POLICIES (CONT'D.)

3.3 Standards issued but not yet effective (Cont'd.)

(b) Standards effective for financial year ending 31 March 2017 (Cont'd.)

(ii) Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted.

(iii) Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of MFRS 141. Instead, MFRS 116 will apply. After initial recognition, bearer plants will be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of MFRS 141 and are measured at fair value less costs to sell. The amendments are effective for annual periods beginning on or after 1 January 2016 and are to be applied retrospectively, with early adoption permitted.

(iv) Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

(v) Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

3. CHANGES IN ACCOUNTING POLICIES (CONT'D.)

3.3 Standards issued but not yet effective (Cont'd.)

(b) Standards effective for financial year ending 31 March 2017 (Cont'd.)

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

The amendments to MFRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant MFRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to MFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted.

(vii) Amendments to MFRS 127 Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

(viii) Amendments to MFRS 101 Disclosure Initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

(ix) MFRS 14 Regulatory Deferral Accounts

MFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulations, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of MFRS. Entities that adopt MFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in the account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group and the Company are existing MFRS preparers, this standard would not apply.

(c) Standards effective for financial year ending 31 March 2018

(i) MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

3. CHANGES IN ACCOUNTING POLICIES (CONT'D.)

3.3 Standards issued but not yet effective (Cont'd.)

(c) Standards effective for financial year ending 31 March 2018 (Cont'd.)

(i) MFRS 15 Revenue from Contracts with Customers (Cont'd.)

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted.

(d) Standards effective for financial year ending 31 March 2019

(i) MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's and the Company's financial assets, but no impact on the classification and measurement of the Group's and the Company's financial liabilities.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in accordance with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Judgements, estimates and assumptions are continually evaluated and are based on past experience, reasonable expectations of future events and other factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements.

4.1 Allowance for impairment on loans, advances and financing (Note 12 and Note 38)

The Group reviews its individually significant loans, advances and financing at each reporting date to assess whether an impairment loss should be recorded in the income statement. In particular, management's judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Loans, advances and financing that have been assessed individually and found not to be impaired and all individually insignificant loans, advances and financing are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether allowance should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident. The collective assessment takes account of data from the loan portfolio (such as levels of arrears, credit utilisation, loan to collateral ratios, etc.), and judgements on cover model risks (e.g. errors for design/development process, data quality, data extraction and transformation) and macro risks (e.g. covering economic, portfolio and procedural issues).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D.)

4.2 Impairment losses on financial investments AFS (Note 39)

The Group reviews its debt securities classified as financial investments AFS at each reporting date to assess whether they are impaired. This requires similar judgement as applied to the individual assessment of loans, advances and financing.

The Group also records impairment loss on AFS equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and duration and extent to which the fair value of an investment is less than its cost.

4.3 Deferred tax assets (Note 15) and income taxes (Note 40)

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilised. Management judgement is required to determine the amount of the deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group is subjected to income taxes in several jurisdictions and significant judgement is required in estimating the provision for income taxes. There are many transactions and interpretations of tax law for which the final outcome will not be established until some time later. Liabilities for taxation are recognised based on estimates of whether additional taxes will be payable. The estimation process may involve seeking advice of experts, where appropriate. Where the final liability for taxation assessed by the Inland Revenue Board is different from the amounts that were initially recorded, these differences will affect the income tax expense and deferred tax provisions in the period in which the estimate is revised or when the final tax liability is established.

4.4 Fair value measurement of financial instruments (Note 53)

When the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of financial models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, judgement is required to establish fair values. Judgements include considerations of liquidity and model inputs such as volatility for longer-dated derivatives and discount rates, prepayment rates and default rate assumptions for asset-backed securities.

4.5 Development costs

Development costs are capitalised in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future economic benefits. The capitalised development costs relates to the development and implementation of new Information Technology systems for the Group.

4.6 General insurance business – valuation of general insurance contract liabilities (Note 56(IV))

For general insurance contracts, estimates have to be made for both the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of IBNR.

It can take a significant period of time before the ultimate claims costs can be established with certainty and for some type of policies, IBNR claims form the majority of the liability at the reporting date. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as the Link Ratios, Chain Ladder and Bornhuetter-Ferguson methods.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D.)

4.6 General insurance business – valuation of general insurance contract liabilities (Note 56(IV)) (Cont'd.)

The main assumption underlying these techniques is that the insurer's past claims development experience can be used to project future claims development and hence, ultimate claims costs. As such, these methods extrapolate the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical areas, as well as by significant business lines and claims type. Large claims are usually separately addressed, either by being reserved at the face value of loss adjustor estimates or separately projected in order to reflect their future development. We use discounting and in most cases, explicit assumptions are made regarding future rates of claims inflation or loss ratios. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (for example, to reflect once-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, level of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

4.7 Uncertainty in accounting estimates for general insurance business (Note 56(IV))

The principal uncertainty in the insurer's general insurance business arises from the technical provisions which include the premium liabilities and claims liabilities. The premium liabilities comprise UPR, URR and PRAD while claims liabilities comprise provision for outstanding claims.

Generally, premium and claims liabilities are determined based upon previous claims experience, existing knowledge of events, the terms and conditions of the relevant policies and interpretation of circumstances. Particularly relevant is past experience with similar cases, historical claims development trends, legislative changes, judicial decisions and economic conditions. It is certain that actual future premiums and claims liabilities will not exactly develop as projected and may vary from the insurer's projections.

The estimates of premium and claims liabilities are therefore sensitive to various factors and uncertainties. The establishment of technical provisions is an inherently uncertain process and, as a consequence of this uncertainty, the eventual settlement of premium and claim liabilities may vary from the initial estimates.

There may be significant reporting lags between the occurrence of an insured event and the time it is actually reported to the insurer. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude of the claim.

There are many factors that will determine the level of uncertainty such as inflation, inconsistent judicial interpretations, legislative changes and claims handling procedures.

At each reporting date, these estimates are reassessed for adequacy and changes will be reflected as adjustments to the liability.

4.8 Life insurance contract classifications (Note 56)

A contract is classified as insurance if at any point over the life of the contract the payout on the policy is likely to be more than 105% of the surrender benefit. A rate of 105% is used as many policies have a 101% life cover even though there is no significant insurance risk. Generally most insurance products have payouts of more than 105% on occurrence of an insured event (e.g. death payment).

4.9 Valuation of life insurance contract liabilities (Note 56(V))

The liability for life insurance contracts is based on current assumptions, reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to LAT, which reflect management's best current estimate of future cash flows.

The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The insurer bases mortality and morbidity on established industry and Malaysian tables which reflect historical experiences, adjusted when appropriate to reflect the insurer's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risk to longevity, prudent allowance is made for expected future mortality improvements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D.)

4.9 Valuation of life insurance contract liabilities (Note 56(V)) (Cont'd.)

The valuation of insurance contract liabilities is determined according to BNM's RBC Framework for Insurers and MFRS 4. BNM's RBC Framework for Insurers meets the requirement of LAT under MFRS 4.

According to this framework, valuation of non-participating life insurance liabilities, participating life insurance liabilities on guaranteed benefits only and the non-unit investment-linked liabilities with the prescribed valuation bases aim to secure an overall level of sufficiency of policy reserves at the 75% confidence level. To secure this level of adequacy, the insurer is required to calculate the best estimate value of its insurance liabilities and apply a PRAD.

Estimates are also made for future investment income arising from the assets backing life insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

Assumptions on future expenses are based on current expense levels, adjusted for expected expense inflation adjustments, if appropriate. Lapse and surrender rates are based on the insurer's historical experience of lapses and surrenders.

The discount rate for non-participating policies, guaranteed benefits of participating policies and the non-unit liabilities of investment-linked policies accord a level of guarantee which is no less certain than that accorded by Malaysian Government Securities ("MGS"). In the case of the total benefit liabilities of participating policies, the discount rate is based on the historical yield and future investment outlook of the participating fund, net of tax on investment income of the Life Fund.

Life insurance liabilities are recognised when contracts are entered into and premiums are charged.

These liabilities are measured using a prospective actuarial valuation method.

The liability is determined as the sum of the present value of future guarantees and in the case of a participating life policy, appropriate level of non-guaranteed benefits and the expected future management and distribution expenses, less the present value of future gross considerations arising from the policy discounted at the appropriate risk discount rates. The liability is based on the best estimate assumptions and with due regard to significant recent experiences. An appropriate allowance for PRAD from expected experience is made in the valuation of non-participating life policies, the guaranteed benefits liabilities of participating life policies and the non-unit liabilities of investment-linked policies.

The liability in respect of policies of a participating insurance contract is taken as the higher of the guaranteed benefits liabilities or the total benefit liabilities at the contract level derived as stated above.

In the case of a life policy where a part of, or the whole of the premiums are accumulated in a fund, the accumulated amount, as declared to the policy owners are set as the liabilities if the accumulated amount is higher than the figure as calculated using the prospective actuarial valuation method.

Where policies or extensions of a policy are collectively treated as an asset at the fund level under the valuation method adopted, the value of such asset is eliminated through zerorisation.

In the case of a 1-year life policy or a 1-year extension to a life policy covering contingencies other than death or survival, the liability for such life insurance contracts comprises the provision for unearned premiums and unexpired risks as well as for claims outstanding, which includes an estimate of the incurred claims that have not yet been reported to the insurer.

4.10 Provision for life policy cancellation (Note 17 and 56(V))

The provision is based on a projection of future premium cancellation using recent premium data and allowing for best estimate actuarial assumptions on mortality and lapsation experience. The projected premium cancellation are discounted at MGS spot rates and fund based yield for non-participating and participating products respectively, in line with the rates used for discounting actuarial liabilities. Estimates are made for future premium cancellation, where the main assumptions used relate to the decreasing rate used for premium projections, which is assumed to follow current trends.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D.)

4.11 Uncertainty in accounting estimates for family takaful certificate liabilities (Note 17 and 56(V))

The estimation of the ultimate liability arising from claims made under family takaful certificates is a critical accounting estimate. There are several sources of uncertainty that need to be considered in estimation of the liabilities that the family takaful fund will ultimately be required to pay as claims.

For family takaful certificates, estimates are made for future deaths, disabilities, maturities, investment returns, voluntary terminations and expenses in accordance with contractual and regulatory requirements. The family takaful fund bases the estimate of expected number of deaths on statutory mortality tables, adjusted where appropriate to reflect the fund's unique risk exposures. The estimated number of death determines the value of possible future benefits paid out, which will be factored into ensuring sufficient cover by reserves, which in return is monitored against current and future contributions.

For those certificates that cover risks related to disability, estimates are made based on recent past experience and emerging trends. However, epidemics, as well as wide ranging changes to lifestyle, could result in significant changes to the expected future exposures.

All of these will give rise to estimation uncertainties of projected ultimate liability of the family takaful fund. At each financial year end, these estimates are reassessed for adequacy and changes will be reflected as adjustments to the liability.

The principal uncertainty in the takaful operator fund takaful certificate liabilities arises from the technical provisions, which comprise the expense liabilities of the family takaful fund.

The URR for family business is estimated assuming that the block of in-force contracts are to be maintained on a "going concern" basis. Under a "going concern" scenario, the contracts so valued are taken as a particular sub-block of contracts and the maintenance expenses for which are valued to the point the last certificate goes off the books.

The maintenance expenses related to such contracts include the cost of functions that are normally associated with the operations of a business on a "going concern" basis.

The URR is calculated using adjusted parameters to provide sufficient reserves at the appropriate percentile of statistical variation that is higher than the best estimate values. It is the present value of future maintenance expenses on the current in-force family takaful contracts and is further reduced by the present value of future shareholders' income that can be realised with reasonable certainty relating to those in-force family takaful contracts.

All of these will give rise to estimation uncertainties of projected expense liability of the takaful operator fund. At each financial year end, these estimates are reassessed for adequacy and changes will be reflected as adjustments to the liability.

5. CASH AND SHORT-TERM FUNDS

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Cash and balances with banks and other financial institutions	1,568,263	1,052,956	12,464	53,189
Deposits and placements maturing within one month:				
Licensed banks	2,718,116	2,915,281	–	–
Bank Negara Malaysia	6,420,060	6,317,000	–	–
Other financial institutions	52,161	2,109	–	–
	10,758,600	**10,287,346**	**12,464**	**53,189**

6. SECURITIES PURCHASED UNDER RESALE AGREEMENTS

As part of the securities purchased under resale agreements, the Group received securities that it was allowed to sell or repledge in the absence of default by their owner. The Group had an obligation to return the securities to its counterparties. There were no such agreements entered into by the Group and the Company as at 31 March 2015 and 31 March 2014.

7. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Licensed banks:				
Subsidiaries	–	–	25,131	212,103
Others	3,918,719	644,639	–	–
Licensed investment banks	150,000	–	–	–
Bank Negara Malaysia	100	300,100	–	–
Other financial institutions	–	118,383	–	–
	4,068,819	**1,063,122**	**25,131**	**212,103**

Included in the Group is an amount of RM200,000 (2014: RM200,000) made in favour of the Accountant General pursuant to Section 3(f) of the Trust Companies Act, 1949.

8. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

Group	31 March 2015 Contract/ Notional Amount RM'000	31 March 2015 Fair Value Assets RM'000	31 March 2015 Fair Value Liabilities RM'000	31 March 2014 Contract/ Notional Amount RM'000	31 March 2014 Fair Value Assets RM'000	31 March 2014 Fair Value Liabilities RM'000
Trading derivatives						
Interest rate related contracts:	38,722,385	164,303	179,699	35,842,179	195,580	199,530
- One year or less	4,102,517	1,889	6,836	3,472,039	3,947	3,863
- Over one year to three years	16,054,025	45,803	37,764	10,306,519	25,961	32,412
- Over three years	18,565,843	116,611	135,099	22,063,621	165,672	163,255
Foreign exchange related contracts:	38,377,491	1,216,197	1,172,071	26,715,670	295,496	287,103
- One year or less	33,926,800	784,662	761,802	22,768,828	85,928	88,007
- Over one year to three years	2,356,883	202,122	217,705	3,046,876	119,716	121,018
- Over three years	2,093,808	229,413	192,564	899,966	89,852	78,078
Credit related derivative contracts:	654,404	40,705	8,931	612,486	23,804	4,322
- One year or less	–	–	–	–	–	–
- Over one year to three years	327,515	7,572	–	306,519	4,651	–
- Over three years	326,889	33,133	8,931	305,967	19,153	4,322
Equity and commodity related contracts:	676,506	3,262	3,835	751,538	5,408	45,129
- One year or less	606,676	1,506	2,079	420,433	4,927	44,649
- Over one year to three years	–	–	–	–	–	–
- Over three years	69,830	1,756	1,756	331,105	481	480
	78,430,786	**1,424,467**	**1,364,536**	**63,921,873**	**520,288**	**536,084**
Hedging derivatives						
Interest rate related contracts - interest rate swaps:						
Cash flow hedge	4,790,000	13,070	13,842	3,300,000	8,522	5,140
- One year or less	820,000	100	39	860,000	–	2,785
- Over one year to three years	1,380,000	1,165	2,642	720,000	1,167	1,742
- Over three years	2,590,000	11,805	11,161	1,720,000	7,355	613
Fair value hedge	350,000	–	7,100	–	–	–
- One year or less	–	–	–	–	–	–
- Over one year to three years	–	–	–	–	–	–
- Over three years	350,000	–	7,100	–	–	–
Total	**83,570,786**	**1,437,537**	**1,385,478**	**67,221,873**	**528,810**	**541,224**

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

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.

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, for example 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 swap. 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 pre-determined index or equity price, and the other based on a reference interest rate (that is 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.

The risks associated with the use of derivative financial instruments, as well as management's policy for controlling these risks are set out in Note 52.

8. 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

The Group's fair value hedges principally consist of interest/profit rate swaps that are used to protect against changes in the fair value of fixed-rate long-term financial instruments due to movements in market interest rates. The financial instruments previously hedged for interest rate risk by its wholly-owned subsidiary, AmBank (M) Berhad consist of the Hybrid Securities and loans sold to Cagamas Berhad ("hedged instruments"). With the termination of the fair value hedges on these hedged instruments, the unamortised fair values amounting to RM28,357,000 (2014: RM51,565,000) are amortised to the income statement on the remainng term to maturity of the hedged instruments using effective interest rate method.

During the current financial year, another wholly-owned subsidiary, AmBank Islamic Berhad has undertaken a fair value hedge to hedge the profit rate risk of its unquoted securities as disclosed in Note 13.

(ii) Cash flow hedge

The Group's cash flow hedges principally consist of interest rate swaps that are used to protect against exposures to variability in future interest cash flows on variable rate interest bearing assets and incurring liabilities. This hedging strategy is applied towards housing loan receivables and treasury fixed deposits and short-term treasury deposits. The amounts and timing of future cash flows, representing both principal and interest flows, are projected for each portfolio on the basis of their contractual terms and other relevant factors, including estimates of early repayment for loans and withdrawal for deposits. The aggregate principal balances and interest cash flows over time form the basis for identifying gains and losses on the effective portions of derivatives designated as cash flow hedges of forecast transactions. Gains and losses are initially recognised directly in equity in the cash flow hedge reserve and are transferred to income statement when the forecast cash flows affect the income statement.

All underlying hedged cash flows are expected to be recognised in the income statement in the period in which they occur which is anticipated to take place over the next 10 years (2014: 10 years).

All gains and losses associated with the ineffective portion of the hedging derivatives are recognised immediately in income statement. The ineffectiveness recognised in the income statement in respect of cash flow hedges amounted to a loss of RM2,397,000 (2014: gain of RM3,216,000) for the Group.

9. FINANCIAL ASSETS HELD-FOR-TRADING

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
At Fair Value				
Money Market Instruments:				
Malaysian Treasury Bills	9,830	9,980	–	–
Malaysian Government Securities	797,037	532,163	–	–
Government Investment Issues	491,950	132,086	–	–
Cagamas bonds	109,111	–	–	–
Bank Negara Monetary Notes	14,767	–	–	–
	1,422,695	674,229	–	–
Quoted Securities:				
In Malaysia:				
Shares	71,323	172,165	–	–
Unit trusts	14,519	35,874	–	–
Warrants	–	6,067	–	–
Private debt securities	39,394	23,799	–	–
Outside Malaysia:				
Shares	95,933	–	–	–
	221,169	237,905	–	–
Unquoted Securities:				
In Malaysia:				
Private debt securities	2,863,838	2,805,150	–	–
Outside Malaysia:				
Private debt securities	166,521	118,877	–	–
	3,030,359	2,924,027	–	–
	4,674,223	**3,836,161**	**–**	**–**

10. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
At Fair Value				
Money Market Instruments:				
Malaysian Treasury Bills	39,691	6,575	–	–
Malaysian Government Securities	350,238	390,806	–	–
Government Investment Issues	576,623	806,663	–	–
Bank Negara Monetary Notes	634,483	4,140,975	–	–
Negotiable instruments of deposit	600,078	519,881	–	–
Islamic negotiable instruments of deposit	3,045,886	996,914	–	–
	5,246,999	6,861,814	–	–
Quoted Securities:				
In Malaysia:				
Shares	51,271	40,893	–	–
Unit trusts	681,686	581,707	110,704	186,825
Outside Malaysia:				
Shares	41,636	29,149	–	–
	774,593	651,749	110,704	186,825
Unquoted Securities:				
In Malaysia:				
Unit trusts	33,343	454,498	–	–
Private debt securities	3,910,263	3,252,612	–	–
Outside Malaysia:				
Unit trusts	314	2,953	–	–
Private debt securities	301,957	286,946	–	–
	4,245,877	3,997,009	–	–
At Cost				
Unquoted Securities:				
In Malaysia:				
Shares	119,643	121,852	–	9
Outside Malaysia:				
Shares	163	8,422	–	–
	119,806	130,274	–	9
	10,387,275	**11,640,846**	**110,704**	**186,834**

During the previous financial year, the Group reclassified securities amounting to RM69,781,000 out of the available-for-sale category to the loans and receivables category as the Group has the intention to hold the securities until maturity.

The fair value gain that would have been recognised in other comprehensive income for the current financial year if the securities had not been reclassified amounted to RM4,334,000 (2014: RM2,395,000).

11. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group		Company	
	31 March 2015 RM'000	31 March 2014 (Restated) RM'000	31 March 2015 RM'000	31 March 2014 RM'000
At Amortised Cost				
Money Market Instruments:				
Foreign Treasury Bills	518,486	522,405	–	–
Unquoted Securities:				
In Malaysia:				
Private debt securities	3,352,220	3,279,804	–	–
	3,870,706	3,802,209	–	–
Less: Accumulated impairment losses	(6,198)	(3,644)	–	–
	3,864,508	**3,798,565**	**–**	**–**

Impairment allowance

A reconciliation of the allowance for impairment losses is as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Balance at beginning of financial year	3,644	194,009
Charge/(Writeback) for the financial year	2,554	(6,046)
Recoveries and reversal	–	(288)
Amount written off	–	(184,060)
Foreign exchange differences	–	29
Balance at end of financial year	**6,198**	**3,644**

12. LOANS, ADVANCES AND FINANCING

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
At Amortised Cost:		
Loans, advances and financing:		
Term loans	26,101,737	26,925,029
Revolving credit	10,990,796	9,491,102
Housing loans/financing	15,529,057	14,433,902
Staff loans	126,200	134,678
Hire-purchase receivables	24,096,098	27,160,304
Credit card receivables	1,712,916	2,027,373
Overdrafts	3,225,224	3,207,162
Claims on customers under acceptance credits	3,756,802	3,783,885
Trust receipts	1,330,515	1,139,161
Bills receivables	796,914	752,279
Others	156,783	233,638
Gross loans, advances and financing	87,823,042	89,288,513
Allowance for impairment on loans, advances and financing:		
Collective allowance	(1,413,424)	(1,950,384)
Individual allowance	(235,823)	(167,552)
	(1,649,247)	(2,117,936)
Net loans, advances and financing	**86,173,795**	**87,170,577**

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

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Domestic banking institutions	6,718	19,029
Domestic non-bank financial institutions	2,162,647	1,883,490
Domestic business enterprises:		
Small and medium enterprises	12,154,408	11,920,015
Others	26,389,665	26,296,055
Government and statutory bodies	458,194	472,297
Individuals	45,016,784	46,836,327
Other domestic entities	196,804	234,365
Foreign individuals and entities	1,437,822	1,626,935
	87,823,042	**89,288,513**

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

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

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
In Malaysia	86,959,227	88,131,863
Outside Malaysia	863,815	1,156,650
	87,823,042	**89,288,513**

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

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Fixed rate:		
Housing loans/financing	647,158	473,673
Hire purchase receivables	22,101,194	24,550,015
Other loans/financing	9,370,037	9,953,522
	32,118,389	34,977,210
Variable rate:		
Base rate and lending/financing rate plus	29,416,068	30,007,125
Cost plus	24,676,178	22,466,084
Other variable rates	1,612,407	1,838,094
	55,704,653	54,311,303
	87,823,042	**89,288,513**

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

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Agriculture	4,285,412	3,812,786
Mining and quarrying	3,075,692	3,459,803
Manufacturing	8,553,568	8,699,226
Electricity, gas and water	1,237,957	1,272,444
Construction	3,979,622	4,677,990
Wholesale and retail trade and hotels and restaurants	4,611,285	4,606,499
Transport, storage and communication	2,334,695	2,436,280
Finance and insurance	2,169,365	1,902,519
Real estate	8,667,880	7,388,126
Business activities	1,215,866	1,391,619
Education and health	1,707,568	1,445,747
Household of which:	45,494,173	47,315,636
Purchase of residential properties	15,389,672	14,346,180
Purchase of transport vehicles	22,713,649	25,336,610
Others	7,390,852	7,632,846
Others	489,959	879,838
	87,823,042	**89,288,513**

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

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

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Maturing within one year	20,990,183	18,920,352
Over one year to three years	10,034,651	11,150,878
Over three years to five years	12,803,857	13,953,074
Over five years	43,994,351	45,264,209
	87,823,042	**89,288,513**

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

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Gross		
Balance at beginning of financial year	1,662,141	1,680,471
Impaired during the financial year	1,989,676	1,722,721
Reclassified as non-impaired	(337,426)	(308,206)
Disposal of subsidiary	(9,905)	–
Recoveries	(666,728)	(602,212)
Amount written off	(1,065,479)	(830,633)
Exchange differences	451	–
Balance at end of financial year	**1,572,730**	**1,662,141**
Gross impaired loans, advances and financing as % of gross loans, advances and financing	1.8%	1.9%
Loan loss coverage (excluding collateral values)	104.9%	127.4%

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

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
In Malaysia	1,572,730	1,650,221
Outside Malaysia	–	11,920
	1,572,730	**1,662,141**

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

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

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Agriculture	9,142	17,877
Mining and quarrying	7,041	4,127
Manufacturing	206,878	232,786
Electricity, gas and water	21,361	24,376
Construction	21,685	35,335
Wholesale and retail trade and hotels and restaurants	43,289	33,568
Transport, storage and communication	24,277	61,298
Finance and insurance	451	1,887
Real estate	398,608	4,103
Business activities	15,921	23,858
Education and health	12,603	16,197
Household of which:	797,552	1,186,592
Purchase of residential properties	360,538	491,070
Purchase of transport vehicles	366,612	579,124
Others	70,402	116,398
Others	13,922	20,137
	1,572,730	**1,662,141**

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

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Collective allowance		
Balance at beginning of financial year	1,950,384	1,986,361
Allowances made during the financial year, net	504,597	602,488
Reclassified to held for sale	(25)	–
Amounts written off and others	(1,043,531)	(639,880)
Foreign exchange differences	1,999	1,415
Balance at end of financial year	**1,413,424**	**1,950,384**
Collective allowance and Regulatory reserve as % of gross loans, advances and financing less individual allowance	1.6%	2.2%
Individual allowance		
Balance at beginning of financial year	167,552	186,556
Allowance made during the financial year, net	91,026	216,720
Disposal of subsidiary	(9,905)	–
Amount written off and others	(12,850)	(235,724)
Balance at end of financial year	**235,823**	**167,552**

13. RECEIVABLES: INVESTMENTS NOT QUOTED IN ACTIVE MARKETS

	Group	
	31 March 2015 RM'000	31 March 2014 (Restated) RM'000
Unquoted private debt securities, at amortised cost	543,830	168,830
Fair value changes arising from fair value hedge	7,333	–
	551,163	**168,830**

During the current financial year, the Group has undertaken a fair value hedge on the profit rate risk of unquoted securities of RM350.0 million using profit rate swaps. The gain/(loss) arising from the fair value hedge is as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Relating to hedge item	7,333	–
Relating to hedge instrument	(7,100)	–
	233	**–**

14. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act 2009, the amounts of which are determined as set percentages of total eligible liabilities.

15. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts are shown in the statements of financial position, after offsetting:

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Deferred tax assets	83,434	127,121	–	–
Deferred tax liabilities	(116,557)	(116,870)	–	–
	(33,123)	**10,251**	**–**	**–**

15. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

The movements on the deferred tax account are as follows:

Deferred tax assets

Group 31 March 2015	Balance at beginning of the financial year RM'000	Recognised in income statement RM'000	Recognised in other comprehensive income RM'000	Exchange differences RM'000	Assets held for sale RM'000	Balance at end of the financial year RM'000
Unabsorbed capital allowances	–	102	–	–	–	102
Unutilised tax losses	39,045	(36,547)	–	–	–	2,498
Allowance for impairment of foreclosed properties	1,687	1,317	–	–	–	3,004
Provision for expenses	84,896	(7,308)	–	–	–	77,588
Profit equalisation reserve	393	10	–	–	–	403
Other temporary differences	45,771	(1,323)	(17,773)	(4)	(476)	26,195
	171,792	**(43,749)**	**(17,773)**	**(4)**	**(476)**	**109,790**

Group 31 March 2014	Balance at beginning of the financial year RM'000	Recognised in income statement RM'000	Recognised in other comprehensive income RM'000	Exchange differences RM'000	Assets held for sale RM'000	Balance at end of the financial year RM'000
Unabsorbed capital allowances	1,596	(1,596)	–	–	–	–
Unutilised tax losses	1,938	37,107	–	–	–	39,045
Collective allowance for impaired loans, advances and financing	2,198	(2,198)	–	–	–	–
Allowance for impairment of foreclosed properties	43,220	(41,533)	–	–	–	1,687
Provision for expenses	89,093	(4,197)	–	–	–	84,896
Profit equalisation reserve	415	(22)	–	–	–	393
Other temporary differences	91,021	(53,927)	20,366	1,738	(13,427)	45,771
	229,481	**(66,366)**	**20,366**	**1,738**	**(13,427)**	**171,792**

15. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

Deferred tax liabilities

Group 31 March 2015	Balance at beginning of the financial year RM'000	Recognised in income statement RM'000	Recognised in other comprehensive income RM'000	Exchange differences RM'000	Assets held for sale RM'000	Balance at end of the financial year RM'000
Excess of capital allowance over depreciation	42,710	(18,163)	–	–	–	24,547
Deferred charges	18,704	(2,143)	–	–	–	16,561
Previously consolidated subsidiaries	–	5,005	–	–	(5,005)	–
Other temporary differences	100,127	5,266	(4,411)	1,656	(833)	101,805
	161,541	**(10,035)**	**(4,411)**	**1,656**	**(5,838)**	**142,913**

Group 31 March 2014	Balance at beginning of the financial year RM'000	Recognised in income statement RM'000	Recognised in other comprehensive income RM'000	Exchange differences RM'000	Assets held for sale RM'000	Balance at end of the financial year RM'000
Excess of capital allowance over depreciation	45,968	(3,258)	–	–	–	42,710
Deferred charges	50,439	(31,735)	–	–	–	18,704
Other temporary differences	105,874	205	342	(1,656)	(4,638)	100,127
	202,281	**(34,788)**	**342**	**(1,656)**	**(4,638)**	**161,541**

The effects of temporary differences and unutilised tax losses which would give rise to deferred tax assets are recognised only when it is probable that the respective subsidiaries will generate sufficient future taxable profit available against which the deductible temporary differences and unutilised tax losses can be utilised. As at 31 March 2015, the amount of estimated deferred tax assets of the Group, pertaining to unabsorbed capital allowances and unutilised tax losses which are not recognised in the financial statements are as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Unabsorbed capital allowances	464,919	465,825
Unutilised tax losses	–	21,978

16. INVESTMENT IN SUBSIDIARIES AND OTHER INVESTMENTS

	Company	
	31 March 2015 RM'000	31 March 2014 RM'000
(a) Investment in subsidiaries		
At cost		
In Malaysia		
Unquoted shares	9,507,225	9,507,225

Details of the subsidiaries are as follows:

Subsidiaries	Principal activities	Effective equity interest 31 March 2015 %	31 March 2014 %
AmInvestment Group Berhad ("AIGB")	Investment holding	100.00	100.00
AMFB Holdings Berhad ("AMFB")	Investment holding	100.00	100.00
AMAB Holdings Sdn Bhd ("AMAB Holdings")	Investment holding	100.00	100.00
AmBank (M) Berhad ("AmBank")	Commercial banking	100.00	100.00
AmInvestment Bank Berhad ("AmInvestment Bank")	Investment banking	100.00	100.00
AmBank Islamic Berhad ("AmBank Islamic") (formerly known as AmIslamic Bank Berhad)	Islamic banking	100.00	100.00
MBF Cards (M'sia) Sdn Bhd	Collection of credit card receivables	100.00	100.00
AmSecurities Holding Sdn Bhd ("AMSH")	Investment holding	100.00	100.00
AmCard Services Berhad	Credit card-related services and asset financing agency	100.00	100.00
AmGeneral Holdings Berhad	Investment holding	51.00	51.00
AmGeneral Insurance Berhad	General assurance	51.00	51.00
AMSEC Holdings Sdn Bhd###	Dormant	100.00	100.00
AmInvestment Services Berhad ("AIS")	Managing unit trust funds, asset management services and distribution of wholesale funds	100.00	100.00
AmInvestment Management Sdn Bhd ("AIM")	Ceased operation	100.00	100.00
AmIslamic Funds Management Sdn Bhd ("AIFM")	Islamic fund management services and distribution of wholesale funds	100.00	100.00
AMMB Nominees (Tempatan) Sdn Bhd	Nominee services	100.00	100.00
AMMB Nominees (Asing) Sdn Bhd	Nominee services	100.00	100.00
AmProperty Trust Management Berhad ("AmPTMB")##	Dormant	100.00	100.00
AmPrivate Equity Sdn Bhd ("AmPrivate Equity")	Investment holding	80.00	80.00
AMMB Factors Sdn Bhd@	Dormant	–	100.00
AmTrustee Berhad ("AmTrustee")^	Trustee services	80.00	80.00
AmEquities Sdn Bhd##	Dormant	100.00	100.00
AMSEC Nominees (Tempatan) Sdn Bhd	Nominee services	100.00	100.00
AMSEC Nominees (Asing) Sdn Bhd	Nominee services	100.00	100.00
AmFutures Sdn Bhd ("AmFutures")	Futures broking	100.00	100.00
AmResearch Sdn Bhd ("AmResearch")	Investment research	100.00	100.00

16. INVESTMENT IN SUBSIDIARIES AND OTHER INVESTMENTS (CONT'D.)

(a) Investment in subsidiaries (Cont'd.)

Subsidiaries	Principal activities	Effective equity interest 31 March 2015 %	31 March 2014 %
AM Nominees (Tempatan) Sdn Bhd[^]	Nominee services	100.00	100.00
AM Nominees (Asing) Sdn Bhd	Nominee services	100.00	100.00
Malaysian Ventures Management Incorporated Sdn Bhd ("MVMI")	Fund management and consultancy services	100.00	100.00
Am ARA REIT Holdings Sdn Bhd ("Am ARA Holdings")	Investment holding	70.00	70.00
Am ARA REIT Managers Sdn Bhd ("Am ARA REIT Managers")	Management of real estate investment trusts and properties	70.00	70.00
Everflow Credit & Leasing Corporation Sdn Bhd[##]	Dormant	100.00	100.00
MBf Information Services Sdn Bhd	Property investment	100.00	100.00
MBf Nominees (Tempatan) Sdn Bhd	Nominee services	100.00	100.00
MBf Trustees Berhad	Trustee services	60.00	60.00
AmProperty Holdings Sdn Bhd	Property investment	100.00	100.00
Teras Oak Pembangunan Sendirian Berhad	Dormant	100.00	100.00
AmCredit & Leasing Sdn Bhd[@]	Dormant	–	100.00
Bougainvillaea Development Sdn Bhd	Property investment	100.00	100.00
Malco Properties Sdn Bhd	Dormant	81.51	81.51
Komuda Credit & Leasing Sdn Bhd[##]	Dormant	100.00	100.00
AmPremier Capital Berhad ("AmPremier")	Issue of subordinated securities	100.00	100.00
Economical Enterprises Sendirian Berhad[####]	Dormant	100.00	100.00
AmMortgage One Berhad ("AmMortgage")	Securitisation of mortgage loans	100.00	100.00
AmCapital (B) Sdn Bhd[^^ ***]	Asset management and investment advisory services	100.00	100.00
AMMB Labuan (L) Ltd[@]	Dormant	–	100.00
AmLabuan Holdings (L) Ltd (formerly known as AmInternational (L) Ltd) ("AMIL")**	Investment holding	100.00	100.00
AmCapital (L) Inc[@]	Dormant	–	100.00
AMBB Capital (L) Ltd	Issue of hybrid capital securities	100.00	100.00
AmAsia Water Management (GP) Limited[^]	Fund management	100.00	100.00
PT. AmCapital Indonesia ("AMCI")[^]	Stock-broking and underwriting	99.00	99.00
PT. AMCI Manajemen Investasi Indonesia[^]	Investment management	99.00	99.00
AmSecurities (HK) Limited[^^]	Dormant	100.00	100.00
AmTrade Services Limited[^^]	Trade finance services	100.00	100.00
AmFraser International Pte. Ltd.[^^]	Investment holding	100.00	100.00
AmFraser Securities Pte. Ltd.[^^&]	Stock, share broking and investment banking	–	100.00
AmGlobal Investments Pte. Ltd.[^^]	Investment and advisory services	100.00	100.00
AmFraser Nominees Pte. Ltd.[#*]	Dormant	–	100.00
AmWater Investments Management Pte Ltd[^####]	Dormant	100.00	100.00
AmMetLife Insurance Berhad (refer to Note 17)	Life assurance	–	100.00
AmMetLife Takaful Berhad (refer to Note 17)	Takaful operator	–	100.00

16. INVESTMENT IN SUBSIDIARIES AND OTHER INVESTMENTS (CONT'D.)

(a) Investment in subsidiaries (Cont'd.)

The above subsidiaries are incorporated in Malaysia, except for the following:

Subsidiaries	Incorporated in
(i) PT. AmCapital Indonesia and its subsidiary	Indonesia
(ii) AmSecurities (HK) Limited	Hong Kong
(iii) AmTrade Services Limited	Hong Kong
(iv) AmCapital (B) Sdn Bhd	Brunei
(v) AmWater Investments Management Pte. Ltd.	Singapore
(vi) AmFraser International Pte. Ltd. and its subsidiaries	Singapore
(vii) AmAsia Water Management (GP) Limited	Cayman Islands

^ Subsidiaries not audited by Ernst & Young, Malaysia.
^^ Subsidiaries audited by a firm affiliated with Ernst & Young, Malaysia.
# Subsidiary commenced Members' Voluntary Liquidation on 30 April 2012.
Subsidiary commenced Members' Voluntary Liquidation on 31 July 2013.
Subsidiary commenced Members' Voluntary Liquidation on 6 August 2013.
Subsidiary commenced Members' Voluntary Liquidation on 25 September 2014.
@ Subsidiary wound up on 27 September 2014.
& Subsidiary disposed of on 30 January 2015 (See Note 58(2)).
* Subsidiary liquidated on 23 February 2015.
** This subsidiary surrendered its Labuan banking licence on 31 December 2014 and consequently changed its principal activity to investment holding.
*** This subsidiary ceased its operation on 1 May 2015.

<u>**Transactions during the current year**</u>

Disposal of AmMetLife and AmMetLife Takaful

During the financial year, the Company's wholly-owned subsidiary, AMAB Holdings, partially disposed of its equity interests in AmMetLife and AmMetLife Takaful. The details of the disposal is disclosed in Note 58(1).

Disposal of AmFraser Securities Pte. Ltd. ("AmFraser Securities")

During the financial year, the Company's wholly-owned subsidiary, AmFraser International Pte. Ltd. disposed 100% of its equity interests in AmFraser Securities. The details of the disposal is disclosed in Note 58(2).

Liquidation of other subsidiaries

During the current financial year, certain subsidiaries were liquidated. As these subsidiaries were dormant, there is no significant impact on the Group's income statement or statement of financial position arising from the liquidations.

<u>**Transactions during the prior financial year**</u>

Acquisition of AmGeneral Insurance Berhad

In the previous financial year ended 31 March 2013, the Company's 51% owned general insurance subsidiary, AmGeneral Holdings Berhad ("AMGH") completed the acquisition of AmGeneral Insurance Berhad ("AMGI"). As allowed by MFRS 3, Business Combinations ("MFRS 3"), the Group had previously accounted for the acquisition of the assets and liabilities of AMGI using a provisional fair value.

In the previous financial year ended 31 March 2014, the Group had completed its allocation of cost of business combination to the assets acquired and liabilities and contingent liabilities assumed. The fair value adjustment and intangible assets identified on acquisition are based on the finalised purchase price allocation ("PPA") exercise.

16. INVESTMENT IN SUBSIDIARIES AND OTHER INVESTMENTS (CONT'D.)

(a) Investment in subsidiaries (Cont'd.)

Accounting for acquisition of AMGI

At the Group level, the Group's acquisition of the assets and liabilities of AMGI were accounted as follows:

	RM'000
Cash and short-term funds	229,787
Deposits and placements with banks and other financial institutions	439,163
Financial investments available-for-sale	1,218,228
Loans, advances and financing	30,752
Deferred tax assets	4,423
Other assets	59,080
Reinsurance, retakaful assets and other insurance receivables	14,261
Investment properties	7,713
Property and equipment	155,682
Intangible assets	208,468
Other liabilities	(90,357)
Deferred tax liabilities	(63,083)
Insurance, takaful contract liabilities and other insurance payables	(1,303,981)
Total identifiable net assets	910,136
Goodwill	717,070
Cash consideration	**1,627,206**
Cash outflow on acquisition	**1,397,419**

16. INVESTMENT IN SUBSIDIARIES AND OTHER INVESTMENTS (CONT'D.)

(a) Investment in subsidiaries (Cont'd.)

Summarised consolidated financial statements of AmGeneral Holdings Berhad and its subsidiary

The summarised financial information of AmGeneral Holdings Berhad, its subsidiary and other investments ("AMGH Group") which has non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination.

(i) Non-controlling interest ("NCI") in AMGH Group

The Group's subsidiary that have material NCI is as follows:

	AMGH Group	
	31 March 2015 RM'000	31 March 2014 RM'000
NCI percentage of ownership interest and voting interest	49%	49%
Carrying amount of NCI	936,312	860,897
Share of net result	125,638	85,758
Share of other comprehensive loss	(9,928)	(10,279)
Share of other reserves movement	(91)	(64)
Dividend received	(9,702)	–
	1,042,229	936,312
Assets	5,503,267	5,212,836
Liabilities	(3,376,268)	(3,301,996)
Net assets	2,126,999	1,910,840
Equity attributable to owners of the company	1,084,770	974,528
NCI	**1,042,229**	**936,312**

(ii) Summarised statements of comprehensive income

	AMGH Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Operating revenue	1,635,619	1,686,221
Profit for the financial year	256,406	175,017
Attributable to:		
Equity holders of the company	130,768	89,259
NCI	125,638	85,758
Total comprehensive income		
Attributable to:		
Equity holders of the company	120,031	77,817
NCI	115,322	74,765
Dividend paid to NCI	9,702	–

16. INVESTMENT IN SUBSIDIARIES AND OTHER INVESTMENTS (CONT'D.)

(a) Investment in subsidiaries (Cont'd.)

Summarised consolidated financial statements of AmGeneral Holdings Berhad and its subsidiary (Cont'd.)

The summarised financial information of AmGeneral Holdings Berhad, its subsidiary and other investments ("AMGH Group") which has non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination. (Cont'd)

(iii) Summarised cash flow statements

	AMGH Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Operating activities	53,708	212,927
Investing activities	(27,946)	(14,028)
Financing activities	(25,800)	(6,000)
Net increase/(decrease) in cash and cash equivalents for the financial year	(38)	192,899

(b) Investment in collective investment schemes

Collective investment schemes held indirectly

In Malaysia Unquoted unit trusts		Effective equity interest	
		31 March 2015	31 March 2014
Name of fund	Category/Type of fund	%	%
AmCash Institutional 1	Wholesale Money Market/Income	51.00	51.00
AmCash Premium	Wholesale (Fixed Income Fund)	100.00	100.00
AmIncome Institutional 1	Wholesale Fixed Income/Growth and to a lesser extent income	51.00	51.00
AmIncome Institutional 2	Wholesale Fixed Income/Growth and to a lesser extent income	–	51.00
AmIncome Institutional 3	Wholesale Fixed Income/Growth and to a lesser extent income	51.00	51.00
AmIncome Institutional 5	Wholesale Fixed Income/Growth and to a lesser extent income	50.00	100.00

These collective investment schemes have been consolidated in accordance with MFRS 10 Consolidated Financial Statements.

17. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Unquoted shares, at cost	644,669	228,070
Share of post acquisition reserve	17,604	24,405
	662,273	**252,475**

(a) The carrying amount of interest in joint ventures of the Group amounting to approximately RM408,548,000 (2014: Nil) are included in the total carrying amount of investment in associates and joint ventures. As at 31 March 2015, the carrying amount of the Group's material joint venture, AmMetLife Insurance Berhad, amounted to approximately RM368,466,000.

(b) Information about associates and joint ventures which are all incorporated in Malaysia are as follows:

		Effective equity interest	
Name of associate/joint venture	Principal activities	31 March 2015 %	31 March 2014 %
Associates:			
AmFirst Real Estate Investment Trust ("AmFirst")	Investment in real estate	26.73	26.73
Bonuskad Loyalty Sdn Bhd ("Bonuskad")^	Managing customer loyalty schemes	33.33	33.33
Joint ventures:			
AmMetLife Takaful Berhad (formerly known as AmFamily Takaful Berhad) ("AmMetLife Takaful")	Takaful operator	50.00	100.00 #
AmMetLife Insurance Berhad (formerly known as AmLife Insurance Berhad) ("AmMetLife")	Life assurance	50.00	100.00 ##

^ The financial year end of Bonuskad is on 31 December 2014 and for the purpose of applying the equity method of accounting, appropriate adjustments have been made for the effects of significant transactions up to the Company's financial year ended 31 March 2015.

Previously an indirect wholly-owned subsidiary; partial disposal of equity interest in current financial year resulted in closing equity interest of 50% plus one share.

Previously an indirect wholly-owned subsidiary; partial disposal of equity interest in current financial year resulted in closing equity interest of 50% less one share.

17. INVESTMENT IN ASSOCIATES AND JOINT VENTURES (CONT'D.)

(c) The following table summarises the information of the Group's material associate and joint venture and other individually immaterial associate and joint venture:

	AmMetLife RM'000	AmFirst RM'000	Other individually immaterial associate and joint venture RM'000	Total RM'000
For the year ended 31 March 2015				
Revenue	515,202	107,527	140,253	762,982
Profit/(Loss) after tax from continuing operations	(10,696)	38,340	(1,503)	26,141
Other comprehensive income	1,827	–	3,112	4,939
Total comprehensive income/(loss)	**(8,869)**	**38,340**	**1,609**	**31,080**

	AmFirst RM'000	Individually immaterial associate RM'000	Total RM'000
For the year ended 31 March 2014			
Revenue	113,087	88,353	201,440
Profit after tax from continuing operations	63,068	13,413	76,481
Total comprehensive income	**63,068**	**13,413**	**76,481**

	AmMetLife RM'000	AmFirst RM'000	Other individually immaterial associate and joint venture RM'000	Total RM'000
As at 31 March 2015				
Total assets[1]	3,371,035	1,370,000	396,019	5,137,054
Total liabilities	(2,767,472)	(528,403)	(249,032)	(3,544,907)
Net assets	**603,563**	**841,597**	**146,987**	**1,592,147**

	AmFirst RM'000	Individually immaterial associate RM'000	Total RM'000
As at 31 March 2014			
Total assets[1]	1,312,730	191,782	1,504,512
Total liabilities	(462,866)	(127,688)	(590,554)
Net assets	**849,864**	**64,094**	**913,958**

[1] Includes fair value adjustments made by the Group at the time of acquisition.

17. INVESTMENT IN ASSOCIATES AND JOINT VENTURES (CONT'D.)

(d) The above profit/(loss) after tax from continuing operations for the material joint venture and associate include the following:

	AmMetLife 31 March 2015 RM'000	AmFirst 31 March 2015 RM'000	AmFirst 31 March 2014 RM'000
Interest income	121,491	274	171
Interest expense	–	21,233	19,171
Depreciation of property and equipment	4,978	–	–
Amortisation of intangible assets	9,179	–	–
Taxation	1,693	–	–

The above amounts of assets and liabilities for the material joint venture and associate includes the following:

	AmMetLife 31 March 2015 RM'000	AmFirst 31 March 2015 RM'000	AmFirst 31 March 2014 RM'000
Cash and cash equivalents	421,848	4,703	4,296
Current financial liabilities (excluding trade, other payables and provisions)	2,426,008	143,201	20,788
Non current financial liabilities (excluding trade, other payables and provisions)	236,691	377,802	436,164

(e) Reconciliation of the summarised financial information to the carrying amount of the interest in the material joint venture and associate recognised in the consolidated financial statements:

	AmMetLife 31 March 2015 RM'000	AmFirst 31 March 2015 RM'000	AmFirst 31 March 2014 RM'000
Proportion of net assets at date of recognition	50.0%	26.7%	26.7%
Carrying amount at beginning of the financial year/initial recognition	372,901	227,186	223,722
Share of net results for the financial year	(5,348)	10,249	16,859
Share of other comprehensive income for the financial year	913	–	–
Dividend/Distribution received	–	(12,459)	(13,395)
Carrying amount of investment in joint venture and associate	**368,466**	**224,976**	**227,186**

18. OTHER ASSETS

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 (Restated) RM'000	Company 31 March 2015 RM'000	Company 31 March 2014 RM'000
Trade receivables, net of allowance for impairment	(a)	495,569	1,138,686	–	–
Other receivables, deposits and prepayments, net of allowance for impairment	(b)	1,944,792	1,454,053	15,402	19,236
Interest receivables, net of allowance for impairment	(b)	255,473	227,268	–	–
Fee receivables, net of allowance for impairment	(b)	73,532	44,444	–	–
Amount due from originators		464,711	361,635	–	–
Amount due from agents, brokers and reinsurers		15,742	8,431	–	–
Foreclosed properties, net of allowance for impairment	(c)	61,822	66,805	–	–
Tax recoverable		355,404	99,457	4,979	4,658
		3,667,045	**3,400,779**	**20,381**	**23,894**

Trade receivables mainly relate to the stock and share-broking operations of the Group and represent amount outstanding from purchase contracts net of allowances for impairment.

Included in other receivables, deposits and prepayments of the Group and the Company are amounts due from subsidiaries and other related companies. These intercompany balances are unsecured, non-interest bearing and are payable on demand.

Amount due from originators represents housing loans, hire purchase and personal financing acquired from originators for onward sale to Cagamas Berhad as mentioned in Note 22.

(a) Trade receivables

The movement in allowance for impairment is as follows:

	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Balance at beginning of the financial year	105,654	32,937
Charge for the financial year	8,915	72,845
Amount written off	(15,086)	(709)
Disposal of subsidiary	(76,892)	–
Foreign exchange differences	4,154	581
Reclassified to assets held for sale	(367)	–
Balance at end of the financial year	**26,378**	**105,654**

Trade receivables that are individually assessed to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted in payments. These receivables are not secured by any collateral or credit enhancements.

18. OTHER ASSETS (CONT'D.)

(b) Other receivables, deposits and prepayments, interest and fee receivables

(i) The movement in allowance for impairment is as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Balance at beginning of the financial year	30,634	35,821
Charge for the financial year	4,859	1,199
Amount written off	(4,018)	(6,386)
Foreign exchange differences	8	–
Balance at end of the financial year	**31,483**	**30,634**

(ii) Other receivables, deposits and prepayments of the Group and the Company are shown net of impairment of RM28,028,000 (2014: RM27,931,000) and nil (2014: Nil) respectively.

(iii) Interest receivables of the Group are shown net of impairment of RM2,776,000 (2014: RM1,744,000).

(iv) Fee receivables of the Group are shown net of impairment of RM679,000 (2014: RM959,000).

(c) Foreclosed properties

The movement in allowance for impairment is as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Balance at beginning of the financial year	6,905	173,337
Charge for the financial year	5,770	6,804
Recoveries	–	(100)
Amount written off	–	(173,136)
Balance at end of the financial year	**12,675**	**6,905**

(d) During the current financial year, the Inland Revenue Board had issued a notice of income tax assessments for the year of assessment 2008 and 2009 to one of its wholly-owned subsidiary, AmBank (M) Berhad. The said subsidiary had appealed against the said notices by filing an application to the High Court for judicial review of the notice of assessment for the year of assessment 2009. The Group had sought legal advice on the appeals and pending the resolution of the appeals, the tax paid of approximately RM203,500,700 was recognised as tax recoverable as the Group is of the opinion that it has strong grounds to succeed in its appeals.

19. PROPERTY AND EQUIPMENT

Group 31 March 2015	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Leasehold improvements RM'000	Computer hardware RM'000	Office equipment, furniture and fittings RM'000	Work-in-progress RM'000	Total RM'000
Cost										
At beginning of the financial year	13,038	7,975	534	208,783	16,597	162,838	466,288	219,851	5,298	1,101,202
Additions	–	–	–	–	33	11,464	32,863	15,658	15,858	75,876
Disposals	–	–	–	–	(2,010)	(2)	(10,099)	(1,370)	–	(13,481)
Written off	–	–	–	–	–	(3,438)	(6,791)	(8,189)	–	(18,418)
Reclassification/Transfer	–	–	–	–	(619)	147	(6,038)	(6,153)	(3,140)	(15,803)
Reclassified to assets held for sale*#	–	–	–	(94,630)	(375)	(3,243)	(964)	(2,429)	–	(101,641)
Arising from disposal of equity interest in subsidiaries	–	–	–	–	–	–	(1,608)	(2,245)	–	(3,853)
Exchange adjustments	57	–	–	–	42	10	262	361	–	732
At end of the financial year	13,095	7,975	534	114,153	13,668	167,776	473,913	215,484	18,016	1,024,614
Accumulated Depreciation										
At beginning of the financial year	324	2,325	280	32,198	10,690	128,611	389,245	184,921	–	748,594
Depreciation for the financial year	–	–	–	3,980	1,234	12,352	31,580	13,312	–	62,458
Disposals	–	–	–	–	(1,692)	(1)	(10,064)	(1,325)	–	(13,082)
Written off	–	–	–	–	–	(3,354)	(6,729)	(8,155)	–	(18,238)
Reclassification/Transfer	–	–	–	–	(620)	557	(3,886)	(5,604)	–	(9,553)
Reclassified to assets held for sale*#	–	–	–	(8,123)	(367)	(2,481)	(821)	(1,582)	–	(13,374)
Arising from disposal of equity interest in subsidiaries	–	–	–	(52)	(8)	–	(190)	(258)	–	(508)
Exchange adjustments	20	–	–	–	42	24	186	336	–	608
At end of the financial year	344	2,325	280	28,003	9,279	135,708	399,321	181,645	–	756,905
Accumulated Impairment Loss										
At beginning of the financial year	–	254	–	886	–	–	–	–	–	1,140
Impairment for the financial year	–	–	–	4,116	–	–	–	–	–	4,116
Reclassified to asset held for sale*	–	–	–	(4,109)	–	–	–	–	–	(4,109)
At end of the financial year	–	254	–	893	–	–	–	–	–	1,147
Net Book Value										
As at 31 March 2015	**12,751**	**5,396**	**254**	**85,257**	**4,389**	**32,068**	**74,592**	**33,839**	**18,016**	**266,562**

19. PROPERTY AND EQUIPMENT (CONT'D.)

Group 31 March 2014	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Leasehold improvements RM'000	Computer hardware RM'000	Office equipment, furniture and fittings RM'000	Work-in-progress RM'000	Total RM'000
Cost										
At beginning of the financial year	13,016	7,975	534	239,955	21,926	152,011	451,349	235,688	22,886	1,145,340
Additions	–	–	–	–	999	15,779	26,656	18,437	12,248	74,119
Disposals	–	–	–	–	(4,578)	(333)	(6,798)	(787)	–	(12,496)
Written off	–	–	–	–	–	(5,278)	(3,066)	(6,356)	(645)	(15,345)
Reclassification/Transfer	–	–	–	(31,172)	(1,743)	738	(2,022)	(27,312)	(29,191)	(90,702)
Exchange adjustments	22	–	–	–	(7)	(79)	169	181	–	286
At end of the financial year	13,038	7,975	534	208,783	16,597	162,838	466,288	219,851	5,298	1,101,202
Accumulated Depreciation										
At beginning of the financial year	316	2,325	280	33,563	13,976	123,362	379,588	196,885	–	750,295
Depreciation for the financial year	–	–	–	5,193	1,975	10,548	37,536	14,086	–	69,338
Disposals	–	–	–	–	(4,020)	(214)	(6,853)	(734)	–	(11,821)
Written off	–	–	–	–	–	(5,122)	(2,936)	(6,317)	–	(14,375)
Reclassification/Transfer	–	–	–	(6,558)	(1,241)	99	(18,236)	(19,167)	–	(45,103)
Exchange adjustments	8	–	–	–	–	(62)	146	168	–	260
At end of the financial year	324	2,325	280	32,198	10,690	128,611	389,245	184,921	–	748,594
Accumulated Impairment Loss										
At beginning and end of the financial year	–	254	–	886	–	–	–	–	–	1,140
Net Book value										
As at 31 March 2014	**12,714**	**5,396**	**254**	**175,699**	**5,907**	**34,227**	**77,043**	**34,930**	**5,298**	**351,468**

* As disclosed in Note 58(4), the Group entered into a conditional Sale and Purchase Agreement for disposal of certain property and equipment with carrying amount of RM83,775,000. The disposal has not been completed as at the end of the financial year as certain conditions precedent have yet to be met. Consequently, the Group has reclassified the property and equipment to assets held for sale.

\# The property and equipment of PT. AmCapital Indonesia ("AMCI") have been presented as held for sale in the financial statements following a proposed disposal of AMCI during the financial year (Note 58(3)).

19. PROPERTY AND EQUIPMENT (CONT'D.)

Company	Motor vehicles RM'000	Computer hardware RM'000	Total RM'000
31 March 2015			
Cost			
At beginning/end of the financial year	1,402	2	1,404
Accumulated Depreciation			
At beginning of the financial year	699	–	699
Depreciation for the financial year	169	–	169
Disposals	–	–	–
At end of the financial year	868	–	868
Net book value			
As at 31 March 2015	**534**	**2**	**536**
31 March 2014			
Cost			
At beginning of the financial year	1,302	–	1,302
Additions	845	2	847
Disposals	(745)	–	(745)
At end of the financial year	1,402	2	1,404
Accumulated Depreciation			
At beginning of the financial year	925	–	925
Depreciation for the financial year	316	–	316
Disposals	(542)	–	(542)
At end of the financial year	699	–	699
Net book value			
As at 31 March 2014	**703**	**2**	**705**

20. INTANGIBLE ASSETS

The net carrying amount of intangible assets are as follows:

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Goodwill	(a)	2,811,037	2,838,981
Brand	(b)	94,440	94,440
Merchants relationship	(b)	13,333	18,333
Agent relationship	(b)	50,414	54,447
Credit cards relationship	(b)	29,133	32,933
Computer software	(b)	274,779	295,069
Trading right	(b)	1,073	–
Work-in-progress ("WIP") for computer software	(b)	73,912	49,459
		3,348,121	**3,383,662**

Brand

Brand relates to Kurnia Brand ("K-Brand") that arose from the acquisition of AMGI. K-Brand is deemed to have an indefinite useful life based on management's view that K-Brand has over 20 years of recognition and there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for AMGI.

K-Brand is reviewed for impairment annually and when there are indications of impairment. The recoverable amount of K-Brand is based on its value in use by discounting the expected future cash flows. The key assumptions for the computation of value in use include the growth rates and discount rates applied. Cash flow projection is based on the actual results for 2015 with premium growth rate of 1.0% to 2.3% over the next 5 years and terminal growth rate of 3.0%. The discount rate applied is 10.1% which is the estimated cost of equity plus a risk adjustment.

Merchants relationship

Merchants relationship arose from the acquisition of MBF Cards. The merchants relationship is deemed to have a finite useful life of 5 years and is amortised based on a straight-line basis.

Agent relationship

Agent relationship arose from the acquisition of AMGI. The agent relationship is deemed to have a finite useful life of 15 years and is amortised based on a straight-line basis.

Credit cards relationship

Credit cards relationship arose from the acquisition of MBF Cards. The credit cards relationship is deemed to have a finite useful life of 10 years and is amortised based on a straight-line basis.

20. INTANGIBLE ASSETS (CONT'D.)

The movements in intangible assets are as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
(a) Goodwill		
Balance at beginning of the financial year	2,838,981	2,840,846
Arising from disposal of subsidiaries	(26,732)	–
Impairment	(1,212)	(1,865)
Balance at end of the financial year	**2,811,037**	**2,838,981**

Impairment test for goodwill

Goodwill is reviewed for impairment annually or when there are indications of impairment. At the date of acquisition, goodwill is allocated to the Group's cash generating units ("CGU") for impairment testing purposes, identified according to business segments expected to benefit from the synergies as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Investment banking	428,026	440,481
Asset and fund management	117,450	117,450
Commercial and retail: Conventional banking	1,495,009	1,495,009
Commercial and retail: Islamic banking	53,482	53,482
Insurance businesses	717,070	732,559
	2,811,037	**2,838,981**

The recoverable amount of the CGU, which are the reportable business segments, is based on their value in use, computed by discounting the expected future cash flows of the units. The key assumptions for the computation of value in use include the discount rates and growth rates applied. The discount rates applied to the cash flow projections are derived from the pre-tax weighted average cost of capital plus a reasonable risk premium at the date of assessment of the respective CGU. The discount rates applied for the financial year ranged from 7.7% to 10.3% (2014: 7.7% to 11.7%). Cash flow projection for all CGUs, other than general insurance CGU, are based on the most recent three-year financial budget approved by the Board, taking into account projected regulatory capital requirements. Cash flow projection for general insurance CGU is based on the approved one-year financial budget. Cash flows for the fourth to tenth years of the CGUs other than general insurance are extrapolated using the growth rate of 4.8% (2014: 4.8%) whereas cash flows for general insurance CGU for the second to fifth years (inclusive of terminal value) are extrapolated using a growth rate of 4.5%. The growth rate used does not exceed the long-term average growth rate for the markets in which the businesses operate. Impairment is recognised in the income statements when the carrying amount of a cash-generating unit exceeds its recoverable amount.

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of the goodwill to exceed the recoverable amount of the cash generating units.

20. INTANGIBLE ASSETS (CONT'D.)

(b) Group

31 March 2015	Brand RM'000	In-force business RM'000	Merchants relationship RM'000	Agent relationship RM'000	Credit cards relationship RM'000	Trading right RM'000	Computer software RM'000	WIP for computer software RM'000	Total RM'000
Cost									
At beginning of the financial year	94,440	53,538	25,000	60,490	38,000	–	802,786	49,459	1,123,713
Additions	–	–	–	–	–	–	25,255	60,765	86,020
Disposals	–	–	–	–	–	–	(3,788)	–	(3,788)
Written off	–	–	–	–	–	–	(1,321)	–	(1,321)
Reclassification/Transfer	–	–	–	–	–	1,197	27,905	(36,312)	(7,210)
Reclassified to assets held for sale[#]	–	–	–	–	–	–	(754)	–	(754)
Arising from disposal of equity interest in subsidiaries	–	–	–	–	–	–	(1,711)	–	(1,711)
Exchange adjustments	–	–	–	–	–	–	(5)	–	(5)
At end of the financial year	94,440	53,538	25,000	60,490	38,000	1,197	848,367	73,912	1,194,944
Accumulated Amortisation									
At beginning of the financial year	–	53,538	6,667	6,043	5,067	–	507,717	–	579,032
Amortisation	–	–	5,000	4,033	3,800	–	72,340	–	85,173
Disposals	–	–	–	–	–	–	(3,788)	–	(3,788)
Written off	–	–	–	–	–	–	(1,321)	–	(1,321)
Reclassification/Transfer	–	–	–	–	–	–	–	–	–
Reclassified to assets held for sale[#]	–	–	–	–	–	–	(662)	–	(662)
Arising from disposal of equity interest in subsidiaries	–	–	–	–	–	–	(699)	–	(699)
Exchange adjustments	–	–	–	–	–	–	1	–	1
At end of the financial year	–	53,538	11,667	10,076	8,867	–	573,588	–	657,736
Accumulated Impairment Loss									
At beginning of the financial year	–	–	–	–	–	–	–	–	–
Impairment for the financial year	–	–	–	–	–	124	–	–	124
At end of the financial year	–	–	–	–	–	124	–	–	124
Net Book Value									
As at 31 March 2015	**94,440**	**–**	**13,333**	**50,414**	**29,133**	**1,073**	**274,779**	**73,912**	**537,084**

20. INTANGIBLE ASSETS (CONT'D.)

(b) Group (Cont'd.)

31 March 2014	Brand RM'000	In–force business RM'000	Merchants relationship RM'000	Agent relationship RM'000	Credit cards relationship RM'000	Computer software RM'000	WIP for computer software RM'000	Total RM'000
Cost								
At beginning of the financial year	94,440	53,538	25,000	60,490	38,000	651,056	97,200	1,019,724
Additions	–	–	–	–	–	29,945	126,950	156,895
Written off	–	–	–	–	–	(77)	–	(77)
Reclassification/Transfer	–	–	–	–	–	121,935	(174,691)	(52,756)
Exchange adjustments	–	–	–	–	–	(73)	–	(73)
At end of the financial year	94,440	53,538	25,000	60,490	38,000	802,786	49,459	1,123,713
Accumulated Amortisation								
At beginning of the financial year	–	40,153	1,667	2,011	1,267	463,965	–	509,063
Amortisation	–	13,385	5,000	4,032	3,800	68,261	–	94,478
Written off	–	–	–	–	–	(73)	–	(73)
Reclassification/Transfer	–	–	–	–	–	(24,378)	–	(24,378)
Exchange adjustments	–	–	–	–	–	(58)	–	(58)
At end of the financial year	–	53,538	6,667	6,043	5,067	507,717	–	579,032
Net Book Value								
As at 31 March 2014	**94,440**	**–**	**18,333**	**54,447**	**32,933**	**295,069**	**49,459**	**544,681**

The intangible assets of PT. AmCapital Indonesia ("AMCI") have been presented as held for sale in the financial statements following a proposed disposal of AMCI during the financial year (Note 58(3)).

21. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Licensed banks	913,644	2,228,756
Licensed investment banks	–	5,281
Bank Negara Malaysia	59,548	98,293
Other financial institutions	1,328,472	1,788,593
	2,301,664	**4,120,923**

22. RECOURSE OBLIGATION ON LOANS AND FINANCING SOLD TO CAGAMAS BERHAD

Recourse obligation on loans and financing sold to Cagamas Berhad represents the proceeds received from loans and financing sold directly and indirectly or those acquired from the originators (as disclosed in Note 18) to Cagamas Berhad with recourse. Under this arrangement for loans sold, the Group undertakes to administer the loans and financing on behalf of Cagamas Berhad and to buy back any loans and financing, which are regarded as defective based on prudential criteria with recourse to the Group. Under the back to back arrangement with the originators, the Group acts as the intermediary financial institution and undertakes to administer the receivables on behalf of Cagamas Berhad, and to buy back any receivables which are regarded as defective based on prudential criteria with recourse against the originators.

Previously, the Group had undertaken a fair value hedge on the interest rate risk of the loans sold directly to Cagamas Berhad but the hedge was terminated during the financial year ended 31 March 2012. Consequently, the fair value adjustment recognised of RM10,420,000 will be amortised to the income statement over the remaining term of maturity of the loans using the effective interest rate method. As at 31 March 2015, the unamortised fair value adjustment includes in the carrying amount of the recourse obligation on loans sold to Cagamas Berhad, after amortisation charge during the current financial year of RM1,737,000 (2014: RM1,675,000), amounted to RM5,635,000 (2014: RM3,898,000).

23. DEPOSITS FROM CUSTOMERS

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Demand deposits	13,463,013	13,450,532
Savings deposits	5,254,753	5,290,440
Term/Investment deposits	73,401,321	70,903,023
Negotiable instruments of deposits	10,962	54,883
	92,130,049	**89,698,878**

Included in deposits from customers of the Group are deposits of RM1,516.4 million (2014: RM2,313.6 million) held as collateral for loans, advances and financing.

23. DEPOSITS FROM CUSTOMERS (CONT'D.)

The maturity structure of term/investment deposits and negotiable instruments of deposits is as follows:

	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Due within six months	56,731,205	51,697,726
Six months to one year	12,548,912	15,068,341
Over one year to three years	3,068,885	3,072,324
Over three years to five years	1,063,281	1,119,515
	73,412,283	**70,957,906**

The deposits are sourced from the following types of customers:

	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Government and statutory bodies	10,745,204	10,116,686
Business enterprises	41,988,048	42,554,162
Individuals	35,775,692	34,508,342
Others	3,621,105	2,519,688
	92,130,049	**89,698,878**

24. TERM FUNDING

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000	Company 31 March 2015 RM'000	Company 31 March 2014 RM'000
Senior notes/sukuk	(a)	6,673,040	4,716,045	1,000,000	1,700,000
Credit-linked Notes	(b)	281,823	278,182	–	–
Other borrowings (net of unamortised issuance expenses of RM6,709,000 (2014: RM8,809,000))	(c)	1,347,491	1,650,414	206,000	206,000
		8,302,354	**6,644,641**	**1,206,000**	**1,906,000**

(a) The Senior notes/sukuk outstanding were issued under the following:

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000	Company 31 March 2015 RM'000	Company 31 March 2014 RM'000
Senior notes programme	(i)	3,351,745	4,166,045	1,000,000	1,700,000
Senior sukuk programme	(ii)	1,850,000	550,000	–	–
Euro Medium Term Note programme (net of unamortised issuance expenses of RM3,940,000 (2014: Nil))	(iii)	1,471,295	–	–	–
		6,673,040	**4,716,045**	**1,000,000**	**1,700,000**

24. TERM FUNDING (CONT'D.)

(a) The Senior notes/sukuk outstanding were issued under the following: (Cont'd.)

(i) - The Senior Notes issued by the Company is under a Senior and/or Subordinated Medium Term Notes ("MTN") Programme of up to RM2.0 billion nominal value. The proceeds raised from the MTN Programme shall be utilised for capital expenditures, investment, working capital, payment of fees and expenses in relation to the MTN Programme and other general funding requirements of the Company and/or its subsidiaries.

The MTN Programme has a tenor of up to 30 years from the date of the first issuance under the MTN Programme. The MTN shall be issued for a maturity of up to 30 years as the Issuer may select at the point of issuance provided that no MTN shall mature after expiration of the MTN Programme.

The Company repaid its Senior Notes totaling RM700.0 million upon maturity.

The Senior Notes issued which remained outstanding as at reporting date of RM1,000.0 million has a fixed interest rate ranging from 4.30% to 4.50% per annum (2014: 3.80% to 4.50% per annum). No subordinated MTN had been issued from the MTN Programme to date. The Senior MTNs rank pari-passu with all other present and future unsecured and unsubordinated obligations of the Company.

- Senior notes of the Group also includes the Senior Notes Programme ("SNP") of up to RM7.0 billion nominal value by AmBank. The proceeds from the issuance of the Senior Notes is to be utilised for AmBank's general working capital requirements.

The SNP has a tenor of up to 30 years from the date of first issuance under the programme. Under the SNP, AmBank may issue Senior Notes with a tenor of more than 1 year and up to 10 years provided that the Senior Notes mature prior to the expiry of the SNP. Unless previously redeemed or purchased and cancelled, the Senior Notes shall be fully redeemed on the respective maturity date(s) at 100% of their nominal value.

The Senior Notes rank pari-passu with all other present and future unsecured and unsubordinated obligations (excluding deposits) of AmBank. RAM Ratings has assigned a long-term rating of AA2/Stable to the SNP. Upon maturity on 28 April 2014, AmBank repaid Senior Notes totalling RM775.0 million. During the year, AmBank had issued Tranche 5 and Tranche 6 of the Senior Notes amounting to RM400.0 million and RM1,400.0 million respectively. The Senior Notes issued which remains outstanding as at reporting date have a fixed interest rate ranging from 4.25% to 5.25% per annum (2014: 4.45% to 5.25% per annum) and are payable semi-annually. The Senior Notes outstanding are repayable between 1 year to 4.5 years (2014: 1 month to 3 years).

(ii) - On 20 September 2010, AmBank Islamic issued RM550 million Senior Sukuk under its programme of up to RM3 billion in nominal value. The Senior Sukuk bears profit rate at 4.30% per annum and has a tenor of 7 years.

On 5 November 2014, AmBank Islamic issued the second tranche of Senior Sukuk of RM100.0 million. This tranche bears profit rate of 4.40% per annum and has a tenor of 5 years.

On 6 March 2015, AmBank Islamic issued the third and fourth tranches of Senior Sukuk of RM300.0 million and RM900.0 million respectively. These tranches bear profit rates of 4.25% and 4.45% per annum and have a tenor of 2.5 years and 5 years respectively.

(iii) - On 3 July 2014, AmBank issued USD400 million Senior Notes under its USD 2 billion Euro Medium Term Note ("Euro MTN") programme in nominal value (or its equivalent in other currencies). The Euro MTN programme was approved by the Securities Commission on 4 July 2013.

The net proceeds from Euro MTN will be utilised by AmBank for its working capital, general funding requirements and other corporate purposes. The notes, with a tenor of 5 years and maturing on 3 July 2019, are rated Baa1 by Moody's Investors Service and BBB+ by Standard & Poor's Ratings Services. The notes bear a coupon of 3.125% per annum and are payable semi annually.

(b) The Credit-Linked Notes ("CLNs") are structured investment products issued by AmBank and subscribed at nominal value. The nominal value of CLNs issued and outstanding at reporting date amounted to RM300 million (2014: RM438.4 million). The CLNs carry a fixed interest rate ranging from 4.0% to 4.7% per annum (2014: 4.0% to 4.7% per annum) and will mature between 2 years to 7.5 years (2014: 2 years to 7.5 years).

24. TERM FUNDING (CONT'D.)

(c) Other borrowings consists of term loans, revolving credit, trade refinancing facilities and structured deposit. The salient terms of these borrowings are as follows:

(i) The Company's short term loans and revolving credit obtained from financial institutions bear interest at rates ranging from 4.61% to 6.13% per annum (2014: 4.61% to 5.56%).

(ii) AmBank's USD30 million revolving credit facility extended for another one year by the Labuan branch of Australia and New Zealand Banking Group ("ANZ") upon maturity on 16 April 2014. This loan bears interest at 0.75% per annum above LIBOR. The loan was paid in full on 18 August 2014.

(iii) AmBank's USD50 million term loan was drawn on 7 January 2013 for working capital purposes. This term loan bears interest at 1.10% per annum above LIBOR. The term loan shall be due and payable in full two years from the date of disbursement. The loan was repaid in full on 7 January 2015.

(iv) AmBank's USD35 million term loan was drawn on 13 June 2012 for working capital purposes. This term loan bears interest at 0.65% per annum above the lender's cost of funds. This term loan shall be due and payable in full one year after the drawdown date. On 13 June 2013, the term loan had been extended for another year and was repaid on 13 June 2014.

(v) AmBank's USD30 million term loan was drawn on 19 July 2013 for working capital purposes. This term loan bears interest at 1.10% per annum above LIBOR. This term loan shall be due and payable in full 2 years after the drawdown date. On 30 July 2014, AmBank repaid USD20 million.

(vi) AmBank's USD300 million term loan was drawn on 31 March 2014 from ANZ for refinancing of existing term funding and working capital. This term loan bears interest at 0.90% per annum above LIBOR. This term loan shall be due and payable in full 3 years after the drawdown date.

(vii) Structured deposit is a non-principal guaranteed deposit placed by the customer in relation to an equity-linked investment linked to performance of an underlying share. Upon maturity, the customer will receive either cash payment or pre-determined units of the share. The structured deposit will mature on 13 April 2015.

25. BILLS AND ACCEPTANCES PAYABLE

Bills and acceptances payable represented the commercial banking subsidiaries' own bills and acceptances rediscounted and outstanding in the market. There were no such balances as at 31 March 2015 and 31 March 2014.

26. DEBT CAPITAL

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Non-Cumulative Non-Voting Guaranteed Preference Shares	(a)	736,788	674,836
Medium Term Notes	(b)	1,310,000	1,557,800
Subordinated Notes and Sukuk (net of unamortised issuance expenses of RM1,215,000 (2014: RM1,437,000))	(c)	1,548,785	1,548,562
Non-Innovative Tier 1 Capital Securities	(d)	500,000	500,000
Innovative Tier 1 Capital Securities	(e)	485,000	485,000
		4,580,573	**4,766,198**

(a) Non-Cumulative Non-Voting Guaranteed Preference Shares

On 27 January 2006, AMBB Capital (L) Ltd, a wholly-owned subsidiary of AmBank issued USD200 million Hybrid Capital comprising 2,000 preference shares of USD100,000 each ("Hybrid Securities"). The Hybrid Securities are guaranteed by AmBank on a subordinated basis. The gross proceeds of USD200 million from the issue of Hybrid Securities were on-lent to AmBank in the form of a subordinated term loan on 27 January 2006 for the purpose of supplementing AmBank's working capital requirements.

The salient features of the Hybrid Securities are as follows:

(i) The Hybrid Securities bear non-cumulative dividends from the issue date to (but excluding) 27 January 2016 at 6.77% per annum and thereafter, at a floating rate equal to 3 months US dollar LIBOR plus 2.90% if not redeemed on 27 January 2016. The non-cumulative dividends are payable on semi-annual basis.

(ii) The Hybrid Securities are perpetual securities and have no fixed final redemption date. The Hybrid Securities may be redeemed in whole but not in part at the option of the issuer (but not the holders) under certain circumstances.

The Hybrid Securities are listed on both the Labuan International Financial Exchange Inc. and the Singapore Exchange Securities Trading Limited and are offered to international institutional investors outside Malaysia. The Hybrid Securities qualify as Tier 1 Capital under BNM's capital adequacy framework up to 31 December 2012. Effective 1 January 2013, the Hybrid Securities qualify as additional Tier 1 Capital as a capital instrument eligible for gradual phase-out treatment under the transitional arrangements of the Basel III accord.

Previously, the Group had undertaken a fair value hedge on the interest rate risk of the subordinated term loan but the hedge was terminated during the financial year ended 31 March 2012.

Consequently, the fair value adjustment recognised of RM93,475,000 is amortised to the income statement over the remaining term to maturity of the loans using the effective interest rate method. As at 31 March 2015, the unamortised fair value adjustments includes in the carrying amount of the subordinated term loan, after amortisation charge during the current financial year of RM24,927,000 (2014: RM23,246,000), amounted to RM23,572,000 (2014: RM45,043,000).

(b) Medium Term Notes

In the financial year 2008, AmBank implemented a RM2.0 billion nominal value Medium Term Notes ("MTN") Programme whereby the proceeds raised from the MTN Programme had been and will be utilised for the refinancing of existing subordinated debts and for general working capital requirements.

The MTN Programme has a tenor of up to 20 years from the date of the first issuance under the MTN programme. The MTN shall be issued for a maturity of up to 20 years as the Issuer may select at the point of issuance provided that no MTN shall mature after expiration of the MTN Programme.

The MTN issued under the MTN Programme was included as Tier 2 Capital under BNM's capital adequacy framework. Effective 1 January 2013, the MTNs are recognised as a capital instrument under Tier 2 Capital and eligible for gradual phase-out treatment under the transitional arrangements of the Basel III accord.

26. DEBT CAPITAL (CONT'D.)

(b) Medium Term Notes (Cont'd.)

The salient features of the MTN issued and outstanding are as follows:

(i) Tranche 3 amounting to RM75 million was issued on 14 March 2008 is for a tenor of 12 years Non-Callable 7 years and bears interest at 5.4% per annum. This tranche was called and cancelled on its first call date of 16 March 2015.

(ii) Tranche 5 amounting to RM75 million was issued on 28 March 2008 is for a tenor of 12 years Non-Callable 7 years and bears interest at 5.4% per annum.This tranche was called and cancelled on its first call date of 28 March 2015.

(iii) Tranche 6 amounting to RM600 million was issued on 9 April 2008 is for a tenor of 15 years Non-Callable 10 years and bears interest at 6.25% per annum. The interest rate of the MTN will step up by 0.5% per annum at the beginning of the 11th year and every anniversary thereafter, preceding the maturity date of the MTN.

(iv) Tranche 7 amounting to RM97.8 million was issued on 10 December 2009 is for a tenor of 10 years Non-Callable 5 years and bears interest at 5.75% per annum. This tranche was called and cancelled on its first call date of 10 December 2014.

(v) Tranche 8 amounting to RM710 million was issued on 16 October 2012 is for a tenor of 10 years Non-Callable 5 years and bears interest at 4.45% per annum.

(c) Subordinated Notes and Sukuk

(i) On 30 September 2011, AmBank Islamic implemented a Subordinated Sukuk Musharakah programme ("Sukuk Musharakah") of RM2 billion. The purpose of the programme is to increase AmBank Islamic's Tier 2 Capital. The Sukuk Musharakah is for a period of 10 years. AmBank Islamic may exercise its call option and redeem in whole (but not in part) the Sukuk Musharakah on the 5th anniversary of the issue date or on any anniversary date thereafter at 100% of the principal amount together with the expected profit payments.

On the same date, RM600 million ("First Tranche") of the Sukuk Musharakah was issued, which carries a profit rate of 4.40% per annum, and is payable on a semi-annual basis.

On 31 January 2012, RM200 million ("Second Tranche") of the Sukuk Musharakah was issued, which carries a profit rate of 4.35% per annum, and is payable on a semi-annual basis.

On 24 December 2012, RM200 million ("Third Tranche") of the Sukuk Musharakah was issued, which carries a profit rate of 4.45% per annum, and is payable on a semi-annual basis.

The Sukuk Musharakah qualify as Tier 2 Capital under BNM's capital adequacy framework. Effective 1 January 2013, the Sukuk Musharakah qualify as Tier 2 Capital as a capital instrument eligible for gradual phase-out treatment under the transitional arrangements of the Basel III accord.

AmBank Islamic has repurchased on the market and subsequently cancelled RM200.0 million of the Sukuk Musharakah between 19 December 2013 and 20 January 2014. The repurchases were granted prior approval by BNM and represent the portion of the Sukuk Musharakah that do not qualify for recognition as Tier 2 Capital in the computation of capital adequacy ratio for the calendar years 2013 and 2014, under the Basel III pronouncements.

26. DEBT CAPITAL (CONT'D.)

(c) Subordinated Notes and Sukuk (Cont'd.)

(ii) On 28 February 2014, AmBank Islamic has implemented a new Subordinated Sukuk Murabahah programme of RM3.0 billion. The objective of the programme is to enable the issuance of Tier 2 capital from time to time, for the purpose of enhancing the AmBank Islamic's total capital position. The programme is set-up in accordance to the requirements spelt out in the Capital Adequacy Framework for Islamic Banks (Capital Components) issued by BNM, and the securities issued under this programme are fully Basel III-compliant.

The programme has a tenor of 30 years from the date of the first issuance under the programme. Each issuance of Tier 2 Subordinated Notes under this programme shall have a tenor of at least 5 years from the issue date, and is callable on any coupon payment date after a minimum period of 5 years from the date of issuance of each tranche. The Tier 2 Subordinated Notes have been assigned a credit rating of AA3 by RAM Rating Services Berhad.

On 28 February 2014, AmBank Islamic has issued the first tranche of Tier 2 Subordinated Sukuk Murabahah under this programme of RM200.0 million. The profit rate of this tranche is at 5.07%, payable on a semi-annual basis, with a tenor of 10 years.

Subsequently, on 25 March 2014, AmBank Islamic has issued the second tranche of Tier 2 Subordinated Sukuk Murabahah under this programme of RM150.0 million. The profit rate of this tranche is at 5.05%, payable on a semi-annual basis, with a tenor of 10 years.

The full amount of both tranches issued qualify for recognition of capital adequacy ratio computation.

(iii) On 30 December 2013, the AmBank established a Subordinated Notes programme of RM4.0 billion. The objective of the programme is to enable the issuance of Tier 2 Capital from time to time, for the purpose of enhancing the AmBank's total capital position. The programme is set up in accordance to the requirements spelt out in the Capital Adequacy Framework (Capital Components) issued by BNM, and the securities issued under this programme are fully Basel III compliant.

The programme has a tenor of 30 years from the date of the first issuance under the programme. Each issuance of Tier 2 Subordinated Notes under this programme shall have a tenor of at least 5 years from the issue date, and is callable on any coupon payment date after a minimum period of 5 years from the date of issuance of each tranche. The Tier 2 Subordinated Notes have been assigned a credit rating of AA3 by RAM Rating Services Berhad ("RAM").

On 30 December 2013, AmBank issued the first tranche of the Subordinated Notes amounting to RM400.0 million for a tenor of 10 years. The interest rate of this tranche is 5.20%, payable on a half-yearly basis. The full amount issued qualifies as Tier 2 Capital for the purpose of capital adequacy ratio computation.

(d) Non-Innovative Tier 1 Capital Securities

In financial year 2009, AmBank issued up to RM500 million Non-Innovative Tier 1 Capital ("NIT1") under its programme of up to RM500 million in nominal value comprising:

(i) Non-Cumulative Perpetual Capital Securities ("NCPCS"), which are issued by AmBank and stapled to the Subordinated Notes described below; and

(ii) Subordinated Notes ("SubNotes"), which are issued by AmPremier Capital Berhad ("AmPremier"), a wholly-owned subsidiary of AmBank.

(collectively known as "Stapled Capital Securities")

The SubNotes has a fixed interest rate of 9.0% per annum. However, the NCPCS distribution will not begin to accrue until the SubNotes are re-assigned to AmBank.

26. DEBT CAPITAL (CONT'D.)

(d) Non-Innovative Tier 1 Capital Securities (Cont'd.)

The NCPCS are issued in perpetuity unless redeemed under the terms of the NCPCS. The NCPCS are redeemable at the option of AmBank on the 20th interest payment date or 10 years from the issuance date of the SubNotes, or any NCPCS distribution date thereafter, subject to redemption conditions being satisfied. The SubNotes have a tenor of 30 years unless redeemed earlier under the terms of the SubNotes. The SubNotes are redeemable at the option of AmPremier on any interest payment date, which cannot be earlier than the occurrence of assignment events as stipulated under the terms of the Stapled Capital Securities.

The Stapled Capital Securities comply with BNM's Guidelines on Non-Innovative Tier 1 Capital Instruments. Effective 1 January 2013, the Stapled Capital Securities qualify as additional Tier 1 Capital as a capital instrument eligible for gradual phase-out treatment under the transitional arrangements of the Basel III accord.

(e) Innovative Tier 1 Capital Securities

On 18 August 2009, AmBank issued up to RM485 million Innovative Tier 1 Capital Securities under its RM500 million Innovative Tier 1 Capital Securities ("ITICS") Programme. The ITICS bears a fixed interest (non-cumulative) rate at issuance date (interest rate is 8.25% per annum) and step up 100 basis points after the First Call Date (10 years after issuance date) and interest is payable semi annually in arrears. The maturity date is 30 years from the issue date. The ITICS facility is for a tenor of 60 years from the First Issue date and has a principal stock settlement mechanism to redeem the ITICS via cash through the issuance of AmBank's ordinary shares. Upon BNM's approval, AmBank may redeem in whole but not in part the relevant tranche of the ITICS at any time on the 10th anniversary of the issue date of that tranche or on any interest payment date thereafter.

Effective 1 January 2013, the ITICS qualify as Additional Tier 1 Capital as a capital instrument eligible for gradual phase-out treatment under the transitional arrangements of the Basel III accord.

27. OTHER LIABILITIES

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000	Company 31 March 2015 RM'000	Company 31 March 2014 RM'000
Trade payables		482,916	1,046,177	–	–
Other payables and accruals		2,342,662	1,838,615	33,949	34,825
Interest payable on deposits and borrowings		811,443	736,777	6,812	8,792
Lease deposits and advance rental		11,874	19,526	–	–
Provision for commitments and contingencies	(i)	156,266	174,965	–	–
Bank overdraft		–	759	–	–
Amount due to subsidiaries		–	–	112	9,009
Profit equalisation reserve	(ii)	1,680	1,571	–	–
Provision for taxation		110,834	23,179	–	–
		3,917,675	**3,841,569**	**40,873**	**52,626**

Trade payables mainly relate to the stock and share-broking operations of the investment banking subsidiaries and represent contra gains owing to clients and amount payable in outstanding sales contracts.

27. OTHER LIABILITIES (CONT'D.)

Included in other payables and accruals is provision for retirement benefits of a subsidiary which amounted to RM19,495,000 (2014: RM20,636,000).

(i) Provision for commitments and contingencies

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Balance at beginning of financial year	174,965	204,795
Writeback made during the financial year, net	(19,255)	(30,519)
Amount reversed	–	(202)
Foreign exchange differences	556	891
Balance at end of financial year	**156,266**	**174,965**

(ii) Profit equalisation reserve

The movements in profit equalisation reserve relating to the Islamic banking business are as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Balance at beginning of financial year	1,571	1,659
Provision during the financial year	35,379	10,743
Utilisation during the financial year	(35,270)	(10,831)
Balance at end of financial year	**1,680**	**1,571**

28. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares of RM1.00 each		Amount	
	31 March 2015 Units'000	31 March 2014 Units'000	31 March 2015 RM'000	31 March 2014 RM'000
Authorised:				
Ordinary shares of RM1.00 each	5,000,000	5,000,000	5,000,000	5,000,000
Convertible preference shares of RM1.00 each	200,000	200,000	200,000	200,000
Balance at beginning and end of financial year	**5,200,000**	**5,200,000**	**5,200,000**	**5,200,000**
Issued and fully paid:				
Ordinary shares of RM1.00 each				
Balance at beginning and end of financial year	**3,014,185**	**3,014,185**	**3,014,185**	**3,014,185**

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

The Company has an Executives' Share Scheme ("ESS") under which options to subscribe for the Company's ordinary shares have been granted to certain employees of the Group. Details of the ESS are disclosed in Note 30.

29. RESERVES

		Group		Company	
	Note	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Share premium	(a)	2,537,372	2,537,372	2,536,065	2,536,065
Statutory reserve	(b)	1,938,849	1,938,849	–	–
Regulatory reserve	(c)	2,800	–	–	–
Profit equalisation reserve	(d)	3,904	1,260	–	–
Available-for-sale reserve/(deficit)	(e)	21,822	(41,687)	–	–
Cash flow hedging reserve/(deficit)	(f)	(481)	3,030	–	–
Foreign currency translation reserve	(g)	68,456	8,213	–	–
Executives' Share Scheme ("ESS") reserve	(h)	69,993	79,456	69,993	79,456
Shares held in trust for ESS	(i)	(86,110)	(58,434)	(86,110)	(58,434)
Non-participating funds	(j)	54,175	132,993	–	–
Retained earnings	(k)	6,830,180	5,527,704	2,895,435	2,454,052
		11,440,960	**10,128,756**	**5,415,383**	**5,011,139**

(a) Share premium is used to record premium arising from new shares issued in the Company.

(b) Statutory reserve is maintained in compliance with the provisions of the Banking and Financial Institutions Act, 1989. The statutory reserve is not distributable as cash dividends. When Financial Servcies Act ("FSA") 2013 and Islamic Financial Service Act ("IFSA") 2013 came into effect to replace the repealed BAFIA, the maintenance of this reserve is in accordance with Section 47(2)(f) of the FSA and Section 57(2)(f) of the IFSA.

(c) Regulatory reserve is maintained in accordance with paragraph 13.1 of the the BNM's Policy Document on Classification and Impairment Provisions for Loans/Financing as an additional credit risk absorbent.

(d) Profit equalisation reserve of the Group is classified as a separate reserve in equity in accordance with BNM Revised Guidelines on Profit Equalisation Reserve issued in May 2011.

(e) Available-for-sale reserve/(deficit) is in respect of unrealised fair value gains/(losses) on financial investments available-for-sale.

(f) Cash flow hedging reserve/(deficit) comprises the portion of the gains/(losses) on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

(g) Foreign currency translation reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(h) Executives' Share Scheme reserve represents the equity-settled scheme shares and options granted to employees (Note 30). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the scheme shares and options.

(i) Shares held in trust for ESS represent shares purchased under the Executives' Share Scheme as mentioned in Note 30.

(j) This non-participating funds unallocated surplus is only available for distribution to shareholders based on the amount recommended by the appointed actuary.

(k) The Company can distribute dividends out of its entire retained earnings under the single-tier system.

30. EXECUTIVES' SHARE SCHEME

At the 22nd Extraordinary General Meeting held on 26 September 2008, the shareholders approved the proposal by the Company to establish an executives' share scheme ("ESS") of up to fifteen percent (15%) (which was subsequently reduced to ten percent (10%) as approved by the Board of Directors pursuant to the ESS By-Laws) of the issued and paid-up ordinary share capital of the Company at any point in time for the duration of the ESS for eligible executives (including senior management) and executive directors of the Group (excluding subsidiaries which are dormant or such other subsidiaries which may be excluded under the terms of the By-Laws) who fulfil the criteria for eligibility stipulated in the By-Laws governing the ESS ("Eligible Executives"). The ESS is implemented and administered by an executives' share scheme committee ("ESS Committee"), in accordance with the By-Laws. The functions of the ESS Committee has since been consolidated with that of Group Nomination and Remuneration Committee ("GNRC") from 29 October 2013. The ESS was established on 12 January 2009 and would be in force for a period of ten (10) years.

The awards granted to such Eligible Executives can comprise shares and/or options to subscribe for shares ("Options"). Shares to be made available under the ESS ("Scheme Shares") will only vest or Options are only exercisable by Eligible Executives who have duly accepted the offers of awards under the ESS ("Scheme Participants") subject to the satisfaction of stipulated conditions. Such conditions are stipulated and determined by the GNRC.

The awards included in the "ESS" are :

(i) Short term Incentive ("STI") Award

The STI Award is a share incentive scheme for the selected executives in recognition of their services as an important contribution to the current on-going development, growth and success of the Group. Under the Award, a selected executive is granted a specified number of shares which will be vested in him upon the fulfilment of the service period and such other conditions (if any) imposed by the ESS Committee.

(ii) Long term Incentive ("LTI") Award

The LTI Award is a share incentive scheme for the selected executives in motivating attainment of higher performance goals and exceptional achievements by selected executives. Under the Award, a selected executive is granted a specified number of shares and share options which will be vested in him upon fulfilment of the service period as well as fulfilment of certain performance targets and such other conditions (if any) imposed by the ESS Committee.

To facilitate the implementation of the ESS, the Company entered into a Trust via the signing of a Trust Deed on 24 February 2009 with an appointed Trustee. The Trustee shall, at such times as the ESS Committee shall direct, subscribe for or acquire the necessary number of new or existing ordinary shares to accommodate any future transfer of Scheme Shares to Scheme Participants. For the aforementioned purpose and to enable the Trustee to meet payment of expenses in relation to the administration of the Trust, the Trustee will be entitled from time to time to accept funding and/or assistance, financial or otherwise from the Company and/or its subsidiaries.

ESS is implemented wherein shares ("Scheme Shares") and/or options to subscribe for shares ("Option") are granted to eligible directors and executives of the Company and its subsidiaries based on the financial and performance targets/criteria and such other conditions as it may deem fit.

The salient features of the ESS are as follows:

(i) Any executive director or executive of a corporation in the Group, subject to the discretion of the ESS Committee, shall be eligible to participate in the ESS, if the executive director or executive meets the following criteria ("Eligible Executives"):

(a) has attained the age of eighteen (18) years and is not an undischarged bankrupt;

(b) employed on a full time basis and is on the payroll of any corporation in the Group and has not served a notice of resignation or received a notice of termination;

(c) employment has been confirmed in writing;

(d) in the case of an executive director of the Company, the specific allocation of shares made available to him and options to subscribe for shares by the Company to him in his capacity as an executive director under the ESS has been approved by the shareholders at a general meeting;

30. EXECUTIVES' SHARE SCHEME (CONT'D.)

(i) Any executive director or executive of a corporation in the Group, subject to the discretion of the ESS Committee, shall be eligible to participate in the ESS, if the executive director or executive meets the following criteria ("Eligible Executives"): (Cont'd.)

  (e) if he is serving in a specific designation under an employment contract for a fixed duration but not merely employed for a specific project;

  (f) is not participating or entitled to participate in any other employee share or incentive scheme implemented by any other corporation which is in force for the time being provided that he may be eligible for consideration notwithstanding his participation or entitlement to participate if the ESS Committee shall so determine; and

  (g) fulfils any other criteria and/or falls within such category as may be set by the ESS Committee from time to time.

(ii) The maximum number of shares which may be made available under the ESS shall not exceed in aggregate ten percent (10%) of the issued and paid-up ordinary share capital of the Company at any point of time during the tenure of the ESS and out of which not more than fifty percent (50%) of the shares shall be allocated, in aggregate, to executive directors and senior management. In addition, not more than ten percent (10%) of the shares available under the ESS shall be allocated to any Eligible Executive who, either individually or collectively through persons connected to him/her, holds twenty percent (20%) or more of the issued and paid-up ordinary share capital of the Company.

(iii) The Share Grant Price (being the reference price which is used to determine the number of Scheme Shares to be granted under the awards) and Option Price (being the share price to be paid for subscription or acquisition of each Scheme Share pursuant to the exercise of the option) may be at a discount (as determined by the ESS Committee) of not more than ten percent (10%) of the five (5) days weighted average market price of the Company's shares transacted on Bursa Malaysia Securities Berhad immediately preceding the date on which an offer is made or the par value of the shares at the material time, whichever is higher.

(iv) The Scheme Shares to be allotted and issued or transferred to Scheme Participant pursuant to the By-Laws are not subjected to any retention period unless otherwise stipulated by the ESS Committee in the offer.

(v) The ESS Committee may in its discretion decide that the Scheme Shares be satisfied either by way of issuance of new ordinary shares, acquisition of existing ordinary shares or a combination of both issuance of new ordinary shares and acquisition of existing ordinary shares.

(vi) The Company established a Trust administered by a Trustee for the purposes of subscribing for new ordinary shares of the Company and/or acquiring existing ordinary shares of the Company and transferring them to the Scheme Participants. For this purpose and to pay expenses in relation to the administration of the Trust, the Trustee is entitled from time to time to accept funding and/or assistance, financial or otherwise from the Company and/or its subsidiaries.

30. EXECUTIVES' SHARE SCHEME (CONT'D.)

The following shares were granted under STI Award:

(a) Share Grants

	Number of Shares					
		Movements During the Financial Year				
	Balance at 1 April 2014 '000	Granted '000	Transferred '000	Vested '000	Forfeited '000	Balance at 31 March 2015 '000
Group						
2010 ESS	4	–	–	(4)	–	–
2011 ESS	–	–	–	–	–	–
2012 ESS	1,564	–	–	(1,546)	(18)	–
2013 ESS	2,254	–	–	(1,158)	(76)	1,020
2014 ESS	–	2,079	–	(137)	(53)	1,889
	3,822	**2,079**	**–**	**(2,845)**	**(147)**	**2,909**
Company						
2010 ESS	–	–	–	–	–	–
2011 ESS	–	–	–	–	–	–
2012 ESS	66	–	–	(66)	–	–
2013 ESS	195	–	–	(97)	–	98
2014 ESS	–	268	–	–	–	268
	261	**268**	**–**	**(163)**	**–**	**366**

The following shares and options were granted under LTI Award:

(a) Share Grants

	Number of Shares					
		Movements During the Financial Year				
	Balance at 1 April 2014 '000	Granted '000	Transferred '000	Vested '000	Forfeited '000	Balance at 31 March 2015 '000
Group						
2009 ESS	–	–	–	–	–	–
2010 ESS	–	–	–	–	–	–
2011 ESS	3,454	–	–	(2,776)	(678)	–
2012 ESS	3,896	–	–	(63)	(419)	3,414
2013 ESS	3,778	–	–	(48)	(385)	3,345
2014 ESS	–	3,635	–	(10)	(245)	3,380
	11,128	**3,635**	**–**	**(2,897)**	**(1,727)**	**10,139**
Company						
2009 ESS	–	–	–	–	–	–
2010 ESS	–	–	–	–	–	–
2011 ESS	115	–	–	(94)	(21)	–
2012 ESS	130	–	–	–	–	130
2013 ESS	127	–	–	–	–	127
2014 ESS	–	150	–	–	–	150
	372	**150**	**–**	**(94)**	**(21)**	**407**

30. EXECUTIVES' SHARE SCHEME (CONT'D.)

(b) Share Options

	Number of Options					
		Movements During the Financial Year				
	Balance at 1 April 2014 '000	Granted '000	Transferred '000	Exercised '000	Forfeited '000	Balance at 31 March 2015 '000
Group						
2008 ESS	35	–	–	(35)	–	–
2009 ESS	1,161	–	–	(949)	–	212
2010 ESS	2,924	–	–	(983)	(66)	1,875
	4,120	**–**	**–**	**(1,967)**	**(66)**	**2,087**
WAEP* (RM)	4.24	–	–	3.87	4.73	4.56
Company						
2010 ESS	52	–	–	(52)	–	–
WAEP* (RM)	4.73	–	–	4.73	–	4.73

* WAEP: Weighted average exercise price

Number of options exercisable at the end of the financial year amounted to 2,086,400 (2014: 4,120,500).

(c) Aggregate maximum and actual percentage granted in regard to Share Grants and Share Options to directors and key management personnel:

	Share Grants	
	Maximum allocation %	Actual allocation %
Group		
2008 ESS	9.8	9.8
2009 ESS	10.0	10.0
2010 ESS	16.0	16.0
2011 ESS	15.2	15.2
2012 ESS	16.2	16.2
2013 ESS	14.6	14.6
2014 ESS	19.1	19.1

	Share Options	
	Maximum allocation %	Actual allocation %
Group		
2008 ESS	16.5	16.5
2009 ESS	17.5	17.5
2010 ESS	14.6	14.6

30. EXECUTIVES' SHARE SCHEME (CONT'D.)

(vii) Details of share options and share grants at the end of the financial year:

(a) 2008 ESS

The exercise price of the 2008 share options is RM2.20. The exercise period is up to 3 years from the date of notification of entitlement ("vesting date"). The vesting date of the share options and share grants is determined by the ESS Committee after the end of the performance period, which is from 1 April 2008 to 31 March 2012, upon fulfilment of the conditions stipulated.

(b) 2009 ESS

The exercise price of the 2009 share options is RM3.05. The exercise period is up to 3 years from the date of notification of entitlement ("vesting date"). The vesting date of the share options and share grants is determined by the ESS Committee after the end of the performance period, which is from 1 April 2009 to 31 March 2013, upon fulfilment of the conditions stipulated.

(c) 2010 ESS

The exercise price of the 2010 share options is RM4.73. The exercise period is up to 3 years from the date of notification of entitlement ("vesting date"). The vesting date of the share options and share grants is determined by the ESS Committee after the end of the performance period, which is from 1 April 2010 to 31 March 2013, upon fulfilment of the conditions stipulated.

The weighted average remaining contractual life of the above options at the end of the financial year is 0.92 years (2014: 1.8 years).

(viii) Share options exercised during the financial year

For share options exercised during the financial year, the weighted average share price during the exercise period was RM6.79 (2014: RM7.32).

30. EXECUTIVES' SHARE SCHEME (CONT'D.)

(ix) Fair value of share options and share grants awarded at end of financial year:

The fair value of share options granted was estimated using the trinomial valuation model, taking into account the terms and conditions upon which the options/shares were granted. The fair value of share options measured at grant date was based on the following assumptions:

	2014 ESS	2013 ESS	2012 ESS	2011 ESS	2010 ESS	2009 ESS	2008 ESS
Fair value of shares as at grant dates (RM)							
- 10 April 2009	–	–	–	–	–	–	2.76
- 21 July 2009	–	–	–	–	–	3.78	–
- 21 July 2010	–	–	–	–	5.12	–	–
- 21 July 2011	–	–	–	6.34	–	–	–
- 11 July 2012	–	–	6.49	–	–	–	–
- 15 August 2013	–	7.97	–	–	–	–	–
- 04 August 2014	7.17	–	–	–	–	–	–
Fair value of share options as at grant dates (RM)							
- 10 April 2009	–	–	–	–	–	–	1.06
- 21 July 2009	–	–	–	–	–	1.48	–
- 21 July 2010	–	–	–	–	1.81	–	–
Weighted average share price (RM)	6.79	7.27	6.39	6.40	4.98	3.39	2.44
Weighted average exercise price (RM)	–	–	–	–	4.73	3.05	2.20
Expected volatility (%)	–	–	–	–	40.00	40.00	38.00
First possible exercise date	–	–	–	–	31 Mar 2013	25 June 2012	11 Mar 2012
Option expiry date	–	–	–	–	31 Mar 2016	23 June 2015	11 Mar 2015
Average risk free rate (%)	–	–	–	–	4.23	4.50	3.30
Average expected dividend yield (%)	–	–	–	–	3.66	2.40	2.02

The expected life of the share options is based on the exercisable period of the option and is not necessarily indicative of exercise patterns that may occur. The expected volatility used was based on the historical volatility of the share price over a period equivalent to the expected life of the options prior to its date of grant, which assumed that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option share option/share award were incorporated into the measurement of fair value.

The fair value of shares granted under the ESS is measured at acceptance date, using the closing price of the Company's shares.

31. NON-CONTROLLING INTERESTS

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Balance at beginning of financial year	951,448	873,594
Share in net results of subsidiaries	114,866	78,522
Transfer of ESS shares recharged difference on purchase price for shares vested	(100)	(68)
Redemption of shares in AmPrivate Equity	(2,543)	–
Dividends received by non-controlling interests	(11,392)	(600)
Balance at end of financial year	**1,052,279**	**951,448**

32. INTEREST INCOME

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Short-term funds and deposits with financial institutions	198,769	249,933	4,655	8,789
Financial assets held-for-trading	111,923	144,041	–	–
Financial investments available-for-sale	284,967	206,803	–	–
Financial investments held-to-maturity	99,601	189,788	–	–
Loans, advances and financing	3,598,969	3,863,959	–	–
Impaired loans and advances	7,055	4,891	–	–
Others	25,950	17,618	–	–
	4,327,234	**4,677,033**	**4,655**	**8,789**

33. INTEREST EXPENSE

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Deposits from customers	1,823,126	1,846,924	–	–
Deposits and placements of banks and other financial institutions	24,533	38,643	–	–
Senior notes	191,473	193,978	55,317	66,867
Credit-Linked Notes	16,541	18,960	–	–
Recourse obligation on loans sold to Cagamas Berhad	40,764	40,825	–	–
Term loans	29,268	26,407	11,799	10,877
Subordinated deposits and term loans	20,094	21,754	–	–
Interest on bonds	20,941	5,237	–	–
Medium term notes	80,827	82,819	–	–
Hybrid and Innovative Tier 1 capital securities	83,658	81,735	–	–
Others	14,874	40,377	–	–
	2,346,099	**2,397,659**	**67,116**	**77,744**

34. OTHER OPERATING INCOME

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Fee income:				
Fees on loans, financing and securities	225,086	286,645	–	–
Corporate advisory	21,274	35,893	–	–
Guarantee fees	57,469	50,368	–	–
Underwriting commission	12,360	3,969	–	–
Portfolio management fees	36,780	34,752	–	–
Unit trust management fees	107,098	101,397	–	–
Property trust management fees	6,162	6,305	–	–
Brokerage fees and commission	69,418	79,347	–	–
Wealth management fees	26,606	24,157	–	–
Other fee and commission income	95,043	90,739	300	150
	657,296	713,572	300	150
Investment and trading income:				
Net loss from sale of financial assets held-for-trading	(25,020)	(43,571)	–	–
Net gain from sale of financial investments available-for-sale	56,980	96,254	–	–
Net gain on redemption of financial investments held-to-maturity	–	8,319	–	–
Net gain/(loss) on revaluation of financial assets held-for-trading	26,476	(72,216)	–	–
Net foreign exchange gain[1]	37,369	122,046	–	–
Net gain on derivatives	103,683	59,696	–	–
Gain on disposal of equity interest in subsidiaries	475,873	–	–	–
Gross dividend income from:				
Subsidiaries	–	–	1,381,267	651,579
Financial assets held-for-trading	7,247	9,096	–	–
Financial investments available-for-sale	33,506	58,570	3,609	5,603
Others	890	(85)	–	–
	717,004	238,109	1,384,876	657,182
Other income:				
Net non-trading foreign exchange gain/(loss)	17,103	(1,963)	–	–
Gain/(Loss) on disposal of property and equipment	30	461	–	(202)
Rental income	4,922	11,525	–	–
Profit from sale of goods and services	30,808	31,654	–	–
Others	30,422	32,915	182	–
	83,285	74,592	182	(202)
	1,457,585	**1,026,273**	**1,385,358**	**657,130**

[1] Foreign exchange gain includes gains and losses from spot and forward contracts and other currency derivatives.

35. OTHER OPERATING EXPENSES

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000	Company 31 March 2015 RM'000	Company 31 March 2014 RM'000
Personnel costs:					
Salaries, allowances and bonuses		906,240	957,869	–	–
Shares/options granted under ESS		31,386	35,945	–	–
Pension costs		145,715	141,228	–	–
Social security cost		6,658	6,979	–	–
Others		116,822	113,486	116	224
		1,206,821	1,255,507	116	224
Establishment costs:					
Depreciation of property and equipment (Note 19)		58,776	67,123	169	316
Amortisation of intangible assets (Note 20)		84,674	94,272	–	–
Computerisation costs		183,802	175,429	–	–
Rental of premises		100,127	101,647	–	–
Cleaning, maintenance and security		33,512	30,391	1	3
Others		47,518	44,342	14	20
		508,409	513,204	184	339
Marketing and communication expenses:					
Sales commission		9,838	12,920	–	–
Advertising, promotional and other marketing activities		59,110	70,592	256	295
Telephone charges		19,990	17,904	15	13
Postage		13,860	16,837	27	7
Travel and entertainment		18,836	25,634	24	25
Others		30,227	35,688	157	42
		151,861	179,575	479	382
Administration and general expenses:					
Professional services		130,328	108,734	1,035	2,506
Donations		813	5,848	–	–
Travelling		8,518	12,598	27	–
Others		94,843	99,627	9,383	3,638
		234,502	226,807	10,445	6,144
Expenses capitalised		(12,151)	(42,035)	–	–
		2,089,442	**2,133,058**	**11,224**	**7,089**

The above expenditure includes other statutory disclosures as follows:

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000	Company 31 March 2015 RM'000	Company 31 March 2014 RM'000
Directors' remuneration	36	9,138	11,611	4,268	8,747
Intangible assets written off	20	–	4	–	–
Property and equipment written off	19	180	970	–	–
Hire of motor vehicles and office equipment		16,306	17,228	14	20
Auditors' remuneration:					
Parent auditor					
Audit		2,233	2,601	100	76
Regulatory and assurance related		1,182	885	25	5
Other services		1,088	1,045	–	–
Firms affiliated with parent auditor					
Audit		140	215	–	–
Other services		–	–	–	–
Other auditors					
Audit		49	45	–	–

Personnel costs include salaries, bonuses, contributions to defined contribution plan and all other staff related expenses. Contributions to defined contribution plan of the Group amounted to RM145,715,000 (2014: RM141,228,000) of which RM144,151,000 (2014: RM120,867,000) was contributed to the state pension scheme Employees' Provident Fund, a substantial shareholder of the Company.

36. DIRECTORS' REMUNERATION

The total remuneration (including benefits-in-kind) of the directors of the Company are as follows:

	Remuneration received from Group					
31 March 2015	**Fees RM'000**	**Salaries RM'000**	**Other Emolument RM'000**	**Bonus RM'000**	**Benefits-in-kind RM'000**	**Total RM'000**
Executive Director:						
Dato' Seri Ahmad Johan bin Mohammad Raslan	62	–	10	–	–	72
Ashok Ramamurthy	400	1,794	924	1,829	42	4,989
	462	1,794	934	1,829	42	5,061
Non-Executive Directors:						
Tan Sri Azman Hashim	1,065	–	2,343	–	38	3,446
Dato' Azlan Hashim	210	–	44	–	12	266
Tun Mohammed Hanif Omar	650	–	68	–	–	718
Tan Sri Datuk Dr Aris Osman @ Othman	350	–	164	–	–	514
Tan Sri Datuk Clifford Francis Herbert	650	–	320	–	–	970
Dato' Rohana binti Mahmood	350	–	107	–	–	457
Dato' Gan Nyap Liou @ Gan Nyap Liow	376	–	163	–	–	539
Soo Kim Wai	200*	–	39	–	–	239
Shayne Cary Elliott*	200	–	16	–	–	216
Mark David Whelan*	200	–	40	–	–	240
Gilles Planté*	104	–	32	–	–	136
Chin Yuen Yin	589	–	281	–	–	870
Suzette Margaret Corr*	37	–	9	–	–	46
Allistair Marshall Bulloch	–	–	2	–	–	2
	4,981	–	3,628	–	50	8,659
Total Directors' remuneration	**5,443**	**1,794**	**4,562**	**1,829**	**92**	**13,720**

	Remuneration received from Group					
31 March 2014	**Fees RM'000**	**Salaries RM'000**	**Other Emolument RM'000**	**Bonus RM'000**	**Benefits-in-kind RM'000**	**Total RM'000**
Executive Director:						
Ashok Ramamurthy	208*	1,794	2,508	1,364	72	5,946
	208	1,794	2,508	1,364	72	5,946
Non-Executive Directors:						
Tan Sri Azman Hashim	655	–	2,349	–	47	3,051
Dato' Azlan Hashim	95	–	46	–	3	144
Tun Mohammed Hanif Omar	315	–	100	–	–	415
Tan Sri Datuk Dr Aris Osman @ Othman	165	–	169	–	–	334
Tan Sri Datuk Clifford Francis Herbert	315	–	253	–	–	568
Shayne Cary Elliott	71	–	8	–	–	79
Gilles Planté	90	–	64	–	–	154
Allistair Marshall Bulloch	–	–	–	–	–	–
Mark David Whelan*	90	–	38	–	–	128
Soo Kim Wai	90*	–	32	–	–	122
Dato' Gan Nyap Liou @ Gan Nyap Liow	240	–	216	–	–	456
Dato' Rohana binti Mahmood	155	–	55	–	–	210
Alexander Vincent Thursby	4	–	–	–	–	4
	2,285	–	3,330	–	50	5,665
Total Directors' remuneration	**2,493**	**1,794**	**5,838**	**1,364**	**122**	**11,611**

36. DIRECTORS' REMUNERATION (CONT'D.)

The total remuneration (including benefits-in-kind) of the directors of the Company are as follows:

31 March 2015	Fees RM'000	Salaries RM'000	Other Emolument RM'000	Bonus RM'000	Benefits-in-kind RM'000	Total RM'000
	Remuneration received from Company					
Executive Director:						
Dato' Seri Ahmad Johan bin Mohammad Raslan	62	–	10	–	–	72
Ashok Ramamurthy**	–	–	–	–	–	–
	62	–	10	–	–	72
Non-Executive Directors:						
Tan Sri Azman Hashim	210	–	1,451	–	38	1,699
Dato' Azlan Hashim	210	–	44	–	12	266
Tun Mohammed Hanif Omar	200	–	38	–	–	238
Tan Sri Datuk Dr Aris Osman @ Othman	200	–	96	–	–	296
Tan Sri Datuk Clifford Francis Herbert	200	–	104	–	–	304
Dato' Rohana binti Mahmood	200	–	56	–	–	256
Dato' Gan Nyap Liou @ Gan Nyap Liow	150	–	56	–	–	206
Soo Kim Wai	200*	–	39	–	–	239
Shayne Cary Elliott*	200	–	16	–	–	216
Mark David Whelan*	200	–	40	–	–	240
Gilles Planté*	104	–	32	–	–	136
Chin Yuen Yin	39	–	13	–	–	52
Suzette Margaret Corr*	37	–	9	–	–	46
Allistair Marshall Bulloch	–	–	2	–	–	2
	2,150	–	1,996	–	50	4,196
Total Directors' remuneration	**2,212**	**–**	**2,006**	**–**	**50**	**4,268**

31 March 2014	Fees RM'000	Salaries RM'000	Other Emolument RM'000	Bonus RM'000	Benefits-in-kind RM'000	Total RM'000
	Remuneration received from Company					
Executive Director:						
Ashok Ramamurthy**	–	–	–	–	–	–
	–	–	–	–	–	–
Non-Executive Directors:						
Tan Sri Azman Hashim	100	–	1,461	–	47	1,608
Dato' Azlan Hashim	95	–	46	–	3	144
Tun Mohammed Hanif Omar	90	–	37	–	–	127
Tan Sri Datuk Dr Aris Osman @ Othman	90	–	96	–	–	186
Tan Sri Datuk Clifford Francis Herbert	90	–	78	–	–	168
Shayne Cary Elliott	71	–	8	–	–	79
Gilles Planté	90	–	64	–	–	154
Allistair Marshall Bulloch	–	–	–	–	–	–
Mark David Whelan*	90	–	38	–	–	128
Soo Kim Wai	90*	–	32	–	–	122
Dato' Gan Nyap Liou @ Gan Nyap Liow	90	–	75	–	–	165
Dato' Rohana binti Mahmood	90	–	45	–	–	135
Alexander Vincent Thursby	4	–	–	–	–	4
	990	–	1,980	–	50	3,020
Total Directors' remuneration	**990**	**–**	**1,980**	**–**	**50**	**3,020**

* Paid to the respective companies to which they represent
** Paid by a subsidiary

37. ACQUISITION AND BUSINESS EFFICIENCY EXPENSES

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Business efficiency costs:		
Personnel costs	42,793	7,422
Professional fees	19,178	19,014
Depreciation of property and equipment (Note 19)	3,682	2,215
Amortisation of intangible assets (Note 20)	499	206
Others	2,284	422
	68,436	**29,279**

38. ALLOWANCE/(WRITEBACK) FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Allowance for impaired loans, advances and financing:		
Individual allowance, net	91,026	216,720
Collective allowance, net	504,597	602,488
Recovery from loans sold to Danaharta	(1,732)	(2,950)
Impaired loans, advances and financing:		
Recovered, net	(624,425)	(748,498)
	(30,534)	**67,760**

39. IMPAIRMENT LOSSES/(WRITEBACK) ON FINANCIAL INVESTMENTS

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Financial investments available-for-sale	(13)	12,606
Financial investments held-to-maturity	2,554	(6,046)
	2,541	**6,560**

40. TAXATION AND ZAKAT

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Current tax:				
Estimated current tax payable	531,888	514,020	1,197	2,147
Under/(Over) provision in prior years	(7,279)	30,429	–	2,734
	524,609	544,449	1,197	4,881
Deferred tax:				
Origination and reversal of temporary differences	44,887	9,692	–	–
(Over)/Under provision in prior years	(14,922)	21,886	–	–
Effect of change in tax rate	3,749	–	–	–
	33,714	31,578	–	–
Taxation	558,323	576,027	1,197	4,881
Zakat	1,404	1,156	–	–
	559,727	**577,183**	**1,197**	**4,881**

Domestic income tax is calculated at the statutory tax rate of 25.0% (2014: 25.0%) on the estimated chargable profit for the financial year. Taxation in foreign jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The income tax rate will be reduced to 24.0% effective year of assessment 2016. The computation of deferred tax for the current financial year is based on the tax rate of 24.0% (tax rate of 25.0% for 2014).

A reconciliation of the taxation applicable to profit before taxation and zakat at the statutory tax rate to taxation at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Profit before taxation and zakat	2,604,280	2,448,238	1,311,673	581,086
Taxation at Malaysian statutory tax rate of 25.0% (2014: 25.0%)	651,070	612,060	327,918	145,272
Effect of different tax rates in Labuan and certain subsidiaries	(12,779)	(18,803)	–	–
Deferred tax relating to changes in tax rates	3,749	–	–	–
(Over)/Under provision of income tax in prior years	(7,279)	30,429	–	2,734
Income not subject to tax	(128,375)	(121,724)	(346,264)	(164,296)
Expenses not deductible for tax purposes	66,890	113,690	19,543	21,171
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	–	(68,495)	–	–
Deferred tax asset/Tax recoverable recognised on income subject to tax remission	(3,571)	(2,745)	–	–
(Over)/Under provision of deferred tax in prior years	(14,922)	21,886	–	–
Deferred tax assets not recognised	1,337	15,048	–	–
Tax provision for potential tax liability	3,000	–	–	–
Tax on share in results of associates and joint ventures	(797)	(5,319)	–	–
Taxation for the financial year	**558,323**	**576,027**	**1,197**	**4,881**

41. OTHER COMPREHENSIVE INCOME/(LOSS)

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000	Company 31 March 2015 RM'000	Company 31 March 2014 RM'000
Items that may be reclassified to income statement					
Translation of foreign operations		60,237	14,290	–	–
		60,237	14,290	–	–
Cash flow hedge:					
Gains/(Losses) arising during the financial year		(7,069)	24,114	–	–
Less: Reclassification adjustments for loss/(gains) included in the income statement		2,397	(3,216)	–	–
		(4,672)	20,898	–	–
Financial investments available-for-sale					
Gains/(Losses) arising during the financial year		120,046	(11,050)	–	–
Share of reserve in equity accounted joint ventures		3,303	–	–	–
Less: Reclassification adjustments for gains included in the income statement		(56,980)	(96,254)	–	–
		66,369	(107,304)	–	–
Items that will not be reclassified to income statement					
Remeasurement of defined benefit liability		1,016	1,942	–	–
Total other comprehensive income/(loss)		122,950	(70,174)	–	–
Income tax relating to other comprehensive income/(loss)	(a)	(13,362)	20,024	–	–
		109,588	**(50,150)**	**–**	**–**

(a) Income tax effects relating to other comprehensive income/(loss)

Group	Before tax RM'000	Tax credit/ (charge) RM'000	Net of tax RM'000
31 March 2015			
Foreign exchange differences on translating foreign operations	60,237	–	60,237
Net movement on cash flow hedge	(4,672)	1,161	(3,511)
Financial investments available-for-sale	66,369	(14,299)	52,070
Remeasurement of defined benefit liability	1,016	(224)	792
	122,950	**(13,362)**	**109,588**
31 March 2014			
Foreign exchange differences on translating foreign operations	14,290	–	14,290
Net movement on cash flow hedge	20,898	(5,224)	15,674
Financial investments available-for-sale	(107,304)	25,734	(81,570)
Remeasurement of defined benefit liability	1,942	(486)	1,456
	(70,174)	**20,024**	**(50,150)**

42. EARNINGS PER SHARE

(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 year.

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Net profit attributable to equity holders of the Company	1,918,630	1,782,380
Weighted average number of ordinary shares in issue	3,014,185	3,014,185
Effect of ordinary shares purchased for the ESS, net of number vested to eligible executives	(8,333)	(8,186)
	3,005,852	**3,005,999**
Basic earnings per share (sen)	63.83	59.29

(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 during the year plus dilutive effect of share options vested but not exercised by eligible executives under the ESS as at the reporting date.

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Net profit attributable to equity holders of the Company	1,918,630	1,782,380
Weighted average number of ordinary shares in issue (as in (a) above)	3,005,852	3,005,999
Effect of executives' share scheme	687	1,917
	3,006,539	**3,007,916**
Diluted earnings per share (sen)	63.82	59.26

43. DIVIDENDS

Dividends paid and proposed by the Company are as follows:

	RM'000
In respect of financial year ended 31 March 2015	
Interim single-tier dividend of 12.0% on 3,014,184,844 ordinary shares of RM1.00 each	361,702
Proposed final single-tier dividend of 15.3% on 3,014,184,844 ordinary shares of RM1.00 each	461,170
In respect of financial year ended 31 March 2014	
Interim single-tier dividend of 7.2% on 3,014,184,844 ordinary shares of RM1.00 each	217,021
Final single-tier dividend of 16.9% on 3,014,184,844 ordinary shares of RM1.00 each	509,397

43. DIVIDENDS (CONT'D.)

(a) Proposed final dividend

The directors propose payment of a final single-tier dividend of 15.3% in respect of the current financial year ended 31 March 2015, to be paid to shareholders whose names appear in the Record of Depositors on a date to be determined by the directors. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the next financial year ending 31 March 2016.

(b) Dividends paid during the financial year

During the financial year, the Company paid a final single-tier dividend of 16.9% in respect of financial year ended 31 March 2014 amounting to RM509,397,243 on 12 September 2014 to shareholders whose names appeared in the Record of Depositors on 29 August 2014.

An interim single-tier dividend of 12.0% for the financial year ended 31 March 2015 amounting to RM361,702,181 was paid on 16 December 2014 to shareholders whose names appeared in the Record of Depositors on 4 December 2014.

(c) Dividends paid by the Company's subsidiaries to non-controlling interests

Dividends paid by the Company's subsidiaries to non-controlling interests amounted to RM600,000 during the financial year ended 31 March 2015 (31 March 2014: RM11,392,000).

44. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

For the purpose of these financial statements, parties are considered to be related to the Group or the Company if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial or operational decisions, vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The related parties of the Group and the Company are:

(i) Subsidiaries

Transactions between the Company and its subsidiaries which are related parties of the Company, have been eliminated on consolidation. Details of subsidiaries are shown in Note 16.

(ii) Associates and Joint Ventures

Details of associates and joint ventures are disclosed in Note 17.

(iii) Key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company directly or indirectly. The key management personnel of the Group and the Company include Executive and Non-Executive Directors of the Company and certain members of senior management of the Group and heads of major subsidiaries (including close member of their families) of the Group.

(iv) Companies in which certain directors have substantial financial interest

These are entities in which significant voting power in such entities directly or indirectly resides with certain Directors of the Company.

(v) Companies which have significant influence over the Group

These are entities who are substantial shareholders of the Company.

44. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Subsidiaries		Associates		Key management personnel		Companies in which certain Directors have substantial financial interest		Companies which have significant influence over the Group	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Group										
Income										
Interest on loans, advances and financing	–	–	–	–	48	83	–	–	–	–
	–	**–**	**–**	**–**	**48**	**83**	**–**	**–**	**–**	**–**
Expenses										
Interest on deposits	–	–	–	–	1,334	1,120	–	–	–	–
Rental of premises	–	–	45,858	47,468	–	–	6,184	6,567	–	–
Insurance premiums	–	–	–	–	–	–	24,506	29,235	–	–
Travelling expenses	–	–	–	–	–	–	5,140	6,288	–	–
Computer maintenance	–	–	–	–	–	–	1,321	221	13,146	9,117
Europay, Mastercard, Visa card personalization, fulfilment services	–	–	4,459	–	–	–	499	357	–	–
Food and beverage	–	–	–	–	–	–	–	18	–	–
Information service provider	–	–	–	–	–	–	639	802	–	–
Marketing	–	–	–	–	–	–	8	–	–	–
Training and consultancy	–	–	–	–	–	–	995	4,305	–	–
	–	**–**	**50,317**	**47,468**	**1,334**	**1,120**	**39,292**	**47,793**	**13,146**	**9,117**
Company										
Income										
Interest on deposits	4,655	8,789	–	–	–	–	–	–	–	–
Investment income	3,609	5,603	–	–	–	–	–	–	–	–
Dividend income – gross	1,381,267	651,579	–	–	–	–	–	–	–	–
	1,389,531	665,971	–	–	–	–	–	–	–	–
Expenses										
Service transfer pricing	443	417	–	–	–	–	–	–	–	–
	443	**417**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

44. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

(b) The significant outstanding balances of the Group and the Company with its related parties are as follows:

	Subsidiaries		Associates		Key management personnel		Companies in which certain Directors have substantial financial interest		Companies which have significant influence over the Group	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Group										
Amount due from:										
Loans (hire purchase, credit card, personal loan and housing loan)	–	–	–	–	1,657	5,267	–	–	–	–
Amount due to:										
Deposits and placements	–	–	–	–	68,043	60,171	–	–	–	–
	–	**–**	**–**	**–**	**69,700**	**65,438**	**–**	**–**	**–**	**–**
Company										
Amount due from:										
Cash and short-term funds	12,460	53,185	–	–	–	–	–	–	–	–
Deposits and placements with banks and other financial institutions	25,131	212,103	–	–	–	–	–	–	–	–
Interest receivables	49	647	–	–	–	–	–	–	–	–
Amount due from subsidiaries	15,043	18,584	–	–	–	–	–	–	–	–
	52,683	**284,519**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Amount due to:										
Deposits and placements	–	–	–	–	–	–	–	–	128,107	–
Amount due to subsidiaries	112	9,009	–	–	–	–	–	–	–	–
Interest payable	–	–	–	–	–	–	–	–	36	–
Other liabilities	28,431	33,007	–	–	–	–	–	–	163	–
	28,543	**42,016**	**–**	**–**	**–**	**–**	**–**	**–**	**128,306**	**–**

44. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONT'D.)

(c) There were no granting of loans to the Directors of the Company. Loans made to other key management personnel of the Group is on similar terms and conditions generally available to other employees within the Group. All related party transctions are conducted at arm's length basis and on normal commercial term which are not more favourable than those generally available to the public. No provisions have been recognised in respect of loans given to key management personnel (2014: Nil).

(d) Key management personnel compensation

The remuneration of Directors of the Company and other key management personnel during the financial year are as follows:

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Directors:				
Fees	5,443	2,493	2,212	990
Salaries and other remuneration	8,185	8,996	2,006	1,980
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	92	122	50	50
Total short-term employee benefits	**13,720**	**11,611**	**4,268**	**3,020**
Other key management personnel:				
Salaries and other remuneration	33,712	36,847	–	–
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	915	1,384	–	–
Total short-term employee benefits	**34,627**	**38,231**	**–**	**–**

45. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	Group	
	31 March 2015	31 March 2014
Outstanding credit exposures with connected parties (RM'000)	3,298,414	2,947,092
Percentage of outstanding credit exposures to connected parties:		
as a proportion of total credit exposures (%)	3.22	2.85
which is impaired or in default (%)	0.42	0.20

The disclosure on Credit Transactions and Exposures with Connected Parties above is presented in accordance with para 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties issued on 16 July 2014.

Based on these guidelines, a connected party refers to the following:

(i) Directors of AmBank, AmInvestment Bank and AmBank Islamic ("the Banks") and their close relatives;

(ii) Controlling shareholder and his close relatives;

(iii) Influential shareholder and his close relatives;

(iv) Executive officer, being a member of management having authority and responsibility for planning, directing and/or controlling the activities of the Banks, and his close relatives;

(v) Officers who are responsible for or have the authority to appraise and/or approve credit transactions or review the status of existing credit transactions, either as a member of a committee or individually, and their close relatives;

(vi) Firms, partnerships, companies or any legal entities which control, or are controlled by any person listed in (i) to (v) above, or in which they have an interest as a director, partner, executive officer, agent or guarantor, and their subsidiaries or entities controlled by them;

45. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES (CONT'D.)

(vii) Any person for whom the persons listed in (i) to (v) above is a guarantor; and

(viii) Subsidiary of or an entity controlled by the Banks and their connected parties.

Credit transactions and exposures to connected parties as disclosed above include the extension of credit facilities and/or commitments and contingencies transactions that give rise to credit/counterparty risk, the underwriting and acquisition of equities and private debt securities issued by the connected parties.

The credit transactions with connected parties above are all transacted on an arm's length basis and on terms and conditions not more favourable than those entered into with other counterparties with similar circumstances and credit worthiness. Due care has been taken to ensure that the credit worthiness of the connected party is not less than that normally required of other persons.

46. FIDUCIARY DUTY IN RESPECT OF INVESTMENT PORTFOLIO MANAGEMENT

Investment portfolio funds managed by the Group on behalf of customers as at 31 March 2015 amounted to RM46,246,500,000 (2014: RM41,731,170,000).

47. CAPITAL COMMITMENTS

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Authorised and contracted:		
Purchase of office equipment, IT equipment and solutions	63,747	24,175
Purchase of leasehold improvements	3,075	10,042
	66,822	34,217
Authorised but not contracted for:		
Purchase of office equipment, IT equipment and solutions	145,066	95,431
Purchase of other investments	–	6,364
	145,066	101,795
	211,888	**136,012**

48. OPERATING LEASE COMMITMENTS

The Group has lease commitments in respect of rented premises and equipment on hire, all of which are classified as operating leases. The future minimum lease payments under the non-cancellable operating lease, net of sub-leases are as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Within one year	111,659	109,116
Between one and five years	59,936	101,210
More than five years	17	5,236
	171,612	**215,562**

The minimum lease rentals are not adjusted for operating expenses which the Group is obligated to pay. These amounts are insignificant in relation to the minimum lease obligations. In the normal course of business, leases that expire will be renewed or replaced by leases on other properties, thus it is anticipated that future annual minimum lease commitments will not be less than the rental expenses for the financial year.

49. COMMITMENTS AND CONTINGENCIES

In the normal course of business, AmInvestment Bank, AmBank, AmBank Islamic and AMIL, 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 principal/notional amounts of commitments and contingencies are as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	15,126,229	17,895,665
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	4,970,928	6,169,893
Unutilised credit card lines	3,955,894	4,235,678
Forward asset purchases	824,066	275,872
	24,877,117	28,577,108
Contingent Liabilities		
Direct credit substitutes	996,116	1,336,108
Transaction related contingent items	6,355,902	5,370,402
Obligations under underwriting agreements	250,000	296,375
Short term self liquidating trade related contingencies	715,135	677,065
	8,317,153	7,679,950
Derivative Financial Instruments		
Interest/Profit rate related contracts:	43,862,385	39,142,179
One year or less	4,922,517	4,332,039
Over one year to five years	31,036,563	28,559,303
Over five years	7,903,305	6,250,837
Foreign exchange related contracts:	38,377,491	26,715,670
One year or less	33,926,800	22,768,828
Over one year to five years	2,500,277	3,051,273
Over five years	1,950,414	895,569
Credit related contracts:	654,404	612,486
One year or less	–	–
Over one year to five years	327,515	306,519
Over five years	326,889	305,967
Equity and commodity related contracts:	676,506	751,538
One year or less	606,676	420,433
Over one year to five years	69,830	331,105
Over five years	–	–
	83,570,786	67,221,873
	116,765,056	**103,478,931**

49. 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 (2014: RM150,000,000) on behalf of AmFutures Sdn Bhd for the payment and discharge of all monies due on trading accounts maintained by customers.

(b) AmBank (M) Berhad has given a continuing guarantee to Labuan Financial Services Authority ("LFSA") on behalf of AmLabuan Holdings (L) Ltd (formerly known as AmInternational (L) Ltd) ("AMIL"), a wholly owned offshore banking subsidiary to meet all its liabilities and financial obligations and requirements. AMIL had surrendered its Labuan banking license with effect from 31 December 2014.

(c) 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.

Proceedings at High Court

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.

49. COMMITMENTS AND CONTINGENCIES (CONT'D.)

(c) **High Court Decision**

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

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.

Proceedings at Court of Appeal

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.

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

On 13 January 2014, the Court of Appeal informed that:

(i) the originally fixed appeal hearing date of 21 April 2014 was vacated;
(ii) all parties shall file their written submission for the appeals by 5 May 2014;
(iii) the appeals by MAA, Meridian and AmTrustee in the MAA Suit and Meridian Suit, together with Meridian's appeal in the KWAP -V- Meridian case, will now be heard on 19 May 2014.

49. COMMITMENTS AND CONTINGENCIES (CONT'D.)

(c) **High Court Decision (Cont'd.)**

Court of Appeal Decision
On 19 May 2014, the Court of Appeal heard the appeals by all parties on 19 May 2014. On 20 May 2014, the Court of Appeal gave its decision as follows ("Court of Appeal Decision"):

MAA Suit:
- MAA's appeal against the High Court Decision was allowed;
- Meridian's appeal against the High Court Decision was dismissed;
- AmTrustee's cross-appeal against MAA's appeal was dismissed;
- AmTrustee's cross-appeal against Meridian's appeal was dismissed.

Meridian's Suit:
- Meridian's appeal against the High Court Decision was dismissed;
- AmTrustee's appeal against Meridian's appeal was dismissed.

On 28 May 2014, MAA and AmTrustee had agreed to the stay of execution of the Court of Appeal Decision pending the disposal of AmTrustee's application for leave to appeal to Federal Court ("Leave Application").

Proceedings at Federal Court
On 17 June 2014, AmTrustee filed its notice of motion for the Leave Application at Federal Court. AmTrustee's Leave Application is now fixed for case management on 9 February 2015. On 9 February 2015, the Court fixed the Leave Application for case management on 11 May 2015, pending the availability of grounds of judgment. On 8 April 2015, Grounds of Judgment was issued and the Federal Court has fixed the Leave Application for case management on 21 April 2015. At the case management on 21 April 2015, AmTrustee's Leave Application was fixed for hearing before the Federal Court on 1 July 2015.

(d) As at 31 March 2015, AmFutures Sdn Bhd ("AmF") and AmInvestment Bank Berhad ("AMIB") were served with a total of 19 suits by 19 individuals ("Claimants") in relation to a purported investment scheme called Futures Crude Palm Oil ("Alleged Scheme") allegedly offered by person(s) unknown to AmF and AMIB to the Claimants. In the suits, the Claimants claim for the return of their alleged principal investment sum and the return of investment in the Alleged Scheme.

The parties to the suits had agreed that trial of one test case to be heard first by the Court and the decision in the test case shall be binding on all the other suits filed by the Claimants. The trial hearing dates for the test case is fixed on from 27 April 2015 to 29 April 2015. Decision for the test case trials has been fixed on 9 June 2015. Solicitors for AmF and AMIB is of the view that AmF and AMIB have a good chance of successfully defending the suits.

(e) During the year, AmMetLife Insurance Berhad (formerly known as AmLife Insurance Berhad) ("AmMetLife") received complaints from 9 policyholders relating to the alleged mis-selling of a certain insurance product of AmMetLife. The Company was notified of these complaints by way of letter dated 10 April 2015 from MetLife International Holdings, Inc. ("MetLife"), the Company's co-shareholder in AmMetLife. The Company and MetLife are working jointly in the process of investigating these complaints and assessing any financial impact thereon.

Under the terms for the sale by the Company to MetLife of shares in AmMetLife, the Group would fully indemnify MetLife or AmMetLife from any losses arising from incidences of mis-selling of certain specified insurance products occurring prior to the share sale (see Note 58(1) for further details).

50. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Group 31 March 2015	Up to 12 months RM'000	Over 12 months RM'000	Total RM'000
ASSETS			
Cash and short-term funds	10,758,600	–	10,758,600
Deposits and placements with banks and other financial institutions	4,068,819	–	4,068,819
Derivative financial assets	782,954	654,583	1,437,537
Financial assets held-for-trading	4,674,223	–	4,674,223
Financial investments available-for-sale	4,755,116	5,632,159	10,387,275
Financial investments held-to-maturity	518,485	3,346,023	3,864,508
Loans, advances and financing	30,419,957	55,753,838	86,173,795
Receivables: Investments not quoted in active markets	–	551,163	551,163
Statutory deposits with Bank Negara Malaysia	–	3,214,591	3,214,591
Deferred tax assets	–	83,434	83,434
Investment in associate and joint ventures	–	662,273	662,273
Other assets	2,686,515	980,530	3,667,045
Reinsurance, retakaful assets and other insurance receivables	291,320	142,609	433,929
Investment properties	–	7,713	7,713
Property and equipment	–	266,562	266,562
Intangible assets	–	3,348,121	3,348,121
Assets held for sale	204,236	–	204,236
TOTAL ASSETS	**59,160,225**	**74,643,599**	**133,803,824**
LIABILITIES			
Deposits and placements of banks and other financial institutions	2,023,514	278,150	2,301,664
Recourse obligation on loans and financing sold to Cagamas Berhad	832,355	1,937,230	2,769,585
Derivative financial liabilities	765,553	619,925	1,385,478
Deposits from customers	87,997,884	4,132,165	92,130,049
Term funding	245,905	8,056,449	8,302,354
Debt capital	764,281	3,816,292	4,580,573
Redeemable cumulative convertible preference share	–	198,821	198,821
Deferred tax liabilities	–	116,557	116,557
Other liabilities	3,777,301	140,374	3,917,675
Insurance, takaful contract liabilities and other insurance payables	2,410,570	134,079	2,544,649
Liabilities directly associated with assets held for sale	48,995	–	48,995
TOTAL LIABILITIES	**98,866,358**	**19,430,042**	**118,296,400**

50. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONT'D.)

Group 31 March 2014 (Restated)	Up to 12 months RM'000	Over 12 months RM'000	Total RM'000
ASSETS			
Cash and short-term funds	10,287,346	–	10,287,346
Deposits and placements with banks and other financial institutions	1,062,474	648	1,063,122
Derivative financial assets	92,908	435,902	528,810
Financial assets held-for-trading	3,836,161	–	3,836,161
Financial investments available-for-sale	7,142,403	4,498,443	11,640,846
Financial investments held-to-maturity	522,406	3,276,159	3,798,565
Loans, advances and financing	28,534,761	58,635,816	87,170,577
Receivables: Investments not quoted in active markets	–	168,830	168,830
Statutory deposits with Bank Negara Malaysia	–	3,122,961	3,122,961
Deferred tax assets	–	127,121	127,121
Investment in associate and joint venture	–	252,475	252,475
Other assets	2,568,652	832,127	3,400,779
Reinsurance, retakaful assets and other insurance receivables	84,830	388,182	473,012
Investment properties	–	7,713	7,713
Property and equipment	–	351,468	351,468
Intangible assets	–	3,383,662	3,383,662
Assets held for sale	3,126,042	–	3,126,042
TOTAL ASSETS	**57,257,983**	**75,481,507**	**132,739,490**
LIABILITIES			
Deposits and placements of banks and other financial institutions	3,738,798	382,125	4,120,923
Recourse obligation on loans and financing sold to Cagamas Berhad	662,791	2,655,472	3,318,263
Derivative financial liabilities	137,409	403,815	541,224
Deposits from customers	85,507,040	4,191,838	89,698,878
Term funding	3,199,153	3,445,488	6,644,641
Debt capital	–	4,766,198	4,766,198
Redeemable cumulative convertible preference share	–	193,137	193,137
Deferred tax liabilities	–	116,870	116,870
Other liabilities	3,521,251	320,318	3,841,569
Insurance, takaful contract liabilities and other insurance payables	1,749,100	818,931	2,568,031
Liabilities directly associated with assets held for sale	2,835,367	–	2,835,367
TOTAL LIABILITIES	**101,350,909**	**17,294,192**	**118,645,101**

50. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONT'D.)

Company 31 March 2015	Up to 12 months RM'000	Over 12 months RM'000	Total RM'000
ASSETS			
Cash and short-term funds	12,464	–	12,464
Deposits and placements with banks and other financial institutions	25,131	–	25,131
Financial investments available-for-sale	–	110,704	110,704
Investment in subsidiaries and other investments	–	9,507,225	9,507,225
Other assets	20,381	–	20,381
Property and equipment	–	536	536
TOTAL ASSETS	**57,976**	**9,618,465**	**9,676,441**
LIABILITIES			
Term funding	206,000	1,000,000	1,206,000
Other liabilities	32,794	8,079	40,873
TOTAL LIABILITIES	**238,794**	**1,008,079**	**1,246,873**

Company 31 March 2014	Up to 12 months RM'000	Over 12 months RM'000	Total RM'000
ASSETS			
Cash and short-term funds	53,189	–	53,189
Deposits and placements with banks and other financial institutions	212,103	–	212,103
Financial investments available-for-sale	–	186,834	186,834
Investment in subsidiaries and other investments	–	9,507,225	9,507,225
Other assets	23,894	–	23,894
Property and equipment	–	705	705
TOTAL ASSETS	**289,186**	**9,694,764**	**9,983,950**
LIABILITIES			
Term funding	906,000	1,000,000	1,906,000
Other liabilities	42,588	10,038	52,626
TOTAL LIABILITIES	**948,588**	**1,010,038**	**1,958,626**

51. CAPITAL MANAGEMENT

The capital and risk management of the banking subsidiaries of AMMB Holdings Berhad ("AMMB") are managed collectively at group level. The Group's capital management approach is driven by its desire to maintain a strong capital base to support the development of its businesses, to meet regulatory capital requirements at all times and to maintain good credit ratings.

Strategic, business and capital plans are drawn up annually covering a 3 year horizon and approved by the Board of Directors. The capital plan ensures that adequate levels of capital and an optimum mix of the different components of capital are maintained by the Group to support its strategy.

The capital plan takes the following into account:

(a) Regulatory capital requirements:

- forecast demand for capital to support the credit ratings; and
- increases in demand for capital due to business growth and market shocks.

51. CAPITAL MANAGEMENT (CONT'D.)

(b) Or stresses:

- available supply of capital and capital raising options; and
- internal controls and governance for managing the Group's risk, performance and capital.

The Group uses internal models and other quantitative techniques in its internal risk and capital assessment. The models help to estimate potential future losses arising from credit, market and other risks, and using regulatory formulae to simulate the amount of capital required to support them. In addition, the models enable the Group to gain a deeper understanding of its risk profile, e.g., by identifying potential concentrations, assessing the impact of portfolio management actions and performing what-if analysis.

Stress testing and scenario analysis are used to ensure that the Group's internal capital assessment considers the impact of extreme but plausible scenarios on its risk profile and capital position. They provide an insight into the potential impact of significant adverse events on the Group and how these events could be mitigated. The Group's target capital levels are set taking into account its risk appetite and its risk profile under future expected and stressed economic scenarios.

The Group's assessment of risk appetite is closely integrated with the Group's strategy, business planning and capital assessment processes, and is used to inform senior management's views on the level of capital required to support the Group's business activities.

The Group uses a capital model to assess the capital demand for material risks, and support its internal capital adequacy assessment. Each material risk is assessed, relevant mitigants considered, and appropriate levels of capital determined. The capital modelling process is a key part of the Group's management disciplines.

The capital that the Group is required to hold is determined by its statement of financial position, commitment and contingencies, counterparty and other risk exposures after applying collateral and other mitigants, based on the Group's risk rating methodologies and systems. We discuss these outcomes with BNM on a regular basis as part of our normal regulatory liaison activities. BNM has the right to impose further capital requirements on Malaysian Financial Institutions via its Financial Market Supervision remit.

The Group operates processes and controls to monitor and manage capital adequacy across the organisation. Where we operate in other jurisdictions, capital is maintained on the basis of the local regulator's requirements. It is overseen by the Group Asset and Liability Committee ("GALCO"), which is responsible for managing the Group's statement of financial position, capital and liquidity.

A strong governance and process framework is embedded in the capital planning and assessment methodology. Overall responsibility for the effective management of risk rests with the Board of Directors. The Risk Management Committee of Directors ("RMCD") is specifically delegated the task of reviewing all risk management issues including oversight of the Group's capital position and any actions impacting the capital levels. The Audit and Examination Committee ("AEC") reviews specific risk areas and the issues discussed at the key capital management committees.

GALCO proposes internal triggers and target ranges for capital management and operationally oversees adherence with these. These ranges are 8.5 per cent to 11.5 per cent for the Tier 1 capital ratio and 12.0 per cent to 16.0 per cent for the total capital ratio. The Group has been (knowingly) operating in excess of these ranges for the last 3 years as the Group was conservatively positioned for any repercussions from the Global Financial Crisis.

A dedicated team, the Capital and Balance Sheet Management Department, is responsible for the ongoing assessment of the demand for capital and the updating of the Group's capital plan.

In light of the uncertain economic environment and evolving regulatory debate on banking institutions' capital structures, we believe it is appropriate to remain strongly capitalised above our target ranges.

51. CAPITAL MANAGEMENT (CONT'D.)

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

	31 March 2015			
	AmBank	AmBank Islamic	AmInvestment Bank	Group *
Before deducting proposed dividends:				
CET1 Capital ratio	10.653%	9.200%	24.196%	10.975%
Tier 1 Capital ratio	12.446%	9.200%	24.196%	12.245%
Total Capital ratio	16.020%	14.371%	24.196%	16.233%
After deducting proposed dividends:				
CET1 Capital ratio	10.023%	9.200%	22.820%	10.508%
Tier 1 Capital ratio	11.816%	9.200%	22.820%	11.778%
Total Capital ratio	15.390%	14.371%	22.820%	15.766%

	31 March 2014 (Restated)			
	AmBank	AmBank Islamic	AmInvestment Bank	Group *
Before deducting proposed dividends:				
CET1 Capital ratio	9.451%	9.829%	16.863%	10.075%
Tier 1 Capital ratio	11.416%	9.829%	16.863%	11.510%
Total Capital ratio	14.913%	15.805%	16.863%	15.818%
After deducting proposed dividends:				
CET1 Capital ratio	9.145%	9.201%	16.863%	9.696%
Tier 1 Capital ratio	11.110%	9.201%	16.863%	11.131%
Total Capital ratio	14.607%	15.178%	16.863%	15.439%

Notes:

- The Group 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 as follows:

	Transitional arrangements Calendar Year		
	2013	2014	2015 onwards
CET1 Capital ratio	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, AmLabuan Holdings (L) Ltd (formerly known as AmInternational (L) Ltd). On 31 December 2014, the said subsidiary had ceased to carry on Labuan banking business. Consequently, the above capital adequacy ratios of AmBank as at 31 March 2015 refers to only AmBank's capital base as a ratio of its RWA.

51. CAPITAL MANAGEMENT (CONT'D.)

(b) The aggregated components of CET1 Capital, Additional Tier 1 Capital, Tier 2 Capital and Total Capital of the Group are as follows:

	31 March 2015			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group * RM'000
CET1 Capital				
Ordinary shares	820,364	462,922	200,000	1,483,286
Share premium	942,844	724,185	–	1,667,029
Retained earnings	4,874,087	747,523	82,533	5,953,934
Unrealised gains/(losses) on available-for-sale ("AFS") financial instruments	1,323	(6,592)	1,024	(4,309)
Foreign exchange translation reserve	50,585	–	–	87,982
Statutory reserve	980,969	483,345	200,000	1,664,314
Regulatory reserve	–	–	2,800	2,800
Profit equalisation reserve	–	3,904	–	3,904
Capital reserve	–	–	–	2,815
Merger reserve	–	–	–	111,805
Cash flow hedging reserve	(481)	–	–	(481)
Less: Regulatory adjustments applied on CET1 capital				
Goodwill	–	–	–	–
Intangible assets	(327,689)	(20)	(1,710)	(337,689)
Deferred tax assets	(98,869)	–	(2,782)	(105,328)
Profit equalisation reserve	–	(3,904)	–	(3,904)
Cash flow hedging reserve	481	–	–	481
55% of cumulative gains of AFS financial instruments	(728)	–	(563)	(1,256)
Regulatory reserve	–	–	(2,800)	(2,800)
Investment in ordinary shares of unconsolidated financial and insurance/ takaful entities	(28,652)	–	(52,370)	(12,846)
Deduction in excess of Tier 2 capital**	–	–	(74,446)	(13,922)
CET1 Capital	**7,214,234**	**2,411,363**	**351,686**	**10,495,815**
Additional Tier 1 Capital				
Additional Tier 1 Capital instruments (subject to gradual phase-out treatment)	1,214,570	–	–	1,214,570
Tier 1 Capital	**8,428,804**	**2,411,363**	**351,686**	**11,710,385**
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	400,000	350,000	–	750,000
Tier 2 Capital instruments (subject to gradual phase-out treatment)	1,310,000	700,000	–	2,010,000
Collective allowance and regulatory reserve	753,172	305,338	4,111	1,059,188
Less: Regulatory adjustments applied on Tier 2 Capital	(42,978)	–	(4,111)	(5,348)
Tier 2 Capital	**2,420,194**	**1,355,338**	**–**	**3,813,840**
Total Capital	**10,848,998**	**3,766,701**	**351,686**	**15,524,225**
Credit RWA	60,253,770	25,790,830	1,122,413	86,924,956
Less: Credit RWA absorbed by Restricted Profit Sharing Investment Account	–	(1,363,811)	–	(1,363,811)
Total Credit RWA	60,253,770	24,427,019	1,122,413	85,561,145
Market RWA	2,774,466	230,629	16,101	3,122,643
Operational RWA	4,694,931	1,553,441	314,533	6,946,680
Large exposure risk RWA for equity holdings	–	–	438	1,474
Total Risk Weighted Assets	**67,723,167**	**26,211,089**	**1,453,485**	**95,631,942**

** 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 guidelines on Capital Adequacy Framework (Capital Components).

51. CAPITAL MANAGEMENT (CONT'D.)

(b) The aggregated components of CET1 Capital, Additional Tier 1 Capital, Tier 2 Capital and Total Capital of the Group are as follows: (Cont'd.)

	31 March 2014 (Restated)			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group * RM'000
CET1 Capital				
Ordinary shares	820,364	462,922	200,000	1,483,286
Share premium	942,844	724,185	–	1,667,029
Retained earnings	4,408,666	698,125	57,377	5,343,662
Unrealised gains/(losses) on available-for-sale ("AFS") financial instruments	(72,241)	(18,442)	1,707	(87,776)
Foreign exchange translation reserve	(1,990)	–	–	32,527
Statutory reserve	980,969	483,345	200,000	1,664,314
Profit equalisation reserve	–	1,260	–	1,260
Capital reserve	–	–	–	2,815
Merger reserve	48,516	–	–	111,805
Cash flow hedging reserve	3,029	–	–	3,029
Less: Regulatory adjustments applied on CET1 capital				
Goodwill	–	–	–	(11,243)
Intangible assets	(330,679)	(26)	(1,714)	(336,694)
Deferred tax assets	(51,825)	–	(14,164)	(104,652)
Profit equalisation reserve	–	(1,260)	–	(1,260)
Cash flow hedging reserve	(3,029)	–	–	(3,029)
55% of cumulative gains of AFS financial instruments	–	–	(939)	(968)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities	(67,722)	–	(25,536)	(6,074)
Deduction in excess of Tier 2 Capital**	–	–	(98,062)	(17,763)
CET1 Capital	**6,676,902**	**2,350,109**	**318,669**	**9,740,268**
Additional Tier 1 Capital				
Additional Tier 1 Capital instruments (subject to gradual phase-out treatment)	1,388,080	–	–	1,388,080
Tier 1 Capital	**8,064,982**	**2,350,109**	**318,669**	**11,128,348**
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	400,000	350,000	–	750,000
Tier 2 Capital instruments (subject to gradual phase-out treatment)	1,557,800	800,000	–	2,357,800
Collective allowance and regulatory reserve	783,541	279,038	4,085	1,063,297
Less: Regulatory adjustments applied on Tier 2 capital	(270,888)	–	(4,085)	(6,535)
Tier 2 Capital	**2,470,453**	**1,429,038**	**–**	**4,164,562**
Total Capital	**10,535,435**	**3,779,147**	**318,669**	**15,292,910**
Credit RWA	62,683,302	22,773,142	1,483,738	86,863,731
Less: Credit RWA absorbed by Restricted Profit Sharing Investment Account	–	(450,133)	–	(450,133)
Total Credit RWA	62,683,302	22,323,009	1,483,738	86,413,598
Market RWA	2,839,123	68,731	38,766	3,033,666
Operational RWA	4,977,955	1,519,289	366,407	7,088,670
Large exposure risk RWA for equity holdings	143,864	–	875	144,739
Total Risk Weighted Assets	**70,644,244**	**23,911,029**	**1,889,786**	**96,680,673**

** 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 guidelines on Capital Adequacy Framework (Capital Components).

52. RISK MANAGEMENT

52.1 General Risk Management

The Risk Management Framework takes its lead from the Board of Directors' ("Board") Approved Risk Appetite Framework which provides the catalyst to setting the risk/reward profile required by the Board, together with the related business strategies, limit framework and policies required to enable successful execution.

The Risk Appetite Framework is approved annually by the Board taking into account the Group's desired external rating and targeted profitability/return on equity ("ROE") and is reviewed periodically throughout the financial year by both the executive management and the Board to consider any fine tuning/amendments taking into account prevailing or expected changes to the operational environment.

The Risk Appetite Framework provides portfolio parameters for Credit Risk, Traded Market Risk, Non-Traded Market Risk and Operational Risk incorporating, inter alia, limit structures for countries, industries, single counterparty, value at risk, capital at risk, earnings at risk, stop loss, stable funding ratio and liquidity. Each Business Unit has asset writing strategies which tie into the overall Risk Appetite Framework providing detailed strategies of how the Business Units will execute their business plans in compliance with the Risk Appetite Framework.

Board Approved Risk Appetite Statement

The Group strategic goals are to sustain the top quartile return on equity ("ROE"), and to maintain the credit rating of BBB+ or better (from international rating agencies) for the next one to two years. This is supported by sustainable asset quality and continued portfolio diversification within retail, non-retail, and insurance businesses, with greater contribution from non-interest income, complemented by robust management of liquidity, disciplined execution of interest rate risk/rate of return risk in the balance sheet, and with support from strong level of capital.

The Group intends to maintain sufficient quantity and quality of capital in excess of Basel III requirement for Common Equity Tier 1, Tier 1 Capital, and Total Capital. Our capital requirements are robustly tested over a three year period.

We enforce conservative approach to liquidity management, maintaining stable and diversified funding base consistent with Basel 3 liquidity matrix (Net Stable Funds Ratio, and Liquidity Coverage Ratios). Our targeted Adjusted Loan Deposit Ratio is within 90% range with continually improving current account and savings account ("CASA") deposit composition and market share.

The Group manages Operational Risk by setting the operational risk appetite statements and measurements that the Group is willing to tolerate to support its business strategies and objectives. The Group manages its reputational risk by not engaging in any activity that has potential to result in a material event or loss that would be outside the expectations of its stakeholders. The Group also manages its by setting positive compliance culture and ensuring that the letter and spirit of regulatory requirements, applicable laws, rules, and standards in the respective jurisdictions are complied with.

The Group manages Shariah risk by ensuring that its operations, business, affairs and activities are in compliance with rulings of the BNM's Shariah Advisory Council ("SAC") and the bank's Shariah Committee.

The Group manages trading activities by instituting appropriate governance, culture, and controls to promote acceptable trading behaviour.

Risk Management Governance

The Board is ultimately responsible for the management of risks within the Group. The Risk Management Committee of Directors is formed to assist the Board in discharging its duties in overseeing the overall management of all risks covering market risk management, liquidity risk management, credit risk management and operational risk management.

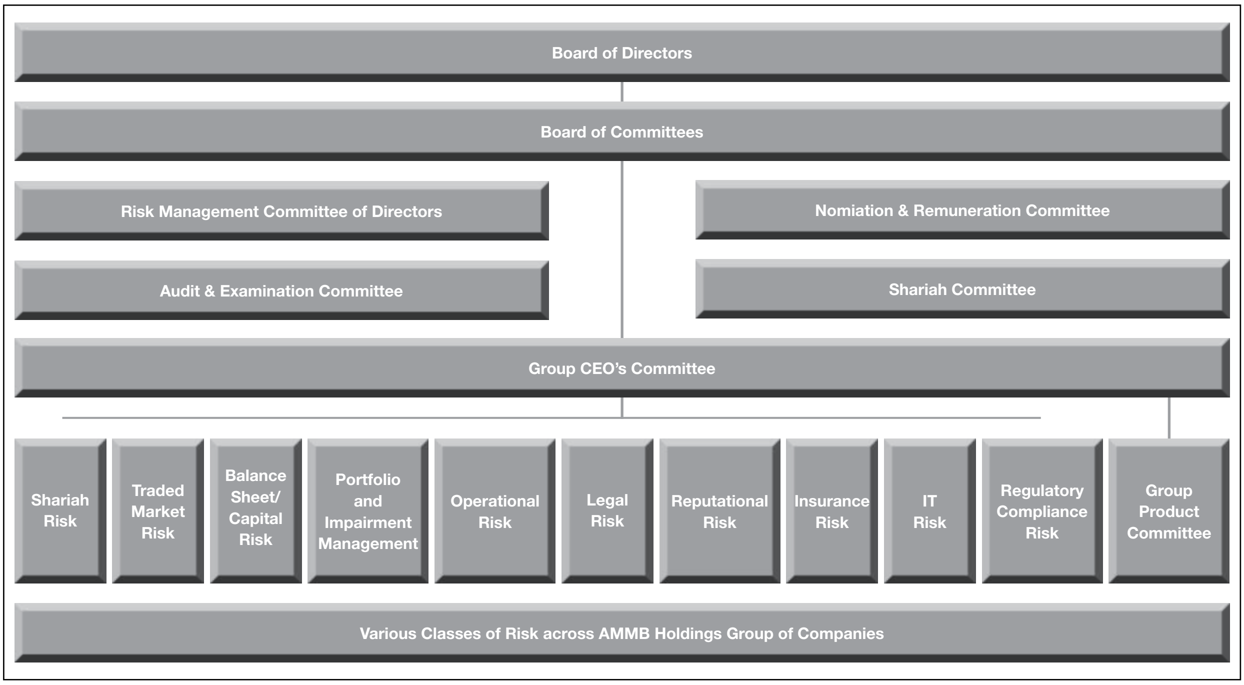
The Board has also established the Group CEOs Committee to assist it in managing the risks and businesses of the Group. The committee addresses all classes of risk within its Board delegated mandate: balance sheet risk, credit risk, legal risk, operational risk, market risk, Shariah risk, compliance risk, reputational risk, product risk and business and IT risk.

In July 2013, the Group Product Committee ("GPC") was re-established as a sub-committee of the Group CEOs Committee. The GPC is to oversee activities in managing products for the Group; and to advise and report to the Group CEOs Committee on product related matters.

The following chart sets out the organisational structure of the Group CEOs Committee and an overview of the Group CEOs Committee's roles and responsibilities.

52. RISK MANAGEMENT (CONT'D.)

52.1 General Risk Management (Cont'd.)



Strategic Risk
Strategic risk is the risk of not achieving the Group's corporate strategic goals. The Group's overall strategic planning reflects the Group's vision and mission, taking into consideration the Group's internal capabilities and external factors.

The Board is actively involved in setting of strategic goals, and is regularly updated on matters affecting corporate strategy implementation and corporate projects/initiatives.

Reputational Risk
The Group recognises that maintaining its reputation among clients, investors, regulators and the general public is an important aspect of minimising legal and operational risk. Maintaining our reputation depends on a large number of factors, including the selection of our clients and business partners and the conduct of our business activities.

The Group seeks to maintain its reputation by screening potential clients and business partners and by conducting our business activities in accordance with high ethical standards and regulatory requirements.

52.2 Credit Risk Management

The credit risk management process is depicted in the table below:

Identification	• Identify/recognise credit risk on transactions and/or positions • Select asset and portfolio mix
Assessment/ Measurement	• Internal credit rating system • Probability of default ("PD") • Loss given default ("LGD") • Exposure at default ("EAD")
Control/ Mitigation	• Portfolio Limits, Counterparty Limits, Benchmark Returns • Collateral & tailored facility structures
Monitoring/ Review	• Monitor and report portfolio mix • Review customer under Watchlist • Undertake post mortem review

52. RISK MANAGEMENT (CONT'D.)

52.2 Credit Risk Management (Cont'd.)

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its payment obligations. Exposure to credit risk arises from lending/financing, securities and derivative exposures. The identification of credit risk is done by assessing the potential impact of internal and external factors on the Group's transactions and/or positions as well as Shariah compliance risk.

The primary objective of credit risk management is to maintain accurate risk recognition-identification and measurement, to ensure that credit risk exposure is in line with the Group's Risk Appetite Framework and related credit policies.

For non-retail credits, risk recognition begins with an assessment of the financial standing of the borrower or counterparty using credit rating model. The model consists of quantitative and qualitative scores that are then translated into rating grades. The assigned credit rating grade forms a crucial part of the credit analysis undertaken for each of the Group's credit exposures.

For retail credits, credit-scoring systems to better differentiate the quality of borrowers are being used to complement the credit assessment and approval processes.

To support credit risk management, our rating models for major portfolios have been upgraded to facilitate:

- improvement in the accuracy of individual obligor risk ratings;
- enhancement to pricing models;
- loan loss provision calculation;
- stress-testing; and
- enhancement to portfolio management.

Lending/financing activities are guided by internal credit policies and Risk Appetite Framework that are approved by the Board. The Group's Risk Appetite Framework is refreshed at least annually and with regard to credit risk, provides direction as to portfolio management strategies and objectives designed to deliver the Group's optimal portfolio mix. Credit Risk portfolio management strategies include, amongst others:

- Concentration threshold/review trigger:
  - single counterparty credit;
  - industry sector; and
  - country
- Asset writing strategies for industry sectors and portfolio composition (by Risk Grade and Security Indicator);
- Setting Loan/Financing to Value limits for asset backed loans/financing (i.e., property exposures and other collateral);
- Watch-list processes for identifying, monitoring and managing customers exhibiting signs of weakness and higher risk customers; and
- Setting Benchmark Returns which serve as a guide to the minimum returns the Group requires for the risk undertaken, taking into account operating expenses and cost of capital.

Individual credit risk exposure exceeding certain thresholds are escalated to Credit and Commitments Committee ("CACC") for approval. In the event such exposure exceeds CACC authority it will be reported to Executive Committee of Directors ("EXCO"). Portfolio credit risk is reported to the relevant management and board committees.

The Group CEOs Committee regularly meets to review the quality and diversification of the Group's loan/financing portfolio, approve new and amended credit risk policy, and review the portfolio risk profile against the Group Risk Appetite Framework ("GRAF").

Group Risk prepares monthly Risk Reports which detail important portfolio composition and trend analysis incorporating asset growth, asset quality, impairments, flow rates of loan/financing delinquency buckets and exposures by industry sectors are reported monthly by Group Risk to executive management and to all meetings of the Board.

The Group applies the Standardised Approach to determine the regulatory capital charge related to credit risk exposure.

52. RISK MANAGEMENT (CONT'D.)

52.2 Credit Risk Management (Cont'd.)

MAXIMUM CREDIT RISK EXPOSURE AND CONCENTRATION

Credit Risk Exposure and Concentration
The Group's concentrations of risk are managed by industry sector, risk grade asset quality and single customer limit. The Group applies single customer limits ("SCL") to monitor the large exposures to single counterparty risk.

For financial assets recognised on the statement of financial position, the maximum exposure to credit risk before taking account of any collateral held or other credit enhancements equals the carrying amount. For contingent exposures, the maximum exposure to credit risk is the maximum amount the Group would have to pay if the instrument is called upon. For committed facilities which are undrawn, the maximum exposure to credit risk is the full amount of the committed facilities.

The following tables show the maximum exposure to credit risk from financial instruments, including derivatives, by industry and by geography, before taking into account of any collateral held or other credit enhancements.

52. RISK MANAGEMENT (CONT'D.)

52.2 Credit Risk Management (Cont'd.)

52.2.1a Industry Analysis

Group 31 March 2015	Agriculture RM'000	Mining and quarrying RM'000	Manufacturing RM'000	Electricity, gas and water RM'000	Construction RM'000	Wholesale, retail trade, restaurant and hotel RM'000	Transport, storage and communication RM'000	Finance and insurance RM'000	Government and central bank RM'000	Real estate RM'000	Business activities RM'000	Education and health RM'000	Household RM'000	Others RM'000	Total RM'000
Cash and short-term funds	–	–	–	–	–	–	–	4,332,516	6,426,084	–	–	–	–	–	10,758,600
Deposits and placements with banks and other financial institutions	–	–	–	–	–	–	–	4,068,819	–	–	–	–	–	–	4,068,819
Derivative financial assets	2,090	82,303	100,213	–	5,613	9,168	8,031	1,191,908	–	2,399	35,684	126	–	2	1,437,537
Financial assets held-for-trading	–	56,227	–	19,592	15,143	–	40,504	2,802,619	1,322,287	141,162	–	–	–	94,914	4,492,448
Money Market Securities	–	–	–	–	–	–	–	119,109	1,303,586	–	–	–	–	–	1,422,695
Quoted Private Debt Securities	–	–	–	–	–	–	–	39,394	–	–	–	–	–	–	39,394
Unquoted Private Debt Securities	–	56,227	–	19,592	15,143	–	40,504	2,644,116	18,701	141,162	–	–	–	94,914	3,030,359
Financial investments available-for-sale	67,991	200,793	110,771	183,722	1,175,875	94,854	274,612	4,973,437	1,711,833	178,837	88,878	–	55,765	375,195	9,492,563
Money Market Securities	–	–	–	–	–	–	–	3,645,964	1,601,035	–	–	–	–	–	5,246,999
Unquoted Private Debt Securities	67,991	200,793	110,771	183,722	1,175,875	94,854	274,612	1,327,473	110,798	178,837	88,878	–	55,765	375,195	4,245,564
Financial investments held-to-maturity	–	–	–	–	1,391,876	–	45,000	417,467	2,010,166	–	–	–	–	–	3,864,509
Money Market Securities	–	–	–	–	–	–	–	–	518,486	–	–	–	–	–	518,486
Unquoted Private Debt Securities	–	–	–	–	1,391,876	–	45,000	417,467	1,491,680	–	–	–	–	–	3,346,023
Loans, advances and financing	4,285,412	3,069,742	8,416,217	1,224,926	3,978,518	4,600,573	2,321,617	2,254,565	–	8,637,613	1,208,755	1,706,590	45,392,729	489,962	86,173,795
Hire purchase	6,472	1,074	13,619	1,486	36,504	36,570	19,998	11,302	–	788	17,202	33,007	22,789,364	12,342	22,979,728
Mortgage	15,586	2,999	82,355	2,730	85,118	145,966	14,491	5,069	–	126,492	76,483	104,707	17,850,857	139,804	18,652,657
Credit card	–	–	185	–	–	–	–	–	–	–	–	–	1,757,324	19	1,757,528
Other loans and financing	88,835	27,721	207,168	8,286	175,862	260,475	92,913	3,368	–	38,287	192,611	64,511	2,002,117	111,905	3,274,059
Corporate loans, advance and financing	4,174,519	3,037,948	8,112,890	1,212,424	3,681,034	4,157,562	2,194,215	2,234,826	–	8,472,046	922,459	1,504,365	993,067	225,892	40,923,247
Term loans and bridging loans	2,344,112	2,682,267	2,351,821	1,065,892	1,512,603	1,444,184	1,133,884	1,078,645	–	6,215,706	507,610	1,081,389	42,527	65,506	21,526,146
Revolving credits	1,533,436	332,033	1,915,291	109,355	1,345,807	385,171	820,393	1,149,650	–	1,575,228	187,837	396,302	949,763	85,674	10,785,940
Overdrafts	180,328	20,994	472,077	22,318	455,524	543,668	141,401	–	–	648,963	164,209	22,403	777	37,272	2,709,934
Trade	116,643	2,654	3,370,682	14,859	262,982	1,782,214	98,537	6,531	–	32,149	60,664	4,271	–	37,440	5,789,626
Factoring	–	–	3,019	–	104,118	2,325	–	–	–	–	2,139	–	–	–	111,601
Collective allowance	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(1,413,424)
Receivables: investments not quoted in active markets	–	357,333	–	–	69,830	–	–	25,000	–	99,000	–	–	–	–	551,163
Statutory deposits with Bank Negara Malaysia	–	–	–	–	–	–	–	–	3,214,591	–	–	–	–	–	3,214,591
Other financial assets	1,407	14,631	1,609	6,607	28,665	1,766	15,193	503,938	396,488	19,580	438,736	5,321	412,604	893,620	2,740,165
	4,356,900	3,781,029	8,628,810	1,434,847	6,665,520	4,706,361	2,704,957	20,570,269	15,081,449	9,078,591	1,772,053	1,712,037	45,861,098	1,853,693	126,794,190
Contingent liabilities	53,597	561,625	1,441,025	532,237	2,610,927	624,514	316,500	1,027,114	–	692,008	198,759	46,357	285	212,206	8,317,154
Commitments	856,551	523,748	4,186,461	167,423	3,366,939	1,967,043	718,581	1,604,668	–	415,300	2,120,583	437,720	8,407,664	104,437	24,877,118
Total	**910,148**	**1,085,373**	**5,627,486**	**699,660**	**5,977,866**	**2,591,557**	**1,035,081**	**2,631,782**	**–**	**1,107,308**	**2,319,342**	**484,077**	**8,407,949**	**316,643**	**33,194,272**

52. RISK MANAGEMENT (CONT'D.)

52.2 Credit Risk Management (Cont'd.)

52.2.1a Industry Analysis (Cont'd.)

Group 31 March 2015	Agriculture RM'000	Mining and quarrying RM'000	Manufacturing RM'000	Electricity, gas and water RM'000	Construction RM'000	Wholesale, retail trade, restaurant and hotel RM'000	Transport, storage and communication RM'000	Finance and insurance RM'000	Government and central bank RM'000	Real estate RM'000	Business activities RM'000	Education and health RM'000	Household RM'000	Others RM'000	Total RM'000
Cash and short-term funds	–	–	–	–	–	–	–	3,951,284	6,336,062	–	–	–	–	–	10,287,346
Deposits and placements with banks and other financial institutions	–	–	–	–	–	–	–	763,122	300,000	–	–	–	–	–	1,063,122
Derivative financial assets	2,258	6,902	20,716	–	4,161	3,061	2,924	464,575	–	159	14,822	158	–	9,074	528,810
Financial assets held-for-trading	4,753	–	63,804	93,861	207,079	–	377,153	1,353,384	684,541	79,207	19,978	–	–	738,295	3,622,055
Money Market Securities	–	–	–	–	–	–	–	–	674,229	–	–	–	–	–	674,229
Quoted Private Debt Securities	–	–	–	–	–	–	–	23,799	–	–	–	–	–	–	23,799
Unquoted Private Debt Securities	4,753	–	63,804	93,861	207,079	–	377,153	1,329,585	10,312	79,207	19,978	–	–	738,295	2,924,027
Financial investments available-for-sale	66,157	223,741	123,714	343,611	1,170,375	–	334,434	2,321,022	5,428,309	81,472	82,571	–	–	225,966	10,401,372
Money Market Securities	–	–	–	–	–	–	–	1,516,795	5,345,019	–	–	–	–	–	6,861,814
Unquoted Private Debt Securities	66,157	223,741	123,714	343,611	1,170,375	–	334,434	804,227	83,290	81,472	82,571	–	–	225,966	3,539,558
Financial investments held-to-maturity	–	–	–	–	1,358,964	–	45,000	6,591	2,388,010	–	–	–	–	–	3,798,565
Money Market Securities	–	–	–	–	–	–	–	–	522,405	–	–	–	–	–	522,405
Unquoted Private Debt Securities	–	–	–	–	1,358,964	–	45,000	6,591	1,865,605	–	–	–	–	–	3,276,160
Loans, advances and financing	3,812,776	3,456,675	8,590,297	1,251,204	4,683,624	4,606,294	2,427,532	1,902,520	–	7,388,003	1,388,865	1,445,747	47,275,108	892,316	87,170,576
Hire purchase	12,120	2,220	27,841	2,225	64,443	70,906	38,844	21,336	–	1,697	28,827	56,881	25,432,390	23,555	25,783,285
Mortgage	23,187	6,288	140,095	4,935	137,431	320,092	24,328	2,619	–	132,044	112,729	125,208	16,432,956	176,851	17,638,763
Credit card	–	–	–	–	–	–	–	–	–	–	–	–	2,075,599	–	2,075,599
Other loans and financing	124,202	26,662	204,581	7,532	161,766	234,978	117,618	1,900	–	39,257	203,775	83,755	3,317,486	115,827	4,639,339
Corporate loans, advance and financing	3,653,267	3,421,505	8,217,780	1,236,512	4,319,984	3,980,318	2,246,742	1,876,665	–	7,215,005	1,043,534	1,179,903	16,677	576,083	38,983,975
Term loans and bridging loans	2,374,781	2,739,763	2,803,237	1,103,959	2,157,237	1,382,074	1,338,849	1,079,084	–	5,619,400	543,069	755,483	14,036	183,149	22,094,121
Revolving credits	1,001,463	636,811	1,676,387	88,495	1,265,549	343,727	681,836	778,748	–	1,004,738	226,794	381,302	–	325,426	8,411,276
Overdrafts	147,005	35,370	628,501	28,672	443,657	551,344	105,043	–	–	555,610	197,255	31,329	1,908	32,899	2,758,593
Trade	130,018	9,561	3,105,297	13,706	295,743	1,695,058	121,004	18,833	–	35,257	69,067	11,789	733	34,416	5,540,482
Factoring	–	–	4,358	1,680	157,798	8,115	10	–	–	–	7,349	–	–	193	179,503
Collective allowance	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(1,950,384)
Receivables: investments not quoted in active markets	–	–	–	–	69,830	–	–	–	–	99,000	–	–	–	–	168,830
Statutory deposits with Bank Negara Malaysia	–	–	–	–	–	–	–	–	3,122,961	–	–	–	–	–	3,122,961
Other financial assets	416	3,394	17,894	9,949	32,643	701	11,083	1,080,668	490,534	17,615	372,792	–	422,611	440,275	2,900,575
	3,886,360	3,690,712	8,816,425	1,698,625	7,526,676	4,610,056	3,198,126	11,843,166	18,750,417	7,665,456	1,879,028	1,445,905	47,697,719	2,305,926	123,064,213
Contingent liabilities	34,532	246,776	1,270,387	447,392	2,613,907	659,941	461,433	743,406	–	504,962	215,886	197,262	5,170	278,896	7,679,950
Commitments	1,508,708	194,657	5,703,088	457,039	3,588,783	2,984,024	1,184,388	915,550	39,572	2,979,303	651,872	297,387	7,961,025	111,714	28,577,110
Total	**1,543,240**	**441,433**	**6,973,475**	**904,431**	**6,202,690**	**3,643,965**	**1,645,821**	**1,658,956**	**39,572**	**3,484,265**	**867,758**	**494,649**	**7,966,195**	**390,610**	**36,257,060**
Company															
31 March 2015															
Cash and short-term funds	–	–	–	–	–	–	–	12,464	–	–	–	–	–	–	12,464
Deposits and placements with banks and other financial institutions	–	–	–	–	–	–	–	25,131	–	–	–	–	–	–	25,131
Other financial assets	–	–	–	–	–	–	–	49	–	–	–	–	–	–	49
	–	–	–	–	–	–	–	37,644	–	–	–	–	–	–	37,644
31 March 2014															
Cash and short-term funds	–	–	–	–	–	–	–	53,189	–	–	–	–	–	–	53,189
Deposits and placements with banks and other financial institutions	–	–	–	–	–	–	–	212,103	–	–	–	–	–	–	212,103
	–	–	–	–	–	–	–	265,292	–	–	–	–	–	–	265,292

52. RISK MANAGEMENT (CONT'D.)

52.2 Credit Risk Management (Cont'd.)

52.2.1b Geographical Analysis

Group 31 March 2015	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
Cash and short-term funds	9,848,676	909,924	10,758,600
Deposits and placements with banks and other financial institutions	4,068,281	538	4,068,819
Derivative financial assets	1,020,239	417,298	1,437,537
Financial assets held-for-trading	4,325,927	166,521	4,492,448
Money Market Securities	1,422,695	–	1,422,695
Quoted Private Debt Securities	39,394	–	39,394
Unquoted Private Debt Securities	2,863,838	166,521	3,030,359
Financial investments available-for-sale	9,190,606	301,957	9,492,563
Money Market Securities	5,246,999	–	5,246,999
Unquoted Private Debt Securities	3,943,607	301,957	4,245,564
Financial investments held-to-maturity	3,346,023	518,486	3,864,509
Money Market Securities	–	518,486	518,486
Unquoted Private Debt Securities	3,346,023	–	3,346,023
Loans, advances and financing	85,311,712	862,083	86,173,795
Hire purchase	22,979,728	–	22,979,728
Mortgage	18,652,657	–	18,652,657
Credit card	1,757,528	–	1,757,528
Other loans and financing	3,247,437	26,622	3,274,059
Corporate loans, advance and financing	40,086,055	837,192	40,923,247
Term loans and bridging loans	21,066,417	459,729	21,526,146
Revolving credits	10,461,674	324,266	10,785,940
Overdrafts	2,709,934	–	2,709,934
Trade	5,736,429	53,197	5,789,626
Factoring	111,601	–	111,601
Collective allowance	(1,411,693)	(1,731)	(1,413,424)
Receivables: investments not quoted in active markets	551,163	–	551,163
Statutory deposits with Bank Negara Malaysia	3,214,591	–	3,214,591
Other financial assets	2,541,755	197,405	2,739,160
	123,418,973	**3,374,212**	**126,793,185**
Contingent liabilities	8,145,970	171,184	8,317,154
Commitments	24,766,566	110,552	24,877,118
Total	**32,912,536**	**281,736**	**33,194,272**

52. RISK MANAGEMENT (CONT'D.)

52.2 Credit Risk Management (Cont'd.)

52.2.1b Geographical Analysis (Cont'd.)

Group 31 March 2015	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
Cash and short-term funds	9,123,315	1,164,031	10,287,346
Deposits and placements with banks and other financial institutions	1,045,536	17,586	1,063,122
Derivative financial assets	323,087	205,723	528,810
Financial assets held-for-trading	3,503,178	118,877	3,622,055
Money Market Securities	674,229	–	674,229
Quoted Private Debt Securities	23,799	–	23,799
Unquoted Private Debt Securities	2,805,150	118,877	2,924,027
Financial investments available-for-sale	10,114,426	286,946	10,401,372
Money Market Securities	6,861,814	–	6,861,814
Unquoted Private Debt Securities	3,252,612	286,946	3,539,558
Financial investments held-to-maturity	3,276,160	522,405	3,798,565
Money Market Securities	–	522,405	522,405
Unquoted Private Debt Securities	3,276,160	–	3,276,160
Loans, advances and financing	86,040,007	1,130,570	87,170,577
Hire purchase	25,783,285	–	25,783,285
Mortgage	17,638,763	–	17,638,763
Credit card	2,075,599	–	2,075,599
Other loans and financing	4,602,570	36,769	4,639,339
Corporate loans, advance and financing	37,876,012	1,107,963	38,983,975
Term loans and bridging loans	21,259,723	834,398	22,094,121
Revolving credits	8,151,106	260,170	8,411,276
Overdrafts	2,758,593	–	2,758,593
Trade	5,527,087	13,395	5,540,482
Factoring	179,503	–	179,503
Collective allowance	(1,936,222)	(14,162)	(1,950,384)
Receivables: investments not quoted in active markets	168,830	–	168,830
Statutory deposits with Bank Negara Malaysia	3,122,961	–	3,122,961
Other financial assets	2,570,934	329,640	2,900,574
	119,288,434	**3,775,778**	**123,064,212**
Contingent liabilities	7,511,902	168,048	7,679,950
Commitments	28,318,893	258,215	28,577,108
Total	**35,830,795**	**426,263**	**36,257,058**
Company			
31 March 2015			
Cash and short-term funds	12,464	–	12,464
Deposits and placements with banks and other financial institutions	25,131	–	25,131
Other financial assets	49	–	49
	37,644	**–**	**37,644**
31 March 2014			
Cash and short-term funds	53,189	–	53,189
Deposits and placements with banks and other financial institutions	212,103	–	212,103
	265,292	**–**	**265,292**

52. RISK MANAGEMENT (CONT'D.)

52.2 Credit Risk Management (Cont'd.)

MAIN TYPES OF COLLATERAL

Main Types of Collateral Taken by the Group

Collateral is generally taken as security for credit exposures as a secondary source of repayment in case the counterparty cannot meet its contractual repayment obligations from cash flow generation. Types of collateral typically taken by the Group include:

- Cash and term deposits
- Exchange traded shares, bonds, sukuks, convertible bonds and marketable securities
- Non-exchange traded debt securities/sukuks
- Unit trusts (including Amanah Saham Nasional, Amanah Saham Bumiputera and mutual funds)
- Non-exchange traded shares
- Residential and non-residential property
- Plantation land, mining land, quarry land and vacant land
- Passenger vehicle, commercial vehicle, construction vehicle and vessel
- Plant and machineries

In the case of the Group's Islamic Banking operations, only Shariah approved assets can be accepted as permissible collateral.

Where the customer risk profile is considered very sound (or by nature of the product, for instance small limit products such as credit cards), a transaction may be provided on an "unsecured" basis, i.e., not be supported by collateral.

In addition to rating customer's probability of default via an internal risk rating system, the Group uses Security Indicators ("SIs") in its non-retail portfolio to assess the strength of collateral supporting its exposures.

Processes for Collateral Management

To support the development of processes around collateral valuation and management, the concept of legal enforceability and certainty are central to collateral management. In order to achieve legal enforceability and certainty, the Group has standard collateral instruments, and where applicable, security interests are registered.

Guarantee Support

Guarantee support for lending proposals are an integral component in transaction structuring for the Group. The guarantee of a financially strong party can help improve the risk grade of a transaction through its explicit support of the borrower, where borrower's risk grade will be enhanced with guarantor's risk grade.

Guarantees that are recognised for risk grading purposes may be provided by parties that include associated entities, banks or sovereigns. Credit policy provides threshold parameters to determine acceptable counterparties in achieving risk grade enhancement of the transaction. Guarantee by a counterparty with lower rating than the Borrower is not recognised as part of the risk grade enhancement.

Use of Credit Derivatives and Netting for Risk Mitigation

Currently, the Group does not use credit derivatives and netting for risk mitigation.

Transaction Structuring to Mitigate Credit Risk

Besides tangible security and guarantee support described above, credit risk mitigation techniques are used in structuring transactions. These include duration limits managing the number of years the loan/financing is extended, amortisation schedules and loan/financing covenants. These assist in managing credit risk and in providing early warning signals, whereby should loan/financing covenants be breached, the Group and the customer can work together to address the underlying causes and as appropriate, restructure facilities.

The main types of collateral undertaken by the Group are properties, motor vehicles and exchange traded shares.

52. RISK MANAGEMENT (CONT'D.)

52.2 Credit Risk Management (Cont'd.)

CREDIT QUALITY

Credit Quality

The credit quality of financial assets are analysed based on broad categories. Internal credit rating grades assigned to corporate and retail lending business are mapped to the following categories based on the descriptions appended below.

Description of the Categories

Credit Quality Classification	Definition
Very Strong	Counterparty's profile reflect very strong capacity to meet its financial commitments and exhibits a high degree of resilience to adverse domestic and external development. These companies/business entities have very strong business fundamentals such as: i. In good industries with stable revenues with long term growth potential; and, ii. Exhibits very strong financial position such as very low leverage ratio and superior cash flows position; and, iii. Very low risk business franchise with dominant market position; and, iv. Very strong management capability.
Strong	Counterparty has strong capacity to meet its financial commitments and is generally in a position to withstand adverse domestic and external developments. These companies/ business entities have strong business fundamentals such as good business track records, strong financials, sustained market position, and strong management capability.
Satisfactory	Counterparty has adequate capacity to meet its financial commitments as the business entity is generally in a position to resolve any apparent shortcoming within an acceptable timeframe. While adverse domestic or external developments are likely to weaken its capacity to meet its financial commitments, these companies/business entities exhibits satisfactory business fundamentals such as acceptable business track records, satisfactory overall financials, reasonable market position, and satisfactory management capability.
Substandard	Counterparty exhibits some weaknesses in its business fundamentals, financials and management capacity. While currently able to meets its financial commitments, the counterparty's financial capacity over the medium and longer terms may be vulnerable to adverse domestic or external developments.
Impaired	Counterparty has been classified as "impaired" as per the Policy on Definition of Default/Impaired for Credit Facility.

The table below provides the External Credit Assessment Institutions ("ECAIs") rating that broadly corresponds to the broad internal credit quality categories.

Credit Quality Classification	Moody's	S&P	Fitch	RAM	MARC
Very Strong	AAA to Baa3	AAA to BBB-	AAA to BBB-	AAA to AA3	AAA to AA
Strong	Ba1 to Ba3	BB+ to BB-	BB+ to BB-	A1 to BBB3	AA- to A+
Satisfactory	B1 to B3	B+ to B-	B+ to B-	BB1 to B1	A to BBB-
Substandard	Caa1 to C	CCC+ to C	CCC to C	B2 to C3	BB+ to C
Impaired	D	D	D	D	D

The above ECAIs used by the Group are:
- Standard & Poor's Rating services ("S&P")
- Moody's Investors Service ("Moody's")
- Fitch Rating ("Fitch")
- Malaysian Rating Corporation Berhad ("MARC")
- Rating Agency Malaysia ("RAM")

52. RISK MANAGEMENT (CONT'D.)

52.2 Credit Risk Management (Cont'd.)

IMPAIRMENT

Definition of Past Due and Impaired Loans

All loans, financing and advances are categorised as either:

- Neither past due nor impaired;
- Past due but not impaired; or
- Impaired

An asset is considered past due when any payment (whether principal and/or interest/rate of return) due under the contractual terms are received late or missed.

A loan/financing is classified as impaired under the following circumstances:

(a) where the principal or interest/profit or both is past due[1] or the amount outstanding is in excess of approved limit (for revolving facilities), each for more than 90 days or 3 months on any material obligation[2]; or

(b) For loans/financing where repayments are scheduled on intervals of 3 months or longer, the loan/financing is to be classified as impaired 1+30 days or 1day+1 month past due (the 30-days grace period is to allow for exclusion of administrative default[3]);

(c) For trade bills/facilities, an account is deemed default and impaired when the past due is 90 days from due date of the bill;

(d) A loan/financing may also be classified as impaired:

   i. As deemed appropriate by the Watch and Control Committee where it is determined the loans/financing have a high probability of default; or
   ii. Cross-default occurs when:

      - a default of a loan/financing obligation of a borrower triggers a default of another loan/financing obligation of the same borrower or
      - a default of a loan/financing obligation of a borrower triggers a default of a loan/financing obligation of other borrowers within the same borrower group.

   The Credit and Commitments Committee ("CACC") is allowed to waive the declaration of cross default across all accounts of the same borrower or accounts of all borrowers within the same borrower group;

(e) Debt instruments (for example, fixed income securities, debt converted instrument etc.) shall be classified as impaired when the coupon or interest payment is 1 day past due; or

(f) In the case of stock broking and futures broking:

   i. For margin lending, it is impaired when there is a shortfall to carrying value i.e. difference between the collateral value (if any) and the outstanding balance.
   ii. For contra losses, it is impaired when the facility is overdue by 30 days.

[1] For credit card facilities, an account is "past due" when the card member fails to settle the minimum monthly repayment due before the next billing date.

[2] Material obligation as determined by Management.

[3] Administrative defaults include cases where exposures become overdue because of oversight on the part of the obligor and/or the banking institution. Instances of administrative defaults may be excluded from the historical default count, subject to appropriate policies and procedures established by the banking institution to evaluate and approve such cases.

52. RISK MANAGEMENT (CONT'D.)

52.2 Credit Risk Management (Cont'd.)

52.2.1c Credit Quality By Class of Financial Assets

Group 31 March 2015	Neither past due nor impaired: Very strong credit profile RM'000	Strong credit profile RM'000	Satisfactory risk RM'000	Sub-standard RM'000	Unrated RM'000	Past due but not impaired RM'000	Impaired RM'000	Total RM'000	Gross amount individually impaired RM'000	Individual allowance RM'000
Cash and short-term funds	10,661,632	96,008	–	–	960	–	–	10,758,600	–	–
Deposits and placements with banks and other financial institutions	3,918,819	150,000	–	–	–	–	–	4,068,819	–	–
Derivative financial assets	909,190	511,940	10,346	519	5,542	–	–	1,437,537	–	–
Financial assets held-for-trading	4,302,837	73,107	86,199	–	30,305	–	–	4,492,448	–	–
Money Market Securities	1,422,695	–	–	–	–	–	–	1,422,695	–	–
Quoted Private Debt Securities	39,394	–	–	–	–	–	–	39,394	–	–
Unquoted Private Debt Securities	2,840,748	73,107	86,199	–	30,305	–	–	3,030,359	–	–
Financial investments available-for-sale	9,187,315	305,239	–	–	–	–	9	9,492,563	5,009	(5,000)
Money Market Securities	5,147,559	99,440	–	–	–	–	–	5,246,999	–	–
Unquoted Private Debt Securities	4,039,756	205,799	–	–	–	–	9	4,245,564	5,009	(5,000)
Financial investments held-to-maturity *	3,862,526	–	–	–	1,982	–	6,198	3,870,706	6,198	(6,198)
Money Market Securities	518,486	–	–	–	–	–	–	518,486	–	–
Unquoted Private Debt Securities	3,344,040	–	–	–	1,982	–	6,198	3,352,220	6,198	(6,198)
Gross loans, advances and financing *	30,137,255	27,969,935	14,831,431	3,009,726	10,917	10,291,048	1,572,730	87,823,042	390,690	(235,823)
Hire purchase	9,785,890	4,152,268	1,405,246	270,068	535	6,975,925	390,988	22,980,920	1,209	(1,192)
Mortgage	7,846,692	6,714,363	1,135,187	328,190	3,632	2,222,163	409,326	18,659,553	13,947	(6,896)
Credit card	89,122	1,069,346	187,715	26,469	–	366,417	18,459	1,757,528	–	–
Other loans and financing	160,106	2,049,783	589,782	93,415	–	296,251	113,115	3,302,452	34,264	(28,393)
Corporate loans, advance and financing	12,255,445	13,984,175	11,513,501	2,291,584	6,750	430,292	640,842	41,122,589	341,270	(199,342)
Term loans and bridging loans	6,629,333	6,244,891	6,306,397	1,520,315	6,750	407,559	502,023	21,617,268	208,124	(91,122)
Revolving credits	3,387,971	4,714,574	2,111,574	567,107	–	4,714	28,239	10,814,179	32,009	(28,239)
Overdrafts	341,800	795,245	1,373,540	158,538	–	17,220	45,611	2,731,954	37,977	(22,020)
Trade	1,893,448	2,206,454	1,638,502	45,624	–	799	62,622	5,847,449	63,019	(57,823)
Factoring	2,893	23,011	83,488	–	–	–	2,347	111,739	141	(138)
Receivables: investments not quoted in active markets	–	–	–	–	551,163	–	–	551,163	–	–
Statutory deposits with Bank Negara Malaysia	3,214,591	–	–	–	–	–	–	3,214,591	–	–
Other financial assets	1,275,667	203,634	650,163	17,612	575,832	16,745	12,519	2,752,172	27,430	(25,921)
	67,469,832	**29,309,863**	**15,578,139**	**3,027,857**	**1,176,701**	**10,307,793**	**1,591,456**	**128,461,641**	**429,327**	**(272,942)**

* The amounts presented above are gross of impairment allowances.

52. RISK MANAGEMENT (CONT'D.)

52.2 Credit Risk Management (Cont'd.)

52.2.1c Credit Quality By Class of Financial Assets (Cont'd.)

Group 31 March 2014	Neither past due nor impaired: Very strong credit profile RM'000	Strong credit profile RM'000	Satisfactory risk RM'000	Sub-standard RM'000	Unrated RM'000	Past due but not impaired RM'000	Impaired RM'000	Total RM'000	Gross amount individually impaired RM'000	Individual allowance RM'000
Cash and short-term funds	10,285,785	3	62	–	1,496	–	–	10,287,346	–	–
Deposits and placements with banks and other financial institutions	1,063,123	–	–	–	–	–	–	1,063,123	–	–
Derivative financial assets	307,345	210,015	6,632	65	4,753	–	–	528,810	–	–
Financial assets held-for-trading	2,060,502	1,561,553	–	–	–	–	–	3,622,055	–	–
Money Market Securities	674,229	–	–	–	–	–	–	674,229	–	–
Quoted Private Debt Securities	23,799	–	–	–	–	–	–	23,799	–	–
Unquoted Private Debt Securities	1,362,474	1,561,553	–	–	–	–	–	2,924,027	–	–
Financial investments available-for-sale	10,120,230	275,678	5,014	–	–	–	450	10,401,372	5,450	(5,000)
Money Market Securities	6,841,933	19,881	–	–	–	–	–	6,861,814	–	–
Unquoted Private Debt Securities	3,278,297	255,797	5,014	–	–	–	450	3,539,558	5,450	(5,000)
Financial investments held-to-maturity *	3,791,973	–	–	–	1,076	–	9,160	3,802,209	9,160	(3,644)
Money Market Securities	522,405	–	–	–	–	–	–	522,405	–	–
Unquoted Private Debt Securities	3,269,568	–	–	–	1,076	–	9,160	3,279,804	9,160	(3,644)
Gross loans, advances and financing *	19,517,012	36,050,460	13,647,214	4,968,232	27,641	13,409,250	1,668,703	89,288,512	356,198	(167,552)
Hire purchase	3,578,686	11,203,931	550,603	122,055	779	9,708,157	621,874	25,786,085	1,895	(1,895)
Mortgage	7,323,882	6,085,217	993,190	306,641	4,266	2,387,137	541,365	17,641,698	9,637	(2,935)
Credit card	42,246	782,896	628,697	254,298	–	321,529	45,933	2,075,599	–	–
Other loans and financing	164,688	3,688,702	286,897	18,628	13,596	318,373	170,260	4,661,144	44,742	(22,710)
Corporate loans, advance and financing	8,407,510	14,289,714	11,187,827	4,266,610	9,000	674,054	289,271	39,123,986	299,924	(140,012)
Term loans and bridging loans	4,721,751	7,324,710	6,428,274	2,881,812	9,000	616,810	181,968	22,164,325	195,066	(70,204)
Revolving credits	1,935,007	3,554,281	1,914,444	1,007,545	–	–	30,329	8,441,606	32,156	(30,330)
Overdrafts	329,122	800,684	1,373,368	182,885	–	49,098	26,508	2,761,665	24,136	(3,072)
Trade	1,421,625	2,589,326	1,317,198	190,251	–	8,146	50,339	5,576,885	48,439	(36,404)
Factoring	5	20,713	154,543	4,117	–	–	127	179,505	127	(2)
Receivables: investments not quoted in active markets	–	–	–	–	168,830	–	–	168,830	–	–
Statutory deposits with Bank Negara Malaysia	3,122,961	–	–	–	–	–	–	3,122,961	–	–
Other financial assets	1,085,502	44,244	609,324	20,625	1,089,277	12,619	134,097	2,995,688	132,062	(102,999)
	51,354,433	**38,141,953**	**14,268,246**	**4,988,922**	**1,293,073**	**13,421,869**	**1,812,410**	**125,280,906**	**502,870**	**(279,195)**

* The amounts presented above are gross of impairment allowances.

52. RISK MANAGEMENT (CONT'D.)

52.2 Credit Risk Management (Cont'd.)

52.2.1c Credit Quality By Class of Financial Assets (Cont'd.)

Company 31 March 2015	Neither past due nor impaired Very strong credit profile RM'000	Total RM'000
Cash and short-term funds	12,464	12,464
Deposits and placements with banks and other financial institutions	25,131	25,131
Other financial assets	49	49
	37,644	**37,644**
Company 31 March 2014		
Cash and short-term funds	53,189	53,189
Deposits and placements with banks and other financial institutions	212,103	212,103
	265,292	**265,292**

52.2.1d Aging Analysis of Past Due But Not Impaired By Class of Financial Assets

Group 31 March 2015	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	Total RM'000
Gross loans, advances and financing				
Hire purchase	4,811,923	2,164,002	–	6,975,925
Mortgage	1,353,582	868,581	–	2,222,163
Credit card	236,240	130,177	–	366,417
Other loans and financing	180,268	115,983	–	296,251
Corporate loans, advance and financing	360,675	69,617	–	430,292
Term loans and bridging loans	343,161	64,398	–	407,559
Revolving credits	4,714	-	–	4,714
Overdrafts	12,218	5,002	–	17,220
Trade	582	217	–	799
Other financial assets	3,779	1,695	12,309	17,783
Total gross loans and advances	**6,946,467**	**3,350,055**	**12,309**	**10,308,831**

Group 31 March 2014	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	Total RM'000
Gross loans, advances and financing				
Hire purchase	5,864,772	3,843,385	–	9,708,157
Mortgage	1,410,412	976,725	–	2,387,137
Credit card	207,006	114,523	–	321,529
Other loans and financing	213,904	104,469	–	318,373
Corporate loans, advance and financing	547,884	126,170	–	674,054
Term loans and bridging loans	497,089	119,721	–	616,810
Overdrafts	47,576	1,522	–	49,098
Trade	3,219	4,927	–	8,146
Other financial assets	9,280	1,197	2,142	12,619
Total gross loans and advances	**8,253,258**	**5,166,469**	**2,142**	**13,421,869**

52. RISK MANAGEMENT (CONT'D.)

52.2 Credit Risk Management (Cont'd.)

52.2.1e Estimated value of collateral for financial assets

The following table summarises the financial effects of collateral received from loans, advances and financing:

	Financial effect of collateral		Gross exposure to credit risk		Unsecured portion of credit exposure	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Group						
Gross loans, advances and financing						
Hire purchase	11,941,005	14,494,764	22,980,919	25,786,085	11,039,914	11,291,321
Mortgage	18,459,443	16,126,191	18,659,553	17,641,698	200,110	1,515,507
Credit card	20,916	4,927	1,757,528	2,075,599	1,736,612	2,070,672
Other loans and financing	1,226,530	2,314,126	3,302,455	4,661,143	2,075,925	2,347,017
Corporate loans, advance and financing	19,085,239	17,040,008	41,122,588	39,123,989	22,037,349	22,083,981
Term loans and bridging loans	11,591,102	11,698,355	21,617,267	22,164,324	10,026,165	10,465,969
Revolving credits	4,713,658	2,621,823	10,814,179	8,441,608	6,100,521	5,819,785
Overdrafts	1,571,088	1,619,674	2,731,953	2,761,667	1,160,865	1,141,993
Trade	1,198,175	1,093,537	5,847,449	5,576,885	4,649,274	4,483,348
Factoring	11,216	6,619	111,740	179,505	100,524	172,886
Total	**50,733,133**	**49,980,016**	**87,823,043**	**89,288,514**	**37,089,910**	**39,308,498**

52.2.1f Collateral Repossessed

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Residential properties	150	150
Non-residential properties	61,672	66,655
	61,822	**66,805**

The above assets are accounted for as foreclosed properties under other assets (Note 18). There were no new assets obtained for the financial year 2015 and 2014.

52. RISK MANAGEMENT (CONT'D.)

52.2 Credit Risk Management (Cont'd.)

Methodology for Determination of Individual and Collective Allowances
An assessment is performed to determine whether objective evidence of impairment exists individually for financial assets that are individually significant, and collectively for financial assets that are not individually significant or not individually impaired.

Individual Assessment
Individual assessment is divided into 2 main processes – detection of an event(s) and an assessment of impairment:

(a) Trigger management
In trigger management, financial assets which are above the pre-set individual assessment threshold are assessed using the relevant impairment triggers for objective evidence of impairment.

(b) Valuation of assets
Financial assets which are triggered by the impairment triggers will be measured for evidence of high likelihood of impairment i.e. estimated recoveries (based on the discounted cash flow projection method and taking into account economic conditions) is less than carrying value or fair value is less than the carrying value.

Collective Assessment
Loans and advances, and commitments and contingencies below the significant threshold and those not assessed to be individually impaired, will be subject to collective assessment and a collective allowance will be computed accordingly. The collective impairment assessment and provisioning methodology uses historical loss data to derive the level of provisions. The collective provisions is computed after making the necessary adjustments to reflect current economic conditions.

52.3 Liquidity Risk and Funding Management

Liquidity risk is the risk that the organisation either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can only access these financial resources at an unreasonable cost. Liquidity risk exposure arises mainly from the deposit taking and borrowing activities and market disruption, and to a lesser extent, significant drawdown of funds from previously contracted financing and purchase commitments. Funding management is the ongoing ability to raise sufficient funds to finance actual and proposed business activities at a reasonable cost. Improper funding management may lead to liquidity problem. On the other hand, insufficient liquidity risk management may also give rise to funding risk.

The liquidity risk management process is depicted in the table below:

Identification	• Identify liquidity risk within existing and new business activities • Review market-related information such as market trend and economic data • Keep abreast with regulatory requirements
Assessment/ Measurement	• New Liquidity Framework ("NLF") • Liquidity Concentration Ratios • Liquidity Coverage Ratio ("LCR") • Loans to Deposit Ratio ("LDR") • Other Detailed Management Controls
Control/ Mitigation	• NLF Limits • Concentration Ratios • LCR Limits • LDR Limits • Other Detailed Management Limits
Monitoring/ Review	• Monitor limits • Periodical review and reporting

52. RISK MANAGEMENT (CONT'D.)

52.3 Liquidity Risk and Funding Management (Cont'd.)

The liquidity risk management of the Group is aligned with the New Liquidity Framework issued by Bank Negara Malaysia. The primary objective of the Group's liquidity risk management is to ensure the availability of sufficient funds at a reasonable cost to honor all financial commitments when they fall due. This objective is partly managed through maintenance of a portfolio of high-quality liquid assets to protect against adverse funding conditions and support day-to-day operations. The secondary objective is to ensure an optimal funding structure and to balance the key liquidity risk management objectives, which includes diversification of funding sources, customer base and maturity period.

The Group CEOs Committee ("GCC") is the responsible governing body that approves the Group's liquidity management and strategies policies, and is responsible for setting liquidity limits, proposing liquidity risk policies and contingency funding plan, and practices to be in compliance with local regulatory requirements, and monitor liquidity on an ongoing basis. The Capital and Balance Sheet Management Department and Group Risk Management propose and oversee the implementation of policies and other controls relating to the above risks.

The Board of Directors provides the liquidity risk management oversight while the Group CEOs Committee is the responsible governing body that approves the Group's liquidity management and strategies policies, and is responsible for setting liquidity limits, proposing liquidity risk policies and contingency funding plan, and practices to be in compliance with local regulatory requirements, and monitor liquidity on an ongoing basis. The Capital and Balance Sheet Management Department and Group Risk Management propose and oversee the implementation of policies and other controls relating to the above risks.

Stress testing is undertaken to assess and plan for the impact for various scenarios which may put the Group's liquidity at risk. The stress testing output contributes to the development of the liquidity risk limits and the Group's Contingency Funding Plan.

The Group stresses the importance of customer deposit accounts as a source of funds to finance lending/financing to customers. They are monitored using the adjusted loan/financing to deposit ratio, which compares loan/financing and advances to customers as a percentage of customer deposit accounts, together with term funding with original term of maturity in excess of three years.

As conservative liquidity management practice, part of the Group's medium term assets is funded by medium term liabilities. Medium term is defined by the Group as remaining term to maturity in excess of one year.

In preparation to the impending implementation of Basel III liquidity metrics, the Group is already monitoring the LCR and Net Stable Funding Ratio ("NSFR") and continue to pursue strategies to ensure the availability of cost effective liquidity. Subject to finalisation of the detailed regulations, the Group is confident of meeting Bank Negara Malaysia's requirements on Basel III liquidity metrics in accordance with its recently approved timetable for implementation.

52.3.1 Analysis of Assets and Liabilities By Remaining Contractual Maturities

The table below summarises the maturity profile of the Group's assets and liabilities as at 31 March. All derivatives used for hedging purposes are shown by maturity, based on their contractual undiscounted repayment obligations.

Repayment which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date the Group could be required to pay and the table does not reflect the expected cash flows indicated by the Group's deposit retention history.

The table below shows the contractual expiry by maturity of the Group's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. It should be noted that this is not how the Group manages its liquidity risk for off-balance sheet exposures.

52. RISK MANAGEMENT (CONT'D.)

52.3 Liquidity Risk Management (Cont'd.)

52.3.1a Analysis of Assets and Liabilities By Remaining Contractual Maturities

Group 31 March 2015	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
Assets								
Cash and short-term funds	10,771,957	–	–	–	–	–	–	10,771,957
Deposits and placements with banks and other financial institutions	–	4,094,692	6,774	69,558	538	–	–	4,171,562
Derivative financial assets	237,474	251,922	198,520	391,407	259,840	139,377	–	1,478,540
Financial assets held-for-trading	139,122	78,821	167,079	473,873	2,359,395	1,795,939	181,775	5,196,004
Financial investments available-for-sale	2,313,391	2,001,498	118,604	269,389	2,341,365	4,246,217	989,949	12,280,413
Financial investments held-to-maturity	–	523,304	43,474	48,550	991,541	4,278,092	–	5,884,961
Gross loans, advances and financing	5,296,120	7,745,886	7,743,822	11,306,500	46,095,878	33,933,827	–	112,122,033
Receivables: Investments not quoted in active markets	–	1,934	12,633	20,043	250,839	539,310	–	824,759
Amount due from originators	1,814	5,909	7,890	16,284	432,814	–	–	464,711
Statutory deposits with Bank Negara Malaysia	–	–	–	–	–	3,214,591	–	3,214,591
Deferred tax assets	–	–	–	–	–	–	83,434	83,434
Investment in associates and joint ventures	–	–	–	–	–	–	662,273	662,273
Other assets	2,201,787	138,505	54,205	117,111	272,579	–	295,936	3,080,123
Reinsurance, retakaful assets and other insurance receivables *	30,309	24,841	12,582	202,037	88,509	44,613	–	402,891
Investment properties	–	–	–	–	–	–	7,713	7,713
Property and equipment	–	–	–	–	–	–	266,562	266,562
Intangible assets	–	–	–	–	–	–	3,348,121	3,348,121
Assets held for sale	–	–	83,775	–	–	–	120,461	204,236
Total Undiscounted Assets	**20,991,974**	**14,867,312**	**8,449,358**	**12,914,752**	**53,093,298**	**48,191,966**	**5,956,224**	**164,464,884**
								–
Financial Liabilities								
Deposits and placements of banks and other financial institutions	1,455,405	379,379	182,120	105,248	283,421	633	–	2,406,206
Recourse obligation on loans sold to Cagamas Berhad	545,167	312,908	7,890	47,860	2,038,505	–	–	2,952,330
Derivative financial liabilities	245,483	253,389	242,831	381,267	239,637	99,294	–	1,461,901
Deposits from customers	44,220,774	17,747,415	15,081,454	12,807,243	4,223,321	–	–	94,080,207
Term funding	17,592	224,502	159,235	138,572	8,693,943	161,967	–	9,395,811
Debt capital	6,959	13,257	91,294	880,248	4,425,219	–	–	5,416,977
Redeemable cumulative convertible preference share	–	–	–	–	–	198,820	–	198,820
Deferred tax liabilities	–	–	–	–	–	–	116,557	116,557
Other liabilities	1,785,465	541,646	61,054	204,120	99,852	2,308	96,281	2,790,726
Insurance, takaful contract liabilities and other insurance payables *	21,522	3,897	4,236	1,485,194	170,550	92,872	–	1,778,271
Liabilities directly associated with assets held for sale	–	–	–	–	–	–	48,995	48,995
Total Undiscounted Liabilities	**48,298,367**	**19,476,393**	**15,830,114**	**16,049,752**	**20,174,448**	**555,894**	**261,833**	**120,646,801**
Contingent liabilities	698,089	633,272	792,002	1,845,928	3,961,502	386,361	–	8,317,154
Commitments	5,705,535	2,483,217	3,449,056	4,336,298	2,619,280	6,283,732	–	24,877,118
Total commitments and guarantees	**6,403,624**	**3,116,489**	**4,241,058**	**6,182,226**	**6,580,782**	**6,670,093**	**–**	**33,194,272**

52. RISK MANAGEMENT (CONT'D.)

52.3 Liquidity Risk Management (Cont'd.)

52.3.1a Analysis of Assets and Liabilities By Remaining Contractual Maturities (Cont'd.)

Group 31 March 2014 (restated)	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
Assets								
Cash and short-term funds	10,296,433	–	–	–	–	–	–	10,296,433
Deposits and placements with banks and other financial institutions	–	961,023	26,529	128,648	5,012	–	–	1,121,212
Derivative financial assets	21,992	32,730	38,283	98,550	288,109	75,107	–	554,771
Financial assets held-for-trading	34,206	153,678	126,898	104,610	2,315,920	1,376,510	214,107	4,325,929
Financial investments available-for-sale	2,397,206	3,374,315	401,214	302,307	2,110,612	3,686,304	1,167,071	13,439,029
Financial investments held-to-maturity	326,610	6,882	43,463	246,414	908,099	4,406,891	–	5,938,359
Gross loans, advances and financing	5,714,377	6,669,713	7,668,429	10,705,690	49,380,269	32,205,523	–	112,344,001
Receivables: Investments not quoted in active markets	–	2,623	–	8,246	142,951	85,924	–	239,744
Amount due from originators	881	3,908	4,904	10,159	341,783	–	–	361,635
Statutory deposits with Bank Negara Malaysia	–	–	–	–	–	3,122,961	–	3,122,961
Deferred tax assets	–	–	–	–	–	–	127,121	127,121
Investment in associates and joint ventures	–	–	–	–	–	–	252,475	252,475
Other assets	2,117,837	58,833	29,311	101,562	53,465	10,724	581,640	2,953,372
Reinsurance, retakaful assets and other insurance receivables *	26,856	30,109	26,317	1,547	436,638	14,124	–	535,591
Investment properties	–	–	–	–	–	–	7,713	7,713
Property and equipment	–	–	–	–	–	–	351,468	351,468
Intangible assets	–	–	–	–	–	–	3,383,662	3,383,662
Assets held for sale	3,126,042	–	–	–	–	–	–	3,126,042
Total Undiscounted Assets	**24,062,440**	**11,293,814**	**8,365,348**	**11,707,733**	**55,982,858**	**44,984,068**	**6,085,257**	**162,481,518**
Liabilities								
Deposits and placements of banks and other financial institutions	2,550,428	1,282,146	23,880	146,800	243,158	–	–	4,246,412
Recourse obligation on loans sold to Cagamas Berhad	44,207	10,884	18,389	723,632	2,829,395	–	–	3,626,507
Derivative financial liabilities	4,403	16,726	50,614	94,649	255,416	50,522	–	472,330
Deposits from customers	41,873,439	16,160,515	13,913,639	15,391,213	4,281,808	–	–	91,620,614
Term funding	1,282,224	1,192,991	77,376	1,918,450	2,050,066	668,197	–	7,189,304
Debt capital	11,146	16,061	92,502	390,058	3,683,312	1,667,806	–	5,860,885
Redeemable cumulative convertible preference share	–	–	–	–	–	193,137	–	193,137
Deferred tax liabilities	–	–	–	–	–	–	116,870	116,870
Other liabilities	1,906,834	438,768	106,966	209,141	81,579	2,501	628,067	3,373,856
Insurance, takaful contract liabilities and other insurance payables *	8,375	1,520	5,943	972,366	739,460	79,470	–	1,807,134
Liabilities directly associated with assets held for sale	2,835,367	–	–	–	–	–	–	2,835,367
Total Undiscounted Liabilities	**50,516,423**	**19,119,611**	**14,289,309**	**19,846,309**	**14,164,194**	**2,661,633**	**744,937**	**121,342,416**
Contingent liabilities	513,092	678,996	892,915	1,681,064	3,385,193	528,690	–	7,679,950
Commitments	5,601,809	2,472,898	3,227,778	5,406,328	3,572,944	8,295,351	–	28,577,108
Total commitments and guarantees	**6,114,901**	**3,151,894**	**4,120,693**	**7,087,392**	**6,958,137**	**8,824,041**	**–**	**36,257,058**

* Premium liabilities and the reinsurers' share of premium liabilites have been excluded from the analysis as they are not contractual obligations.

52. RISK MANAGEMENT (CONT'D.)

52.3 Liquidity Risk Management (Cont'd.)

52.3.1a Analysis of Assets and Liabilities By Remaining Contractual Maturities (Cont'd.)

Company 31 March 2015	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
Assets								
Cash and short-term funds	12,464	–	–	–	–	–	–	12,464
Deposits and placements with banks and other financial institutions	–	25,131	–	–	–	–	–	25,131
Financial investments available-for-sale	–	–	–	–	–	–	110,704	110,704
Investment in subsidiaries and other investments	–	–	–	–	–	–	9,507,225	9,507,225
Other assets	15,348	49	–	4,979	5	–	–	20,381
Property and equipment	–	–	–	–	–	–	536	536
Total Undiscounted Assets	**27,812**	**25,180**	**–**	**4,979**	**5**	**–**	**9,618,465**	**9,676,441**
Liabilities								
Term funding	–	209,054	22,060	21,939	1,104,550	–	–	1,357,603
Other liabilities	5,506	4,056	13,056	10,176	8,079	–	–	40,873
Total Undiscounted Liabilities	**5,506**	**213,110**	**35,116**	**32,115**	**1,112,629**	**–**	**–**	**1,398,476**

Company 31 March 2014 (restated)	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
Assets								
Cash and short-term funds	53,189	–	–	–	–	–	–	53,189
Deposits and placements with banks and other financial institutions	–	–	212,103	–	–	–	–	212,103
Financial investments available-for-sale	–	–	–	–	–	–	186,834	186,834
Investment in subsidiaries and other investments	–	–	–	–	–	–	9,507,225	9,507,225
Other assets	18,583	9	638	4,658	5	–	–	23,893
Property and equipment	–	–	–	–	–	–	705	705
Total Undiscounted Assets	**71,772**	**9**	**212,741**	**4,658**	**5**	**–**	**9,694,764**	**9,983,949**
Liabilities								
Term funding	–	208,802	28,478	721,819	648,671	500,000	–	2,107,770
Other liabilities	11,736	4,437	14,930	11,485	10,038	–	–	52,626
Total Undiscounted Liabilities	**11,736**	**213,239**	**43,408**	**733,304**	**658,709**	**500,000**	**–**	**2,160,396**

52. RISK MANAGEMENT (CONT'D.)

52.4 Market Risk Management

Market risk is the risk of losses due to adverse changes in the level or volatility of market rates or prices, such as interest/profit rates, credit spreads, equity prices and foreign exchange rates. The Group differentiates between two categories of market risk: Traded Market Risk ("TMR") and Non-Traded Market Risk ("NTMR"). Assessment, control and monitoring of these risks are the responsibility of Group Market Risk ("GMR").

Traded Market Risk
The TMR management process is depicted in the table below.

Identification	• Identify of market risks within existing and new products • Review market-related information review such as market trend and economic data
Assessment/ Measurement	• Value-at-Risk ("VaR") • Annual Loss Limit ("ALL") • al-at-Risk ("CaR") Historical Stress Loss ("HSL") • Other Detailed Management Controls
Control/ Mitigation	• VaR Limit • HSL Limit • Concentration Limits • Greek Limits (Annual/Monthly/Daily) • Concentration Limits • Greek Limits (Delta/Gamma/Delta-Gamma/Vega/Theta) • Present Value of One Basis Point ("PV01") • Stealth Limits • Position Size Limits • Maximum Tenor Limits • Maximum Holding Period • Minimum Holding Period • Approved Instruments/Currencies/Countries • Other Detailed Management Limits
Monitoring/ Review	• Monitor limits • Periodical review and reporting

TMR arises from transactions in which the Group acts as principal with clients or the market. It involves taking positions in fixed income, equity, foreign exchange, commodities and/or derivatives. The objectives of TMR management are to understand, accurately measure and work with the business to ensure exposures are managed within the Board and Executive Management approved limit structures and risk appetite. This is done via robust traded market risk measurement, limit setting, limit monitoring, and collaboration and agreement with Business Units.

VaR, ALL, HSL and other detailed management controls are used to measure, monitor and control TMR exposures. VaR is a quantitative measure which applies recent historic market conditions to estimate potential losses in market value, at a certain confidence level and over a specified holding period. Loss limits serve to alert management on the need to take relevant and appropriate action once they are triggered.

To complement VaR, HSL is used as a measure of the potential impact on portfolio values due to more extreme, albeit plausible, market movements. In addition, HSL is used to gauge and ensure that the Group is able to absorb extreme, unanticipated market movements.

Apart from VaR, ALL and HSL, additional sensitivity controls (e.g. Greeks Limits/PV01) and indicators are used to monitor changes in portfolio value due to changes in risk factors under different market conditions.

GMR monitors and reports risk exposures against limits on a daily basis. Portfolio market risk positions are also reported to GCC, RMCD and the Board. Furthermore, policies and procedures are in place to ensure prompt action is taken in the event of non-adherence to limits. Business Units exposed to traded market risk are required to maintain risk exposures within approved risk limits. Business Units are required to provide an action plan to address any non-adherence to limits. The action plan must be approved by Senior Management.

52. RISK MANAGEMENT (CONT'D.)

52.4 Market Risk Management (Cont'd.)

Traded Market Risk ("TMR") (Cont'd.)

The Group adopts the Standardised Approach for market risk capital charge computation. The capital charge serves as a buffer against losses from potential adverse market movements.

GMR is committed to on-going improvements in market risk processes and systems, and allocates substantial resources to this endeavour.

Non-Traded Market Risk

Interest Rate Risk/Rate of Return Risk in the Banking Book

The interest rate risk/rate of return risk in the banking book ("IRR/RORBB") risk management process is depicted in the table below:

Identification	• Identify IRR/RORBB within existing and new products • Review market-related information such as market trend and economic data
Assessment/ Measurement	• VaR • Earnings-at-Risk ("EaR") • PV01 • Other Detailed Management Controls
Control/ Mitigation	• VaR Limits • EaR Limits • PV01 Limits • Other Detailed Management Limits
Monitoring/ Review	• Monitor limits • Periodical review and reporting

IRR/RORBB arises from changes in market interest/profit rates that impact core net interest/profit income, future cash flows or fair values of financial instruments. This risk arises from mismatches between repricing dates of assets and liabilities, changes in yield curves, volatilities in interest/profit margins and implied volatilities on interest/profit rate options. The provision of retail and wholesale banking products and services (primarily lending/financing and deposit taking activities) creates interest/profit rate-sensitive positions in the Group's statement of financial position.

The principal objectives of balance sheet risk management are to manage interest/profit income sensitivity while maintaining acceptable levels of IRR/RORBB and funding risk, and to manage the economic value of Group's capital.

The Board's oversight of IRR/RORBB is supported by the GCC. GCC is responsible for the alignment of Group-wide risk appetite and funding needs, taking into consideration Group-wide business strategies. GCC consistently oversees the Group's gapping positions, asset growth and liability mix against the interest/profit rate outlook. It also reviews strategies to ensure a comfortable level of IRR/RORBB is maintained. The Group has successfully engaged long-term borrowings and written interest/profit rate swaps to manage IRR/RORBB, and maintained an acceptable gapping profile as a result. In accordance with the Group's policy, positions are monitored on a daily basis and hedging strategies are employed to ensure risk exposures are maintained within Board-established limits.

The Group measures the risk of losses arising from potential adverse movements in market interest/profit rates and volatilities using VaR. VaR is a quantitative measure of IRR/RORBB which applies recent historic market conditions to estimate the potential loss in economic value, at a certain confidence level and over a specified holding period.

The Group complements VaR by stress testing IRR/RORBB exposures to highlight potential risk that may arise from extreme market events that are rare but plausible.

Key assumptions in the gap and sensitivity analysis relate to the behaviour of interest/profit rates and spreads, changes in loan/financing and deposit product balances due to behavioural characteristics under different interest/profit rate environments. Material assumptions include the repricing characteristics and the stickiness of indeterminate or non-maturity deposits.

52. RISK MANAGEMENT (CONT'D.)

52.4 Market Risk Management (Cont'd.)

Interest Rate Risk/Rate of Return Risk in the Banking Book (Cont'd.)

The rate scenarios may include rapid ramping of interest/profit rates, gradual ramping of interest/profit rates, and narrowing or widening of spreads. Usually each analysis incorporate what management deems the most appropriate assumptions about customer behaviour in an interest/profit rate scenario. However, in certain cases, assumptions are deliberately changed to test the Group's exposure to a specified event.

The Group's strategy seeks to optimise exposure to IRR/RORBB within Board-approved limits. This is achieved through the ability to reposition the interest/profit rate exposure of the statement of financial position using dynamic product and funding strategies, supported by MFRS 139-compliant interest/profit rate hedging activities using interest/profit rate swaps and other derivatives. These approaches are governed by Group's policies in the areas of product and liquidity management as well as the banking book policy statements and hedging policies.

IRR/RORBB is calculated daily and reported to GCC.

Market Risk Sensitivity

(i) Interest Rate Risk/Rate of Return Risk

Interest rate risk/rate of return risk ("IRR/ROR") is the risk that the value of a financial instrument will fluctuate due to changes in market interest/profit rate and is managed through gap and sensitivity analysis. Interest/profit rate movements also affect the Group's income and expense from assets and liabilities as well as capital fund. The Group has adopted IRR/ROR hedging measures to cushion the interest/profit rate volatility.

The following table demonstrates the sensitivity of the Group's and the Bank's profit before taxation and equity to a reasonable possible change in interest/profit rate with all other variables remaining constant.

	31 March 2015 IRR/ROR		31 March 2014 IRR/ROR	
	+100 bps RM'000	-100 bps RM'000	+100 bps RM'000	-100 bps RM'000
Traded market risk				
Group				
Impact on profit before taxation	(129,721)	141,749	(106,426)	114,448
Impact on equity	–	–	–	–
Company				
Impact on profit before taxation	–	–	–	–
Impact on equity	–	–	–	–
Non-traded market risk				
Group				
Impact on profit before taxation	471,679	(471,674)	476,410	(476,410)
Impact on equity	(238,786)	261,712	(196,282)	214,064
Company				
Impact on profit before taxation	(1,717)	1,717	(1,717)	1,717
Impact on equity	–	–	–	–

Note: The sensitivity analysis presented for non-traded market risk excluded non-interest bearing assets and liabilities. The disclosure presented conforms with the Group's method of managing IRR/ROR in the banking book by including all fixed and floating rate financial assets and liabilities.

52. RISK MANAGEMENT (CONT'D.)

52.4 Market Risk Management (Cont'd.)

Market Risk Sensitivity (Cont'd.)

(ii) Foreign Exchange Risk

Foreign exchange risk arises from changes in foreign exchange rates to exposure on the Group's financial instruments denominated in currencies other than the functional currency of the transacting entity. Position limits are imposed to prevent the Group from exposure to excessive foreign exchange risk.

The following table demonstrates the sensitivity of the Group's and the Bank's profit before taxation and equity to a reasonable possible change in exchange rates with all other variables remaining constant.

	31 March 2015 Currency rate		31 March 2014 Currency rate	
	+10% RM'000	-10% RM'000	+10% RM'000	-10% RM'000
Impact on profit before taxation				
Group				
USD	2,905	(2,905)	3,915	(3,915)
SGD	10,316	(10,316)	2,627	(2,627)
EUR	362	(362)	(2,024)	2,024
JPY	(603)	603	(524)	524
GBP	176	(176)	(3)	3
Others	(39)	39	(2,645)	2,645
Company				
Others	–	–	–	–
Impact on equity				
Group				
USD	36,816	(36,816)	32,066	(32,066)
SGD	931	(931)	1,090	(1,090)
EUR	15	(15)	18	(18)
Company				
Others	–	–	–	–

(iii) Equity Price Risk

Equity price risk arises from the adverse movements in the price of equities. Equity price risk is controlled via position size, loss limits and VaR limits.

The following table demonstrates the sensitivity of the Group's and the Bank's profit before taxation and equity to a reasonable possible change in equity prices with all other variables remaining constant.

	31 March 2015 Equity price		31 March 2014 Equity price	
	+10% RM'000	-10% RM'000	+10% RM'000	-10% RM'000
Group				
Impact on profit before taxation	14,184	(19,516)	18,264	(18,264)
Impact on equity	17,700	(17,700)	31,359	(31,359)
Company				
Impact on profit before taxation	–	–	–	–
Impact on equity	–	–	–	–

52. RISK MANAGEMENT (CONT'D.)

52.5 OPERATIONAL RISK MANAGEMENT

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external incidents which includes but is not limited to legal risk and Shariah compliance risk. It excludes strategic, systemic and reputational risk.

It is increasingly recognised that operational risk is the most widespread risk facing financial institutions today.

Operational Risk Appetite ("ORA") is integral part of the Group's operational risk management framework, which sets the acceptable tolerance levels for operational risk. The ORA statements and measurements are classified based on operational risk loss event types, which are grouped into five (5) categories as below and monitored via Incident Management and Data Collection, Key Risk Indicator and Key Control Testing.

- Fraud (internal & external);
- Employment Practices and Workplace Safety;
- Client, Products and Business Practices;
- Business Disruption, System Failures and Damage to Physical Assets; and
- Execution, Delivery and Process Management

Operational Risk Management ("ORM") is the discipline of continual and systematic process which includes risk identification, assessment, monitoring and reporting of risk for decision making and implementation of risk controls, which results in acceptance, mitigation, or avoidance of risk. ORM provides the oversight of operational risk, including the risk of loss resulting from inadequate or failed internal processes, people and systems or from external incidents.

The Group minimises operational risk by putting in place appropriate policies, internal controls and procedures as well as maintaining back-up procedures for key activities and undertaking business continuity planning. These are supported by independent reviews by the Group Internal Audit team.

52.5.1 Business Continuity Management

The Business Continuity Management ("BCM") function forms an integral part of Operational Risk Management. It places the importance of maintaining a BCM framework and policies to identify events that could potentially threaten the Group's operations and establishment of critical functions recovery against downtimes. BCM builds the resilience and recovery capability to safeguard the interest of Group's stakeholders by protecting our brand and reputation.

The Group is continuously reviewing the level of business operations resiliency to enhance the BCM capability throughout all critical departments and branches across the region. Training is an on-going agenda to heighten the BCM awareness and inculcate a business resilience culture.

52.6 LEGAL AND REGULATORY RISK

The Group manages legal and regulatory risks to its business. Legal risk arises from the potential that breaches of applicable laws and regulatory requirements, unenforceability of contracts, lawsuits, or adverse judgement, may lead to the incurrence of losses, disrupt or otherwise resulting in financial and reputational risk.

Legal risk is overseen by Group CEOs Committee, upon advice by internal legal counsel and, where necessary, in consultation with external legal counsel to ensure that such risk is appropriately managed.

A proactive regulatory risk monitoring and control process is essential for any financial group to provide assurance that its products and services are offered in a manner consistent with regulatory requirements and industry best practice. Regulatory Compliance undertakes the task by ensuring that appropriate measures are introduced and applied accordingly, whilst inculcating a compliance culture across all levels of staff. Amongst the measures introduced are monitoring and reporting, training, providing advice and disseminating information. A process is in place to standardise compliance practices across the Group.

The compliance monitoring and reporting system is essentially a mechanism through which businesses monitor their compliance to rules and regulations as well as provide monthly, quarterly and exception reporting that is carried out online. This reaffirms our commitment to a centralised compliance infrastructure that embraces regular self-assessment by staff, thus providing management the assurance that staff are aware and comply with internal and external requirements.

52. RISK MANAGEMENT (CONT'D.)

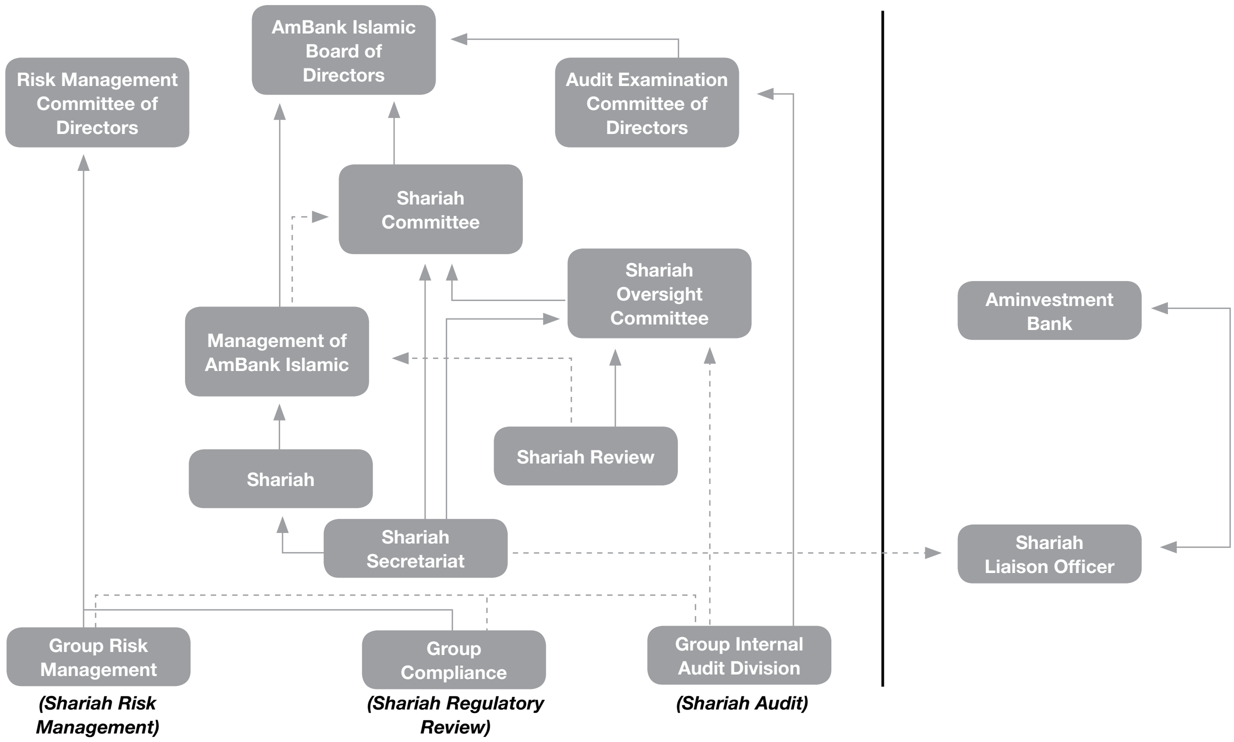
52.6 LEGAL AND REGULATORY RISK (Cont'd.)

Compliance awareness is performed on a regular basis to ensure staff keeps abreast of banking, insurance, capital markets and anti-money laundering laws as well as other regulatory developments. The awareness helps staff develop their skills to identify compliance issues as well as cultivate good corporate ethics. In addition to the training provided, the Compliance Repository, an online resource tool, continues to provide staff with easy access to rules and regulations to various search modes.

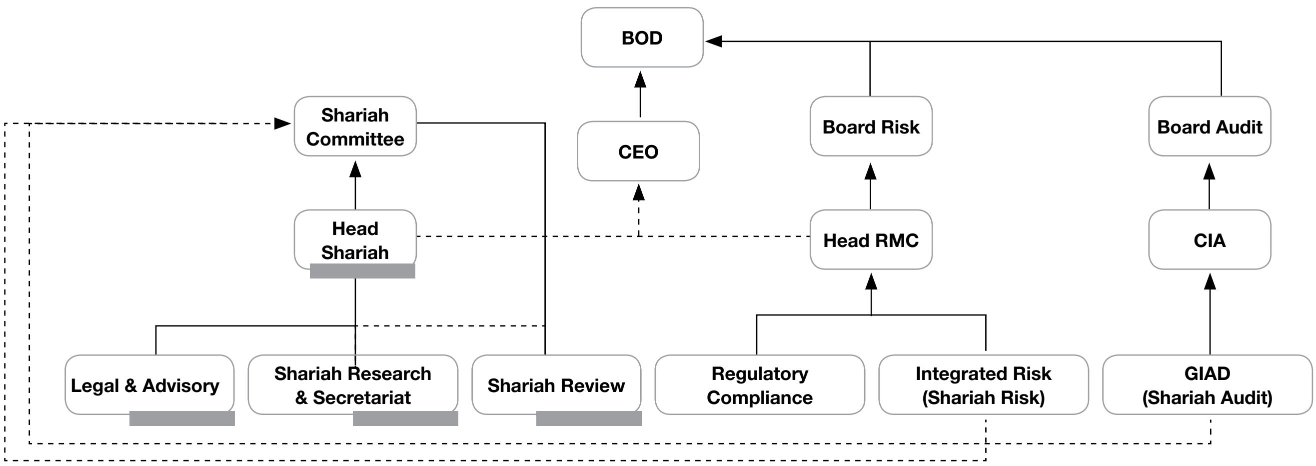
Regulatory Compliance also provides advice on regulatory matters and measures to be implemented by the Group to facilitate compliance with rules and regulations. To further promote understanding, the department facilitates briefings, disseminates information and leads coordination efforts.

52.7 SHARIAH RISK MANAGEMENT CONTROL

Shariah Governance Framework for Group Islamic Banking Operations



Shariah Governance Framework for Group Takaful Operations



52. RISK MANAGEMENT (CONT'D.)

52.7 SHARIAH RISK MANAGEMENT CONTROL (Cont'd.)

A Shariah governance framework is put in place in the organisational structure of the Group for its Islamic banking and takaful operations, which includes establishment of the Shariah Committee for AmBank Islamic and AmFamily Takaful Berhad (AmTakaful) in line with the requirement of BNM's "Shariah Governance Framework for Islamic Financial Institutions". Requirements on Shariah compliance have been further strengthened with the coming into force of the IFSA. AmBank Islamic and AmTakaful has established independent Shariah Committee respectively.

AmBank Islamic's Shariah Governance Structure leverages on the Group's shared platforms such as Group Risk Management Department (Shariah Risk Management), Group Compliance Department (Shariah Regulatory Review), and Group Internal Audit Division (Shariah Audit) for key Shariah functions.

The AmMetLife Takaful performs Shariah Risk Management internally under its integrated risk management framework while Shariah Audit functions leverage on the Group's shared platforms such as Group Internal Audit Division. Shariah compliance is collaboratively undertaken by the internal compliance, Shariah review and outsourced audit functions which supported by the integrated risk management control function, Shariah research and legal advisory capabilities. Shariah review and Shariah research functions are in house role which functionally report to Shariah Committee.

As a prudential measure, AmBank Islamic and AmMetLife Takaful has continued to enhance its overall Shariah governance in line with the regulatory policies and requirements under IFSA.

AmInvestment Bank leverages on the Shariah Secretariat of AmBank Islamic in referring matters to the Shariah Committee. AmInvestment Bank also has the option to engage external Shariah Advisor registered and approved by the Securities Commission Malaysia.

Board of Directors

The Board is accountable and responsible for the overall oversight on Shariah framework and Shariah compliance, including the appointment of Shariah Committee members. The Board performs its oversight through various committees such as AEC, RMCD and Shariah Committee.

Audit Examination Committee

AEC is a Board committee responsible for assisting the Board in ensuring Islamic Banking operations of the Group is Shariah compliant through oversight of the Shariah Audit function performed by Group Internal Audit Division.

Risk Management Committee of Directors

RMCD is a Board committee responsible for assisting the Board in ensuring risk management and control process is in place and functioning, including Shariah risk management through Group Risk Management Department and Shariah regulatory review through Group Compliance Department.

Shariah Committee

The Shariah Committee is responsible and accountable on matters related to Shariah. This includes advising the Board and Management on Shariah matters and endorsing and validating products and services, and the relevant documentation in relation to Islamic Banking operation. The Shariah Committee also provides advice on business zakat, charity and other social programs.

The Shariah Committee reports functionally to the Board and this provides for the independence of the Shariah Committee in exercising their duties.

Shariah Oversight Committee

For AmBank Islamic, the Shariah Oversight Committee, which is a sub-committee to its Shariah Committee, performs an oversight function for the key Shariah functions of Shariah review, Shariah audit, and Shariah risk management. Shariah Oversight Committee shall provide guidance and advice on matters pertaining to Shariah non-compliant incidents as well as treatment of Shariah non-compliant income (if any).

52. RISK MANAGEMENT (CONT'D.)

52.7 SHARIAH RISK MANAGEMENT CONTROL (Cont'd.)

Chief Executive Officer/Management

The CEO/Management is responsible to make reference to the Shariah Committee/Shariah Oversight Committee on Shariah issues and to take necessary measures for implementation of Shariah Committee/Shariah Oversight Committee's advice and decisions. The CEO/Management is also responsible in setting the infrastructure and providing the environment and adequate resources to support the Shariah governance framework. This includes putting in place adequate systems and controls in order to ensure compliance with Shariah and to mitigate Shariah risk.

Shariah Governance Department

The Shariah Governance Department of AmBank Islamic operates as a one-stop centre for all Shariah related operational issues of Islamic banking businesses. This includes providing day-to-day Shariah advisory and support function, Shariah operational review, Shariah research, and as Secretariat to the Shariah Committee and Shariah Oversight Committee. In addition, the Shariah Governance Department also performs the zakat and charity management.

Shariah Department

For AmMetLife Takaful, the Shariah department consist of Shariah Review Function which performs independent reviews of Takaful business operations on regular basis to ensure Shariah compliance and Shariah Research Function which conducts in-depth Shariah research to support product innovation and resolving Shariah related operational issues which includes Shariah consultation on day-to-day operation while serve Shariah Committee as its Secretariat. Besides independent Shariah review and research function, Shariah department is a one-stop centre for Shariah expertise to be engaged as well by the stakeholders on Shariah risk, Shariah audit and Shariah compliance and legal advisory while preserving the objective of risk, compliance and audit respectively.

Group Internal Audit Division

A designated team within the Group Internal Audit Division is responsible to conduct independent assessment on the level of Shariah compliance of Islamic banking operations and Takaful operation through Shariah audit function. Areas of audit include product structure documentation, adequacy of systems, internal controls and computation, staff competency and adequacy of the Shariah governance process.

Group Compliance Department

Undertakes the Shariah compliance review for AmBank Islamic from a regulatory perspective. This is executed based on the Shariah Regulatory Review Framework, which consists of the Compliance Monitoring and Reporting ("CMR") and Shariah Compliance Assessment. CMR is a periodical self-assessment by the Departments via a structured process and Compliance Assessment is performed to review on department's compliance with regulatory requirements including Shariah regulatory requirements and effectiveness of the self-assessment performed.

Group Risk Management Department

Shariah risk management leverages on existing infrastructure within Group Risk Management Department in managing the Shariah risk. The unique Shariah risks shall be identified according to existing risk types, credit risk, operational risk, and market risk.

Shariah non-compliant income

The governance structure and control has been emplaced by AmBank Islamic and AmMetLife Takaful as to facilitate all business activities, products and services offered, and legal in order to mitigate Shariah non-compliant incidents.

For any reported Shariah non-compliant incident relating to Islamic banking or Takaful operations, the matter will be deliberated with Shariah Oversight Committee of AmBank Islamic and Shariah Committee of AmMetLife Takaful respectively for confirmation as to whether the non-compliant event is either actual or potential Shariah non-compliance. Upon confirmation by the respective Committees and where certain amount of income is to be de-recognised, the amount will be treated in the manner as advised by the Shariah Oversight Committee or the Shariah Committee, including channelling to Baitulmal and other identified charitable bodies.

53. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than a forced or liquidated sale. The information presented herein represents best estimates of fair values of financial instruments at the reporting date.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a number of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the assumptions could materially affect these estimates and the corresponding fair values.

In addition, fair value information for non-financial assets and liabilities such as investments in subsidiaries and taxation are excluded, as they do not fall within the scope of MFRS 7 Financial Instruments: Disclosure and Presentation, which requires the fair value information to be disclosed.

(a) Financial instruments not measured at fair value (excluding those financial instruments where the carrying amounts are reasonable approximation of their fair values)

31 March 2015	Group		Company	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial Assets				
Financial investments held-to-maturity	3,864,508	3,207,643	–	–
Loans, advances and financing[1]	21,611,884	21,752,786	–	–
Receivables: Investments not quoted in active markets	551,163	554,007	–	–
	26,027,555	**25,514,436**	**–**	**–**
Financial Liabilities				
Recourse obligation on loans and financing sold to Cagamas Berhad	2,769,585	2,840,329	–	–
Term funding	8,302,354	8,341,216	1,206,000	1,197,825
Debt capital	4,580,573	4,940,045	–	–
	15,652,512	**16,121,590**	**1,206,000**	**1,197,825**

31 March 2014	Group		Company	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial Assets				
Financial investments held-to-maturity	3,798,565	3,068,575	–	–
Loans, advances and financing[1]	23,990,078	24,711,370	–	–
Receivables: Investments not quoted in active markets	168,830	171,225	–	–
	27,957,473	**27,951,170**	**–**	**–**
Financial Liabilities				
Recourse obligation on loans and financing sold to Cagamas Berhad	3,318,263	3,358,801	–	–
Term funding	6,644,641	6,670,232	1,906,000	1,900,860
Debt capital	4,766,198	4,974,266	–	–
	14,729,102	**15,003,299**	**1,906,000**	**1,900,860**

[1] excluding loans, advances and financing of RM64,561.9 million (2014: RM63,180.5 million) where the carrying amounts are reasonable approximation of their fair values.

53. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)

(b) Financial instruments measured at fair value and for which fair values are disclosed

Group 31 March 2015	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Derivative financial assets	1	1,437,536	–	1,437,537
Financial assets held-for-trading				
- Money market securities	–	1,422,695	–	1,422,695
- Equities	181,775	–	–	181,775
- Quoted private debt securities	39,394	–	–	39,394
- Unquoted private debt securities	–	3,030,359	–	3,030,359
Financial investments available-for-sale				
- Money market securities	–	5,246,999	–	5,246,999
- Equities	774,593	33,657	–	808,250
- Unquoted private debt securities	–	4,212,220	–	4,212,220
Financial assets for which fair values are disclosed				
Financial investments held-to-maturity	–	3,207,643	–	3,207,643
Loans, advances and financing	–	21,752,786	–	21,752,786
Receivables: Investments not quoted in active markets	–	554,007	–	554,007
	995,763	**40,897,902**	**–**	**41,893,665**
Financial liabilities measured at fair value				
Derivative financial liabilities	2,702	1,382,776	–	1,385,478
Financial liabilities for which fair values are disclosed				
Recourse obligation on loans and financing sold to Cagamas Berhad	–	2,840,329	–	2,840,329
Term funding	–	8,341,216	–	8,341,216
Debt capital	–	4,940,045	–	4,940,045
	2,702	**17,504,366**	**–**	**17,507,068**

Group 31 March 2014	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Derivative financial assets	752	528,058	–	528,810
Financial assets held-for-trading				
- Money market securities	–	674,229	–	674,229
- Equities	214,106	–	–	214,106
- Quoted private debt securities	23,799	–	–	23,799
- Unquoted private debt securities	–	2,924,027	–	2,924,027
Financial investments available-for-sale				
- Money market securities	–	6,861,814	–	6,861,814
- Equities	651,749	457,451	–	1,109,200
- Unquoted private debt securities	–	3,539,141	417	3,539,558
Financial assets for which fair values are disclosed				
Financial investments held-to-maturity	–	3,062,843	5,732	3,068,575
Loans, advances and financing	–	24,711,370	–	24,711,370
Receivables: Investments not quoted in active markets	–	171,225	–	171,225
	890,406	**42,930,158**	**6,149**	**43,826,713**
Financial liabilities measured at fair value				
Derivative financial liabilities	33,175	508,049	–	541,224
Financial liabilities for which fair values are disclosed				
Recourse obligation on loans and financing sold to Cagamas Berhad	–	3,358,801	–	3,358,801
Term funding	–	6,670,232	–	6,670,232
Debt capital	–	4,974,266	–	4,974,266
	33,175	**15,511,348**	**–**	**15,544,523**

53. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)

(b) Financial instruments measured at fair value and for which fair values are disclosed (Cont'd.)

Company 31 March 2015	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Financial investments available-for-sale				
- Equities	110,704	–	–	110,704
Financial liabilities for which fair values are disclosed				
Term funding	–	1,197,825	–	1,197,825

31 March 2014	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets measured at fair value				
Financial investments available-for-sale				
- Equities	186,825	–	–	186,825
Financial liabilities for which fair values are disclosed				
Term funding	–	1,900,860	–	1,900,860

Determination of fair value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements.

(a) Financial assets for which fair value approximates carrying value

For financial assets and financial liabilities that have a short-term maturity (less than six months), demand deposits and savings accounts without a specific maturity, the carrying amounts approximate to their fair value. For other variable rate instruments, an adjustment is also made to reflect the change in required credit spread since the instrument was initially recognised.

(b) Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were initially recognised with current market rates for similar financial instruments. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity. For quoted debt issued, the fair values are determined based on quoted market prices. For those notes issued where quoted market prices are not available, a discounted cash flow model is used based on a current interest rate yield curve appropriate for the remaining term to maturity and credit spreads.

(c) Contingent liabilities and undrawn credit facilities

The fair value of contingent liabilities and undrawn credit facilities are not readily ascertainable. These financial instruments are presently not sold or traded. They generate fees that are in line with market prices for similar arrangements. The estimated fair value may be represented by the present value of the fees expected to be received, less associated costs and potential loss that may arise should these commitments crystallise. The Group and Company assess that their respective fair values are unlikely to be significant given that the overall level of fees involved is not significant and no provision is necessary to be made.

(d) Securities purchased under resale agreements

The fair values of securities purchased under resale agreements with remaining maturities of less than six months are estimated to approximate their carrying values. For securities purchased under resale agreements with maturities of more than six months, the fair values are estimated based on discounted cash flows using the prevailing KLIBOR rates and interest rate swap rates.

53. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)

Determination of fair value (Cont'd.)

(e) Derivatives

Derivative products valued using a valuation technique with market observable inputs are mainly interest rate swaps and options, currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

Derivative products valued using a valuation technique with significant non-market observable inputs are long dated contracts (interest rate swaps, currency swaps, forwards foreign exchange contracts, option contracts and certain credit default swaps). These derivatives are valued using models that calculate the present value such as credit models (e.g., default rate models or credit spread models) and the binomial model for options. The models incorporate various non-observable assumptions that include the credit spread of the reference asset for credit default swaps, and market rate volatilities.

(f) Financial investments available-for-sale

Financial investments available-for-sale valued using valuation techniques or pricing models primarily consist of unquoted equities and debt securities.

(g) Other trading assets

Other trading assets valued using a valuation technique consists of certain debt securities and asset–backed securities. The Group and Company value the securities using discounted cash flow valuation models which incorporate observable and unobservable data. Observable inputs include assumptions regarding current rates of interest and broker statements. Unobservable inputs include assumptions regarding expected future default rates, prepayment rates and market liquidity discounts.

(h) Recourse obligation on loans and financing sold to Cagamas Berhad

The fair values for recourse obligation on loans and financing sold to Cagamas Berhad are determined based on discounted cash flows of future instalments payments at prevailing rates quoted by Cagamas Berhad as at reporting date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as described in Note 2.5 (n).

Financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's own models whereby the majority of assumptions are market observable.

Non market observable inputs means that fair values are determined, in whole or in part, using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument, nor are they based on available market data. The main asset classes in this category are unlisted equity investments and debt instruments. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Group or Company. Therefore, unobservable inputs reflect the Group's and the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Group's and the Company's own data.

53. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)

Determination of fair value (Cont'd.)

Less than 0.01% of the total financial assets recorded at fair value in the previous financial year, are based on estimates and recorded as Level 3 investments. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. While such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not change the fair value significantly. No amount is reported for current financial year.

There is no transfer between Level 1 and Level 2 during the current and previous financial year for the Group and the Company.

Movements in Level 3 financial instruments measured at fair value

The level of the fair value hierarchy of financial instruments is determined at the beginning of each reporting period. The following table shows a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value for the year.

	Financial investments available-for-sale	Financial investments available-for-sale
	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Balance at beginning of the financial year	417	435
Total gains/(losses) recognised in:		
- income statement:		
- other operating income	325	1,856
- impairment writeback/(loss)	–	(18)
Settlements	(742)	(1,856)
Balance at end of the financial year	–	417

Total gains or losses included in income statement for financial instruments held at the end of the financial year:

	Financial investments available-for-sale	Financial investments available-for-sale
	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Total gains/(losses) included in:		
- impairment loss on financial investments	–	(18)

There is no transfer between Level 2 and Level 3 during the current and previous financial year for the Group and the Company.

Impact on fair value of Level 3 financial instruments measured at fair value arising from changes to key assumptions

Changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

54. NET ASSETS PER SHARE (RM)

Net assets per share represent the reporting date total assets less total liabilities and non-controlling interests expressed as an amount per ordinary share.

Net assets per share is calculated as follows:

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Total assets	**133,803,824**	**132,739,490**	**9,676,441**	**9,983,950**
Less:				
Total liabilities	118,296,400	118,645,101	1,246,873	1,958,626
Non-controlling interests	1,052,279	951,448	–	–
	119,348,679	119,596,549	1,246,873	1,958,626
Net assets	**14,455,145**	**13,142,941**	**8,429,568**	**8,025,324**
Issued and fully paid up ordinary shares of RM1.00 each ('000)	**3,014,185**	**3,014,185**	**3,014,185**	**3,014,185**
Net assets per share (RM)	**4.80**	**4.36**	**2.80**	**2.66**

55. BUSINESS SEGMENT ANALYSIS

Segment information is presented in respect of the Group's business segments. The business segment information is prepared based on internal management reports, which are regularly reviewed by the chief operating decision-maker in order to allocate resources to a segment and to assess its performance. The business segment results are prepared based on the Group's internal management reporting. As a result of an internal reorganisation during the current financial year, there is a change in business segment reporting. The Group has been re-organised into four major operating divisions. The division forms the basis on which the Group reports its segment information.

The Group comprises the following main business segments:-

(a) Retail banking

Retail banking will focus on building emerging affluent and small business customers and the mass market. Retail banking offers products and financial solutions which includes auto financing, mortgage and personal loans, credit cards, small business loans, priority banking services, wealth management, remittance services and deposits.

(b) Wholesale banking

Wholesale banking is a consolidation of five business divisions, namely Business Banking, Investment Banking, Corporate and institutional Banking, Transaction Banking and Markets into two business divisions, namely Wholesale Banking Coverage and Wholesale Banking Products.

Wholesale Banking Coverage consolidates the Business Banking and Corporate and Institutional Banking Divisions with new industry-focused portfolios created.

Wholesale Banking Products Division which consolidates Investment Banking, Markets and Transaction Banking ensures provision of innovative products and solutions to the wholesale client segment. Investment banking offers a full range of investment banking solutions and services, encompassing capital markets and asset management activities, equity derivatives, broking, funds management, private banking services, corporate advisory and fund raising services. Markets specialises in providing foreign exchange, derivatives, fixed income and structured solutions. Transaction Banking offers trade finance products, cash management services, e-Commerce solutions and gross payroll solutions.

55. BUSINESS SEGMENT ANALYSIS (CONT'D.)

The Group comprises the following main business segments:- (Cont'd.)

(c) Insurance

The insurance segment offers a broad range of general insurance products, life insurance products covering various solutions in life insurance, wealth protection/savings, health and medical protection and family takaful solutions.

(d) Operating Segments

Operating Segments comprise activities which complement and support the operations of the main business units and non-core operations of the Group.

Measurements of Segment Performance

The segment performance is measured on income, expenses and profit basis. These are shown after allocation of certain centralised cost, funding income and expenses and expenses directly associated with each segment. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation.

Operating Revenue

Operating revenue of the Group comprises all types of revenue derived from the business segments but after elimination of related companies' transactions.

Major Customers

No revenues from one single customer amounted to greater than 10% of the Group's revenues for the current and previous financial years.

Group 31 March 2015	Wholesale banking RM'000	Retail banking RM'000	Insurance RM'000	Operating Segments RM'000	Total RM'000
External revenue	3,039,797	3,237,137	1,681,727	1,183,860	9,142,521
Revenue from other segments	210,080	(353,823)	2,795	140,948	–
Total operating revenue	**3,249,877**	**2,883,314**	**1,684,522**	**1,324,808**	**9,142,521**
Net interest/profit income	958,505	1,446,849	127,137	237,800	2,770,291
Other income	714,145	279,870	447,839	509,311	1,951,165
Income	1,672,650	1,726,719	574,976	747,111	4,721,456
Share in results of associates and joint ventures	–	3,460	(10,521)	10,249	3,188
Other operating expenses	(593,942)	(937,345)	(303,280)	(323,311)	(2,157,878)
of which:					
Depreciation of Property and Equipment	(8,157)	(24,723)	(12,799)	(16,779)	(62,458)
Amortisation of Intangible Assets	(10,298)	(16,851)	(6,379)	(51,645)	(85,173)
Profit before provisions	1,078,708	792,834	261,175	434,049	2,566,766
Provisions - net	199,356	(221,014)	60,057	(885)	37,514
Profit before taxation and zakat	1,278,064	571,820	321,232	433,164	2,604,280
Taxation and zakat	(303,897)	(142,607)	(60,225)	(52,998)	(559,727)
Profit for the financial year	**974,167**	**429,213**	**261,007**	**380,166**	**2,044,553**
Other information					
Total segment assets	52,068,115	46,568,570	5,503,267	29,663,872	133,803,824
Total segment liabilities	57,406,304	43,498,394	3,376,268	14,015,434	118,296,400
Cost to income ratio	35.5%	54.3%	52.7%	43.3%	45.7%
Gross loans/financing	41,435,593	46,429,406	10,917	(52,874)	87,823,042
Net loans/financing	40,975,272	45,730,106	10,917	(542,500)	86,173,795
Impaired loans, advances and financing	643,117	929,613	–	–	1,572,730
Total deposits	51,550,209	42,763,166	–	118,338	94,431,713
Additions to:					
Property and equipment	4,475	23,736	26,001	21,664	75,876
Intangible assets	8,427	9,086	8,931	59,576	86,020

55. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group 31 March 2014	Wholesale banking RM'000	Retail banking RM'000	Insurance RM'000	Operating Segments RM'000	Total RM'000
External revenue	2,963,177	3,512,165	2,275,567	855,096	9,606,005
Revenue from other segments	432,544	(481,640)	39,516	9,580	–
Total operating revenue	**3,395,721**	**3,030,525**	**2,315,083**	**864,676**	**9,606,005**
Net interest/profit income	1,074,696	1,673,124	127,137	263,171	3,138,128
Other income	791,616	294,645	543,784	(46,663)	1,583,382
Income	1,866,312	1,967,769	670,921	216,508	4,721,510
Share in results of associates and joint ventures	–	4,415	–	16,859	21,274
Other operating expenses	(617,165)	(929,055)	(412,266)	(203,851)	(2,162,337)
of which:					
Depreciation of Property and Equipment	(8,419)	(26,397)	(17,445)	(17,077)	(69,338)
Amortisation of Intangible Assets	(12,427)	(16,820)	(26,904)	(38,327)	(94,478)
Profit before provisions	1,249,147	1,043,129	258,655	29,516	2,580,447
Provisions - net	65,915	(226,842)	(8,428)	37,146	(132,209)
Profit before taxation and zakat	1,315,062	816,287	250,227	66,662	2,448,238
Taxation and zakat	(330,420)	(202,179)	(62,292)	17,708	(577,183)
Profit for the financial year	**984,642**	**614,108**	**187,935**	**84,370**	**1,871,055**
Other information					
Total segment assets	49,866,013	48,823,173	8,518,401	25,531,903	132,739,490
Total segment liabilities	61,458,128	41,233,179	6,135,804	9,817,990	118,645,101
Cost to income ratio	33.1%	47.2%	61.4%	94.2%	45.8%
Gross loans/financing	40,543,246	48,918,326	223,764	(396,823)	89,288,513
Net loans/financing	40,048,797	47,868,397	223,331	(969,948)	87,170,577
Impaired loans, advances and financing	304,386	1,357,755	–	–	1,662,141
Total deposits	52,220,389	40,420,798	–	1,200,766	93,841,953
Additions to:					
Property and equipment	8,392	29,187	17,096	19,444	74,119
Intangible assets	15,239	5,355	1,946	134,355	156,895

The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia except for AmFraser International Pte. Ltd. and its subsidiaries, PT. AmCapital Indonesia, 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.

56. INSURANCE BUSINESS

(I) NET INCOME FROM INSURANCE BUSINESS

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Income from insurance business	**(a)**		
General insurance		1,450,169	1,544,065
Life insurance and Family Takaful		45,446	513,035
		1,495,615	2,057,100
Insurance claims and commission	**(b)**		
Insurance commission		111,192	223,035
General insurance claims		910,188	973,084
Life insurance and Family Takaful claims		56,186	389,065
		1,077,566	1,585,184
		418,049	**471,916**

(a) Income from insurance business

	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Gross Premium		
- insurance contract	1,616,152	2,252,028
- change in unearned premium provision	32,448	37,950
	1,648,600	2,289,978
Premium ceded		
- insurance contract	(146,844)	(207,453)
- change in unearned premium provision	(6,141)	(25,425)
	(152,985)	(232,878)
	1,495,615	**2,057,100**

(b) Insurance claims

	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
- gross benefits and claims paid	1,029,140	1,418,024
- claims ceded to reinsurers	(109,899)	(162,335)
- change in contract liabilities - insurance contract	(21,039)	66,165
- change in contract liabilities ceded to reinsurers - insurance contract	68,172	40,295
	966,374	**1,362,149**

(II) INSURANCE RECEIVABLES

	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Amount owing by reinsurance and cedants	71,705	91,718
Due premiums including agents/brokers and co-insurers balances	21,835	69,481
Allowance for impairment	(33,548)	(9,002)
Disposal of subsidiaries	9,184	–
	69,176	**152,197**

The movement in allowance for impairment is as follows:

	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Balance at beginning of the financial year	9,002	19,253
Charge/(Writeback) for the financial year	25,125	(10,251)
Disposal of equity in subsidiaries	(579)	–
Balance at end of the financial year	**33,548**	**9,002**

56. INSURANCE BUSINESS (CONT'D.)

(III) INSURANCE PAYABLES

	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Amount due to agents and intermediaries	24,658	30,139
Amounts due to reinsurers/retakaful operators and cedants	52,486	52,201
	77,144	**82,340**

(IV) INSURANCE CONTRACT LIABILITIES - GENERAL INSURANCE

31 March 2015 Group	Note	Gross RM'000	Reinsurance RM'000	Net RM'000
Provision for claims reported by policyholders		1,013,392	(222,641)	790,751
Provision for incurred but not reported claims ("IBNR")		572,085	(47,715)	524,370
Provision for risk margin for adverse deviations ("PRAD")		149,505	(48,015)	101,490
		1,734,982	(318,371)	1,416,611
Less: Impairment loss on reinsurance assets		–	8,008	8,008
Provision for outstanding claims	**(I)**	1,734,982	(310,363)	1,424,619
Provision for unearned premiums	**(II)**	732,523	(54,390)	678,133
		2,467,505	(364,753)	2,102,752
(I) Provision for outstanding claims				
Balance at beginning of financial year		1,710,589	(386,820)	1,323,769
Arising from the acquisition of Kurnia		–	–	–
Claims incurred in the current accident year		544,553	(60,255)	484,298
Movements in claims incurred in prior accident years		396,445	29,446	425,891
Claims paid during the year		(916,605)	99,258	(817,347)
Balance at end of financial year		**1,734,982**	**(318,371)**	**1,416,611**
(II) Provision for unearned premiums				
Balance at beginning of financial year		775,937	(71,496)	704,441
Arising from the acquisition of Kurnia		–	–	–
Premiums written in the year		1,565,492	(141,629)	1,423,863
Premiums earned during the year		(1,608,906)	158,735	(1,450,171)
Balance at end of financial year		**732,523**	**(54,390)**	**678,133**

31 March 2014 Group	Note	Gross RM'000	Reinsurance RM'000	Net RM'000
Provision for claims reported by policyholders		1,086,544	(245,756)	840,788
Provision for incurred but not reported claims ("IBNR")		480,140	(94,509)	385,631
Provision for risk margin for adverse deviations ("PRAD")		143,905	(46,555)	97,350
Provision for outstanding claims	**(I)**	1,710,589	(386,820)	1,323,769
Provision for unearned premiums	**(II)**	775,937	(71,495)	704,442
		2,486,526	**(458,315)**	**2,028,211**
(I) Provision for outstanding claims				
Balance at beginning of financial year		1,636,423	(427,382)	1,209,041
Claims incurred in the current accident year		589,302	(49,958)	539,344
Movements in claims incurred in prior accident years		475,129	(41,389)	433,740
Claims paid during the financial year		(990,265)	131,909	(858,356)
Balance at end of financial year		**1,710,589**	**(386,820)**	**1,323,769**
(II) Provision for unearned premiums				
Balance at beginning of financial year		813,887	(96,920)	716,967
Premiums written in the financial year		1,701,099	(169,558)	1,531,541
Premiums earned during the financial year		(1,739,049)	194,983	(1,544,066)
Balance at end of financial year		**775,937**	**(71,495)**	**704,442**

56. INSURANCE BUSINESS (CONT'D.)

(V) INSURANCE CONTRACT LIABILITIES - LIFE INSURANCE AND FAMILY TAKAFUL

Prior year balances of insurance contract liabilities of life insurance and family takaful subsidiaries disposed of in the current financial year:

31 March 2014 Group	Gross RM'000	Reinsurance RM'000	Net RM'000
Life and family takaful insurance	**2,586,141**	**(39,454)**	**2,546,687**

The life and family takaful insurance contract liabilities and its movements are further analysed as follows:

Actuarial liabilities	2,289,614	(14,668)	2,274,946
Provision for outstanding claims	154,807	(24,786)	130,021
Unallocated surplus	45,447	–	45,447
Available-for-sale fair value reserves	(2,259)	–	(2,259)
Net assets value attributable to unitholders	98,532	–	98,532
	2,586,141	**(39,454)**	**2,546,687**
At 31 March 2013	2,537,576	(30,022)	2,507,554
Premiums received	–	–	–
Liabilities paid for death, maturities, surrenders, benefits and claims	16,608	–	16,608
Benefits and claims experience variation	–	–	–
Increase in actuarial reserve	59,614	(234)	59,380
Credit of interest or change in unit-prices	–	–	–
Adjustments due to changes in assumptions:			
Mortality/morbidity	–	–	–
Longevity	–	–	–
Investment returns	–	–	–
Expenses	(37,773)	(9,198)	(46,971)
Lapse and surrender rates	–	–	–
Discount rate	–	–	–
Foreign exchange adjustment	–	–	–
Net asset value attributable to unitholders	10,116	–	10,116
Available-for-sale fair value reserves	–	–	–
Unallocated surplus	–	–	–
Deferred tax effects:			
Available-for-sale fair value reserves	–	–	–
Unallocated surplus	–	–	–
At 31 March 2014	**2,586,141**	**(39,454)**	**2,546,687**

56. INSURANCE BUSINESS (CONT'D.)

(VI) GENERAL INSURANCE BUSINESS

Gross general insurance contract liabilities for 31 March 2015 - legacy Kurnia Insurans:

Accident year/period	Before 2009 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	*2015 RM'000	Sub total RM'000	Inward treaty and MMIP RM'000	Total RM'000
At the end of accident year	734,527	613,855	603,717	686,160	708,370	781,507	760,121	183,135			
One year later	745,644	637,571	620,246	670,097	675,350	725,418	747,687				
Two year later	783,463	662,375	603,498	656,716	669,459	720,974					
Three year later	794,683	651,843	597,696	638,609	669,012						
Four year later	781,331	644,693	584,797	635,817							
Five year later	777,723	638,289	583,957								
Six year later	771,561	637,113									
Seven year later	804,672										
Current estimate of cumulative claims incurred	804,672	637,113	583,957	635,817	669,012	720,974	747,687	183,135			
At end of accident year/period	(232,479)	(214,699)	(197,287)	(231,202)	(226,495)	(231,974)	(239,462)	(15,833)			
One year later	(507,214)	(407,737)	(415,751)	(440,794)	(442,504)	(456,580)	(319,861)				
Two year later	(626,401)	(522,919)	(494,662)	(517,447)	(523,987)	(478,140)					
Three year later	(703,687)	(557,766)	(522,613)	(550,199)	(542,776)						
Four year later	(731,825)	(573,807)	(539,023)	(554,142)							
Five year later	(740,786)	(586,261)	(538,505)								
Six year later	(744,542)	(586,720)									
Seven year later	(747,890)										
Cumulative payments to-date	(747,890)	(586,720)	(538,505)	(554,142)	(542,776)	(478,140)	(319,861)	(15,833)			
Gross general insurance claims liabilities (direct and facultative)	**56,782**	**50,393**	**45,452**	**81,675**	**126,236**	**242,834**	**427,826**	**167,302**	**1,198,500**	**80,396**	**1,278,896**

* *The diagonal for 31 March 2015 is based on a 3-months analysis as at 31 March 2015.*

Gross general insurance contract liabilities for 31 March 2015 - legacy AmG Insurance:

Accident year/period	Before 2009 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000	Sub total RM'000	Inward treaty and MMIP RM'000	Total RM'000
At the end of accident year	305,250	365,793	374,672	413,903	420,102	445,149	387,443	339,166			
One year later	321,371	387,191	353,555	397,287	383,651	406,046	368,176				
Two year later	338,804	365,341	361,791	383,846	388,763	398,785					
Three year later	332,850	356,672	352,207	377,610	390,550						
Four year later	331,674	350,556	351,345	373,918							
Five year later	329,969	349,958	350,905								
Six year later	328,390	347,795									
Seven year later	328,340										
Current estimate of accumulative claims incurred	328,340	347,795	350,905	373,918	390,550	398,785	368,176	339,166			
At end of accident year/period	(125,538)	(155,715)	(165,530)	(150,304)	(163,862)	(160,853)	(141,587)	(111,463)			
One year later	(249,176)	(286,105)	(269,798)	(288,999)	(288,216)	(292,191)	(249,955)				
Two year later	(283,516)	(310,083)	(312,015)	(333,078)	(341,853)	(342,444)					
Three year later	(301,880)	(328,789)	(332,926)	(355,553)	(362,089)						
Four year later	(313,626)	(339,469)	(340,631)	(363,926)							
Five year later	(320,130)	(342,999)	(343,516)								
Six year later	(321,560)	(344,785)									
Seven year later	(324,414)										
Cumulative payments to-date	(324,414)	(344,785)	(343,516)	(363,926)	(362,089)	(342,444)	(249,955)	(111,463)			
Gross general insurance claims liabilities (direct and facultative)	**3,926**	**3,010**	**7,389**	**9,992**	**28,461**	**56,341**	**118,221**	**227,703**	**455,043**	**1,043**	**456,086**
Total - gross claims liabilities	**60,708**	**53,403**	**52,841**	**91,667**	**154,697**	**299,175**	**546,047**	**395,005**	**1,653,544**	**81,439**	**1,734,982**

56. INSURANCE BUSINESS (CONT'D.)

(VI) GENERAL INSURANCE BUSINESS (Cont'd.)

Net general insurance claims liabilities for 31 March 2015 - legacy Kurnia Insurans:

Accident year	Before 2009 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	*2015 RM'000	Sub total RM'000	Inward treaty and MMIP RM'000	Total RM'000
At the end of accident year	652,589	536,934	519,721	471,328	486,942	655,245	683,148	166,638			
One year later	662,466	557,679	525,710	467,721	495,686	635,967	676,091				
Two year later	696,066	573,952	521,546	470,766	489,585	629,835					
Three year later	699,770	573,126	520,484	456,974	487,385						
Four year later	696,975	571,289	511,100	455,175							
Five year later	706,127	564,662	509,603								
Six year later	700,027	563,938									
Seven year later	723,693										
Current estimate of accumulative claims incurred	723,693	563,938	509,603	455,175	487,385	629,835	676,091	166,638			
At the end of accident year	(217,938)	(201,741)	(180,785)	(178,304)	(171,108)	(212,471)	(230,816)	(15,352)			
One year later	(465,821)	(381,232)	(371,773)	(327,681)	(333,646)	(421,890)	(307,568)				
Two year later	(576,397)	(485,047)	(438,746)	(380,392)	(396,263)	(441,253)					
Three year later	(640,942)	(516,922)	(462,304)	(400,000)	(402,095)						
Four year later	(661,588)	(531,819)	(471,585)	(402,893)							
Five year later	(680,583)	(540,561)	(472,416)								
Six year later	(684,194)	(540,983)									
Seven year later	(686,379)										
Cumulative payments to-date	(686,379)	(540,983)	(472,416)	(402,893)	(402,095)	(441,253)	(307,568)	(15,352)			
Net general insurance claims liabilities (direct and facultative)	**37,314**	**22,955**	**37,187**	**52,282**	**85,290**	**188,582**	**368,523**	**151,286**	**943,419**	**80,396**	**1,023,815**

* *The diagonal for 31 March 2015 is based on a 3-months analysis as at 31 March 2015.*

Net general insurance claims liabilities for 31 March 2015 - legacy AmG Insurance:

Accident year	Before 2009 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2015 RM'000	Sub total RM'000	Inward treaty and MMIP RM'000	Total RM'000
At the end of accident year	261,465	322,866	347,605	374,582	376,097	387,761	359,362	295,420			
One year later	293,286	341,821	332,336	363,616	353,642	362,738	344,033				
Two year later	309,197	330,196	336,909	352,397	354,936	358,726					
Three year later	309,065	323,492	329,135	347,516	354,822						
Four year later	304,667	317,621	328,523	343,624							
Five year later	302,417	317,273	328,186								
Six year later	303,184	315,238									
Seven year later	302,048										
Current estimate of accumulative claims incurred	302,048	315,238	328,186	343,624	354,822	358,726	344,033	295,420			
At the end of accident year	(116,697)	(146,557)	(157,275)	(141,356)	(150,932)	(150,805)	(135,288)	(101,913)			
One year later	(230,911)	(254,790)	(253,461)	(269,008)	(264,954)	(273,543)	(235,067)				
Two year later	(263,306)	(276,871)	(292,847)	(307,815)	(311,574)	(314,622)					
Three year later	(280,288)	(298,189)	(311,561)	(327,712)	(330,347)						
Four year later	(291,321)	(307,632)	(318,908)	(335,088)							
Five year later	(296,565)	(310,990)	(321,573)								
Six year later	(298,219)	(312,639)									
Seven year later	(300,405)										
Cumulative payments to-date	(300,405)	(312,639)	(321,573)	(335,088)	(330,347)	(314,622)	(235,067)	(101,913)			
Net general insurance claims liabilities (direct and facultative)	**3,149**	**2,599**	**6,613**	**8,536**	**24,475**	**44,104**	**108,966**	**193,507**	**391,949**	**847**	**392,796**
Total - net claims liabilities	**40,463**	**25,554**	**43,800**	**60,818**	**109,765**	**232,686**	**477,489**	**344,793**	**1,335,368**	**81,243**	**1,416,611**

56. INSURANCE BUSINESS (CONT'D.)

(VI) GENERAL INSURANCE BUSINESS (Cont'd.)

Gross general insurance contract liabilities for 31 March 2014 - legacy Kurnia Insurans:

Accident year	Before 2008 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	*2014 RM'000	Sub total RM'000	Inward treaty and MMIP RM'000	Total RM'000
At the end of accident year	756,216	734,527	613,855	603,717	686,160	708,370	781,507	201,862			
One year later	772,413	745,644	637,571	620,246	670,097	675,350	759,851				
Two year later	792,636	783,463	662,375	603,498	656,716	672,863					
Three year later	833,209	794,683	651,843	597,696	646,879						
Four year later	825,778	781,331	644,693	595,237							
Five year later	811,559	777,723	646,822								
Six year later	811,699	782,825									
Seven year later	851,898										
Current estimate of accumulative claims incurred	851,898	782,825	646,822	595,237	646,879	672,863	759,851	201,862			
At the end of accident year	(204,490)	(232,479)	(214,699)	(197,287)	(231,202)	(226,495)	(231,974)	(14,273)			
One year later	(477,415)	(507,214)	(407,737)	(415,751)	(440,794)	(442,504)	(325,127)				
Two year later	(599,995)	(626,401)	(522,919)	(494,662)	(517,447)	(467,986)					
Three year later	(698,485)	(703,687)	(557,766)	(522,613)	(527,998)						
Four year later	(750,619)	(731,825)	(573,807)	(531,034)							
Five year later	(766,323)	(740,786)	(579,161)								
Six year later	(772,642)	(741,881)									
Seven year later	(774,650)										
Cumulative payments to-date	(774,650)	(741,881)	(579,161)	(531,034)	(527,998)	(467,986)	(325,127)	(14,273)			
Net general insurance claims liabilities (direct and facultative)	**77,248**	**40,944**	**67,661**	**64,203**	**118,881**	**204,877**	**434,724**	**187,589**	**1,196,127**	**57,782**	**1,253,909**

** The diagonal for 31 March 2014 is based on a 3-months analysis as at 31 March 2014.*

Gross general insurance contract liabilities for 31 March 2014 - legacy AmG Insurance:

Accident year	Before 2008 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	Sub total RM'000	Inward treaty and MMIP RM'000	Total RM'000
At the end of accident year	306,188	305,250	365,793	374,672	413,903	420,102	445,149	387,443			
One year later	304,546	321,371	387,191	353,555	397,287	383,651	406,046				
Two year later	301,801	338,804	365,341	361,791	383,846	388,763					
Three year later	312,101	332,850	356,672	352,207	377,610						
Four year later	308,009	331,674	350,556	351,345							
Five year later	305,010	329,969	349,958								
Six year later	303,253	328,390									
Seven year later	304,627										
Current estimate of accumulative claims incurred	304,627	328,390	349,958	351,345	377,610	388,763	406,046	387,443			
At the end of accident year	(122,194)	(125,538)	(155,715)	(165,530)	(150,304)	(163,862)	(160,853)	(141,587)			
One year later	(222,174)	(249,176)	(286,105)	(269,798)	(288,999)	(288,216)	(292,191)				
Two year later	(258,574)	(283,516)	(310,083)	(312,015)	(333,078)	(341,853)					
Three year later	(282,069)	(301,880)	(328,789)	(332,926)	(355,553)						
Four year later	(292,486)	(313,626)	(339,469)	(340,631)							
Five year later	(296,304)	(320,130)	(342,999)								
Six year later	(300,169)	(321,560)									
Seven year later	(301,259)										
Cumulative payments to-date	(301,259)	(321,560)	(342,999)	(340,631)	(355,553)	(341,853)	(292,191)	(141,587)			
Gross general insurance claims liabilities (direct and facultative)	**3,368**	**6,830**	**6,959**	**10,714**	**22,057**	**46,910**	**113,855**	**245,856**	**456,549**	**131**	**456,680**
Total - net claims liabilities	**80,616**	**47,774**	**74,620**	**74,917**	**140,938**	**251,787**	**548,579**	**433,445**	**1,652,676**	**57,913**	**1,710,589**

56. INSURANCE BUSINESS (CONT'D.)

(VI) GENERAL INSURANCE BUSINESS (CONT'D.)

Net general insurance contract liabilities for 31 March 2014 - legacy Kurnia Insurans:

Accident year	Before 2008 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	*2014 RM'000	Sub total RM'000	Inward treaty and MMIP RM'000	Total RM'000
At the end of accident year	664,663	652,589	536,934	519,721	471,328	486,942	655,245	179,985			
One year later	678,900	662,466	557,679	525,710	467,721	495,686	651,242				
Two year later	696,675	696,066	573,952	521,546	470,766	493,743					
Three year later	732,335	699,770	573,126	520,484	465,465						
Four year later	718,126	696,975	571,289	517,573							
Five year later	717,376	706,127	569,660								
Six year later	731,008	703,636									
Seven year later	743,629										
Current estimate of accumulative claims incurred	743,629	703,636	569,660	517,573	465,465	493,743	651,242	179,985			
At the end of accident year	(192,907)	(217,938)	(201,741)	(180,785)	(178,304)	(171,108)	(212,471)	(13,879)			
One year later	(446,026)	(465,821)	(381,232)	(371,773)	(327,681)	(333,646)	(302,411)				
Two year later	(560,350)	(576,397)	(485,047)	(438,746)	(380,392)	(352,999)					
Three year later	(650,071)	(640,942)	(516,922)	(462,304)	(387,774)						
Four year later	(685,604)	(661,588)	(531,819)	(467,792)							
Five year later	(694,915)	(680,583)	(534,997)								
Six year later	(715,655)	(681,631)									
Seven year later	(717,324)										
Cumulative payments to-date	(717,324)	(681,631)	(534,997)	(467,792)	(387,774)	(352,999)	(302,411)	(13,879)			
Net general insurance claims liabilities (direct and facultative)	**26,305**	**22,005**	**34,663**	**49,781**	**77,691**	**140,744**	**348,831**	**166,106**	**866,126**	**57,782**	**923,908**

** The diagonal for 31 March 2014 is based on a 3-months analysis as at 31 March 2014.*

Net general insurance claims liabilities for 31 March 2014 - legacy AmG Insurance:

Accident year	Before 2008 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	Sub total RM'000	Inward treaty and MMIP RM'000	Total RM'000
At the end of accident year	262,959	261,465	322,866	347,605	374,582	376,097	387,761	359,362			
One year later	264,314	293,286	341,821	332,336	363,616	353,642	362,738				
Two year later	263,664	309,197	330,196	336,909	352,397	354,936					
Three year later	271,696	309,065	323,492	329,135	347,516						
Four year later	272,149	304,667	317,621	328,523							
Five year later	270,954	302,417	317,273								
Six year later	269,698	303,184									
Seven year later	270,190										
Current estimate of accumulative claims incurred	270,190	303,184	317,273	328,523	347,516	354,936	362,738	359,362			
At the end of accident year	(113,276)	(116,697)	(146,557)	(157,275)	(141,356)	(150,932)	(150,805)	(135,288)			
One year later	(197,812)	(230,911)	(254,790)	(253,461)	(269,008)	(264,954)	(273,543)				
Two year later	(230,314)	(263,306)	(276,871)	(292,847)	(307,815)	(311,574)					
Three year later	(248,574)	(280,288)	(298,189)	(311,561)	(327,712)						
Four year later	(257,886)	(291,321)	(307,632)	(318,908)							
Five year later	(263,147)	(296,565)	(310,990)								
Six year later	(266,847)	(298,219)									
Seven year later	(267,758)										
Cumulative payments to-date	(267,758)	(298,219)	(310,990)	(318,908)	(327,712)	(311,574)	(273,543)	(135,288)			
Net general insurance claims liabilities (direct and facultative)	**2,432**	**4,965**	**6,283**	**9,615**	**19,804**	**43,362**	**89,195**	**224,074**	**399,730**	**131**	**399,861**
Total - net claims liabilities	**28,737**	**26,970**	**40,946**	**59,396**	**97,495**	**184,106**	**438,026**	**390,180**	**1,265,856**	**57,913**	**1,323,769**

56. INSURANCE BUSINESS (CONT'D.)

(VII) REDEEMABLE CUMULATIVE CONVERTIBLE PREFERENCE SHARE

During the financial year ended 31 March 2013, AmGeneral Holdings Berhad ("AMGH") (a 51% owned subsidiary) had issued RM600 million of Redeemable Cumulative Convertible Preference Share ("RCCPS") and the salient features of the RCCPS are as follows:

The RCCPS are redeemable during the redemption period from 27 September 2012 to 26 September 2027 ("maturity date"). The RCCPS will be redeemed during the redemption period or at the maturity date with the redemption price equal to the issue price.

The RCCPS confer on the holders the right to a fixed cumulative preference dividend calculated at 1% per annum each year to be declared and paid within six months from the end of each financial year, calculated based on the issue price of the RCCPS, in priority to any other classes of shares to the extent that there are profits available for distribution and compliance with the capital adequacy requirements as stipulated by Bank Negara Malaysia.

The RCCPS holders are entitled at any time to convert all or any of the RCCPS held to ordinary shares in AMGH on the basis of one RCCPS for one new ordinary share.

At Group, the RCCPS is presented net of deferred tax, and reflects only the portion issued to the NCI.

(VIII) INVESTMENT PROPERTIES

Investment property of general insurance business

Cost / Carrying amount	31 March 2015 RM'000	31 March 2014 RM'000
At beginning and end of financial year	**7,713**	**7,713**

At 31 March 2015, had the investment property of the Group been carried under the fair value model, the fair value would have been RM12,120,000 (2014: RM12,120,000). The fair value is determined based on desktop valuation that reflects market conditions by an accredited independent valuer whereby valuation was based on comparison method that makes comparison to similar properties that were either transacted recently or listed for sale within the same location or other comparable localities (Level 2 in the fair value hierarchy).

The following amounts in respect of the investment property of the general insurance business were recognised in the income statement:

	31 March 2015 RM'000	31 March 2014 RM'000
Rental income	–	951
Operating expenses arising from investment properties that generated rental income	(40)	(272)

56. INSURANCE BUSINESS (CONT'D.)

(VIII) INVESTMENT PROPERTIES (CONT'D.)

Investment property of life insurance business

Prior year balance of investment property of life insurance subsidiary disposed off in the current financial year:

	31 March 2014 RM'000
At beginning of financial year	80,165
Fair value adjustments	4,180
At end of financial year	**84,345**
Investment property consists of the following:	
Leasehold land and buildings	23,990
Freehold land and building	60,355
	84,345

The fair value adjustment for 31 March 2014 of RM4,180,000 had been recognised in the income statement.

Investment properties are stated at fair value, which has been determined based on valuations performed by PPC International Sdn Bhd, an accredited independent valuer. PPC International Sdn Bhd is a specialist in valuing these types of investment properties. The valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The valuation were based on Comparison Approach method which make reference to comparable properties which have been sold or being offered for sale (Level 2 of the fair value hierarchy).

57. OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements excluding financial assets not subject to offset and that are only subject to collateral arrangements (eg. loans, advances and financing) are as follows:-

Group	Gross amount of recognised financial assets/ liabilities	Gross amounts offset in the statement of financial position	Amounts presented in the statement of financial position	Amount not offset in the statements of financial position		Net amount
				Financial instruments	Cash collateral received/ pledged	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2015						
Derivative financial assets	1,437,537	–	1,437,537	(1,089,946)	(277,727)	69,864
Other assets	3,683,037	(15,992)	3,667,045	(34,438)	(11,151)	3,621,456
	5,120,574	**(15,992)**	**5,104,582**	**(1,124,384)**	**(288,878)**	**3,691,320**
Derivative financial liabilities	1,385,478	–	1,385,478	(686,572)	(682,843)	16,063
Other liabilities	3,934,383	(15,992)	3,918,391	–	–	3,918,391
	5,319,861	**(15,992)**	**5,303,869**	**(686,572)**	**(682,843)**	**3,934,454**
31 March 2014						
Derivative financial assets	528,810	–	528,810	(381,780)	(113,100)	33,930
Other assets	3,419,823	(19,044)	3,400,779	(51,243)	(13,477)	3,336,059
	3,948,633	**(19,044)**	**3,929,589**	**(433,023)**	**(126,577)**	**3,369,989**
Derivative financial liabilities	541,224	–	541,224	(204,351)	(295,147)	41,726
Other liabilities	3,860,613	(19,044)	3,841,569	–	–	3,841,569
	4,401,837	**(19,044)**	**4,382,793**	**(204,351)**	**(295,147)**	**3,883,295**

58. SIGNIFICANT EVENTS

1. On 28 April 2014, AMAB Holdings Sdn Bhd ("AMAB"), a wholly-owned subsidiary of the Company, entered into conditional share sale agreements with MetLife International Holdings, Inc. ("MetLife"), for the sale of equity interests held by AMAB in AmMetLife Insurance Berhad (formerly known as AmLife Insurance Berhad) ("AmMetLife") and AmMetLife Takaful Berhad (formerly known as AmFamily Takaful Berhad) ("AmMetLife Takaful") for an aggregate cash consideration of RM812 million (subject to adjustment on completion) ("Share Sale"). Under the Share Sale, MetLife will acquire from AMAB an equity interest of:-

   (i) '50% plus one share' in AmMetLife, comprising an acquisition of 100,000,000 ordinary shares of RM1.00 each in AmLife for a cash consideration of RM740,000,000 and the allotment of one (1) new ordinary share of RM1.00 by AmMetLife to MetLife at a subscription price of RM1.00; and

   (ii) '50% less one share' in AmMetLife Takaful, comprising the acquisition of 50,000,000 ordinary shares of RM1.00 each in AmMetLife Takaful for a cash consideration of RM72,000,000 and the allotment of one (1) new ordinary share of RM1.00 by AmMetLife Takaful to AMAB at a subscription price of RM1.00.

   On 30 April 2014 (the "Completion Date"), the Company announced that the Share Sale was completed on 30 April 2014 after fulfilment of the conditions precedent. The final sale consideration will be determined on conclusion of the review of the closing net assets of AmMetLife and AmMetLife Takaful as at 30 April 2014.

   On 18 November 2014, the Company announced that the Sale Consideration has been adjusted to RM821,295,000 following the determination of the audited net assets of AmMetLife and AmMetLife Takaful as at the Completion Date (the "Completion NA") as follows:

   (i) RM755,707,000 for AmMetLife, an increase of RM15,707,000 on account of an increase in Completion NA of AmMetLife; and

   (ii) RM65,588,000 for AmMetLife Takaful, a decrease of RM6,412,000 on account of the decrease in Completion NA of AmMetLife Takaful.

   During the year, AmMetLife received complaints from 9 policyholders relating to the alleged mis-selling of a certain insurance product of AmMetLife. The Company and MetLife are working jointly in the process of investigating these complaints and assessing any financial impact thereon.

   Under the terms for the sale by the Company to MetLife of shares in AmMetLife, the Group would fully indemnify MetLife or AmMetLife from any losses arising from incidences of the mis-selling of certain specified insurance products occurring prior to the Share Sale.

58. SIGNIFICANT EVENTS (CONT'D.)

The disposal had the following effects on the financial position of the Group as at the end of the financial year:

	30 April 2014 RM'000
Cash and short-term funds	150,807
Securities purchased under resale agreements	285,676
Deposits and placements with banks and other financial institutions	333,447
Financial assets held-for-trading	1,230,294
Financial investments available-for-sale	845,591
Loans, advances and financing	207,418
Other assets	79,745
Reinsurance, retakaful assets and other insurance receivables	45,660
Investment properties	84,345
Property and equipment	37,269
Intangible assets	34,021
Deferred tax liabilities	(7,659)
Other liabilities	(211,630)
Insurance, takaful contract liabilities and other insurance payables	(2,634,334)
Net assets disposed	480,650
Retained as investment in joint ventures and adjustment	(144,130)
Fair value adjustments	(72,336)
Attributable goodwill recognised in income statement	7,744
Disposal cost incurred	87,506
Total disposal proceeds in cash	(821,295)
Gain on disposal to the Group	(461,861)
Cash inflow/(outflow) arising on disposal:	
Cash consideration	821,295
Cash and cash equivalents of subsidiaries disposed	(150,807)
Net cash inflow on disposal	670,488

2. On 25 August 2014, a wholly-owned Singapore-based subsidiary, AmFraser International Pte. Ltd. ("AmFIPL"), has entered into a share sale agreement with KGI Asia (Holdings) Pte. Ltd. ("KGI"), a 100%-owned subsidiary of KGI Securities Co. Ltd., a Taiwan-based stockbroking company, for the proposed disposal by AmFIPL of its 100%-owned stockbroking subsidiary, AmFraser Securities Pte. Ltd. ("AmFraser") (the "Proposed Disposal").

The Proposed Disposal involves the sale of 57,527,908 ordinary shares in AmFraser for an indicative cash consideration of about S$38.0 million (the "Disposal Price"), comprising: (i) a preliminary value for future recovery of overdue receivables post completion, and (ii) a value at a premium over the adjusted net assets of AmFraser. The final Disposal Price will be determined on completion of the Proposed Disposal in accordance with the terms of the share sale agreement.

On 30 January 2015, the Company announced that following the approval of the relevant Taiwanese and Singaporean regulatory authorities and fulfilment of other conditions, the Proposed Disposal was completed on 30 January 2015, resulting in a gain of RM14.0 million to the Group.

58. SIGNIFICANT EVENTS (CONT'D.)

The disposal had the following effects on the financial position of the Group as at the end of financial year:

	30 January 2015 RM'000
Cash and short-term funds	119,304
Derivative financial assets	1
Loans, advances and financing	6,766
Other assets	133,584
Property and equipment	4,424
Derivative financial liabilities	(30)
Debt capital	(80,411)
Other liabilities	(113,206)
Net assets disposed	70,432
Attributable goodwill	11,243
Disposal cost incurred	6,167
Total disposal proceeds in cash	(101,854)
Gain on disposal to the Group	(14,012)
Cash inflow/(outflow) arising on disposal:	
Cash consideration	101,854
Cash and cash equivalents of subsidiary disposed	(119,304)
Net cash outflow on disposal	(17,450)

3. On 30 September 2014, a wholly-owned subsidiary, AmSecurities Holding Sdn Bhd ("AMSH"), has entered into a sale and purchase agreement with Yuanta Securities (Hong Kong) Company Limited ("Yuanta HK"), a 100%-owned, indirect subsidiary of Yuanta Securities Co., Limited, a Taiwan-based stockbroking company, for the proposed disposal of the Group's 99% shareholding in PT AmCapital Indonesia ("AMCI") (the "Proposed Disposal").

The Proposed Disposal involves the sale of 144,724 ordinary shares of Rp1,000,000 each in AMCI for an indicative cash consideration of about Rp 83.7 billion or approximately RM23.4 million (the "Disposal Price") at a premium over the adjusted net assets of AMCI. The Disposal Price will be further adjusted on completion of the Proposed Disposal in accordance with the terms of the sale and purchase agreement.

The assets and liabilities of AMCI have been presented as held for sale as at 31 March 2015. The major classes of assets and liabilities classified as held for sale are as follows:

	31 March 2015 RM'000
Assets	
Cash and short-term funds	22,656
Deposits and placements with banks and other financial institutions	18,514
Financial investments available-for-sale	5,328
Loans, advances and financing	2,594
Deferred tax assets	476
Other assets	70,418
Property and equipment	383
Intangible assets	92
Assets of subsidiary held for sale	**120,461**
Liabilities	
Other liabilities	48,995
Liabilities of subsidiary held for sale*	**48,995**
Net assets of subsidiary held for sale	**71,466**

* Liabilities of subsidiary held for sale excludes an intercompany loan eliminated on consolidation.

58. SIGNIFICANT EVENTS (CONT'D.)

4. On 15 January 2015, AmGeneral Insurance Berhad, a subsidiary of the Company, entered into a conditional Sales and Purchase Agreement to dispose its leasehold land and buildings and other related assets to a third party for a total cash consideration of RM85.0 million. The carrying value of the asset is as presented in Note 19.

   The disposal has not yet been completed as at the reporting date as certain conditions precedent have yet to be met.

59. SUBSEQUENT EVENT

Subsequent to the current financial year end, the Company announced that following the approval of the relevant Taiwanese and Indonesian regulatory authorities and fulfilment of other conditions, the Proposed Disposal as stated in Note 58(3) was completed on 22 April 2015.

60. CHANGES IN ACCOUNTING POLICIES AND RESTATEMENT OF COMPARATIVE INFORMATION

(a) Arising from adoption of Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities, certain financial assets and financial liabilities that were reported previously on a net basis did not meet the offsetting criteria as at 31 March 2014 and 1 April 2013 and had been restated.

(b) During the current financial year, the Group is presenting "Receivables: Investments not quoted in active markets" separately on the face of the Statement of Financial Position to provide more meaningful information. Previously, these financial instruments were presented on an aggregate basis with financial investments held-to-maturity and other assets.

(c) During the current financial year, the Group had reclassified certain expenses from interest expense and net income from Islamic banking business to other operating expenses to align disclosure with market practice.

(i) Reconciliations of on the Group's consolidated statements of financial position as at 31 March 2014 and 1 April 2013

	As stated RM'000	Note 60(a) RM'000	Note 60(b) RM'000	As restated RM'000
As at 31 March 2014				
Assets				
Financial investments held-to-maturity	3,897,565	–	(99,000)	3,798,565
Receivables: investments not quoted in active markets	–	–	168,830	168,830
Other assets	3,084,376	386,233	(69,830)	3,400,779
Liabilities				
Other liabilities	3,455,336	386,233	–	3,841,569
As at 1 April 2013				
Assets				
Other assets	2,870,742	197,229	–	3,067,971
Liabilities				
Other liabilities	5,046,690	197,229	–	5,243,919

60. CHANGES IN ACCOUNTING POLICIES AND RESTATEMENT OF COMPARATIVE INFORMATION (CONT'D.)

(ii) Reconciliations of on the Group's consolidated income statement for the year ended 31 March 2014

	As stated RM'000	Note 60(c) RM'000	As restated RM'000
Interest expense	(2,405,106)	7,447	(2,397,659)
Net income from Islamic banking business	939,969	3,978	943,947
Other operating expenses	(2,121,633)	(11,425)	(2,133,058)

(iii) Reconciliations of on the Group's consolidated statements of cash flows for the year ended 31 March 2014

	As previously stated RM'000	Note 60(a) RM'000	Note 60(b) RM'000	As restated RM'000
Other assets	155,742	(386,233)	69,830	(160,661)
Other liabilities	(1,779,786)	386,233	–	(1,393,553)
(Purchase)/Disposal of financial investments - net	(3,756,813)	–	99,000	(3,657,813)
Receivables: investments not quoted in active markets	–	–	(168,830)	(168,830)

(iv) Reconciliation of operations of Islamic banking business

(i) Reconciliations of on the Group's consolidated statements of financial position as at 31 March 2014

	As stated RM'000	Note 60(b) RM'000	As restated RM'000
Assets			
Financial Investments held-to-maturity	1,335,055	(99,000)	1,236,055
Receivables: investments not quoted in active markets	–	106,649	106,649
Other assets	574,891	(7,649)	567,242

(ii) Reconciliations of on the Group's consolidated income statement for the year ended 31 March 2014

	As stated RM'000	Note 60(c) RM'000	As restated RM'000
Income attributable to the depositors	(826,909)	3,978	(822,931)
Operating expenditure	(365,181)	(3,978)	(369,159)

(iii) Reconciliations of on the Group's consolidated statements of cash flows for the year ended 31 March 2014

	As previously stated RM'000	Note 60(b) RM'000	As restated RM'000
Other assets	(237,428)	7,649	(229,779)
(Purchase)/Disposal of financial investments - net	(2,007,419)	99,000	(1,908,419)
Receivables: investments not quoted in active markets	–	(106,649)	(106,649)

61. ISLAMIC BANKING BUSINESS

The state of affairs as at 31 March 2015 and the results for the financial year ended 31 March 2015 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:

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 (Restated) RM'000
ASSETS			
Cash and short-term funds	ii	4,307,281	2,941,329
Deposits and placements with banks and other financial institutions	iii	750,000	1,118,383
Derivative financial assets		27,469	7,699
Financial assets held-for-trading	iv	151,783	64,694
Financial investments available-for-sale	v	4,109,611	3,854,715
Financial investments held-to-maturity	vi	1,249,567	1,236,055
Financing and advances	vii	27,497,806	24,445,039
Receivables: investments not quoted in active markets		463,982	106,649
Statutory deposit with Bank Negara Malaysia		1,045,000	891,000
Deferred tax assets	viii	1	292
Other assets	ix	378,727	567,242
Property and equipment	x	326	409
Intangible assets	xi	20	28
TOTAL ASSETS		**39,981,573**	**35,233,534**
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits and placements of banks and other financial institutions	xii	2,719,972	3,122,588
Recourse obligation on financing sold to Cagamas Berhad		1,436,775	2,068,337
Derivative financial liabilities		34,491	7,675
Deposits from customers	xiii	29,748,968	25,423,364
Term funding	24(a)(ii)	1,850,000	550,000
Subordinated Sukuk	26(c)(ii)	1,149,384	1,149,302
Deferred tax liabilities	viii	10,839	7,255
Other liabilities	xiv	446,758	387,526
TOTAL LIABILITIES		**37,397,187**	**32,716,047**
Share capital/Capital funds	xv	492,922	495,761
Reserves		2,091,464	2,021,726
TOTAL ISLAMIC BANKING FUNDS		**2,584,386**	**2,517,487**
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		**39,981,573**	**35,233,534**
COMMITMENTS AND CONTINGENCIES	xxiv	**7,557,214**	**8,467,022**

The accompanying notes form an integral part of the Islamic banking business financial statements.

61. ISLAMIC BANKING BUSINESS (CONT'D.)

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015

	Note	Group 31 March 2015 RM'000	Group 31 March 2014 (Restated) RM'000
Income derived from investment of depositors' funds and others	xvi	1,752,730	1,673,142
Allowance for impairment on financing and advances	xvii	(131,549)	(208,471)
Writeback for commitment and contingencies		10,032	600
Impairment writeback for sundry debtors		–	51
Transferred to profit equalisation reserve		(35,379)	(10,743)
Total attributable income		1,595,834	1,454,579
Income attributable to the depositors	xviii	(931,670)	(822,931)
Profit attributable to the Group		664,164	631,648
Income derived from Islamic Banking Funds	xix	105,165	120,930
Total net income		769,329	752,578
Operating expenses	xx	(369,098)	(369,159)
Finance cost		(80,441)	(67,461)
Profit before taxation and zakat		319,790	315,958
Taxation and zakat	xxi	(71,247)	(67,915)
Profit after taxation and zakat		248,543	248,043

STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015

	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Profit after taxation and zakat	248,543	248,043
Other comprehensive income:		
Items that may be reclassified to income statement		
Net change in revaluation of financial investments available-for-sale	15,917	(14,915)
Exchange differences on translation of foreign operations	609	317
Income tax relating to the components of other comprehensive income/(loss)	(4,066)	3,729
Other comprehensive income/(loss) for the year, net of tax	12,460	(10,869)
Total comprehensive income for the year	**261,003**	**237,174**

The accompanying notes form an integral part of the Islamic banking business financial statements.

61. ISLAMIC BANKING BUSINESS (CONT'D.)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Non-Distributable						Distributable	
Group	Share capital/ Capital funds RM'000	Share premium RM'000	Statutory reserve RM'000	Profit equalisation reserve RM'000	Available-for- sale reserve/ (deficit) RM'000	Foreign currency translation reserve/ (deficit) RM'000	Retained earnings RM'000	Total equity RM'000
At 1 April 2013	495,761	724,185	424,266	1,313	(7,202)	(979)	643,406	2,280,750
Profit for the year	–	–	–	–	–	–	248,043	248,043
Other comprehensive income, net	–	–	–	–	(11,186)	317	–	(10,869)
Total comprehensive income for the year	–	–	–	–	(11,186)	317	248,043	237,174
Transfer from retained earnings	–	–	59,079	–	–	–	(59,079)	–
Transfer to profit equalisation reserve	–	–	–	–	–	–	–	–
Net utilisation of profit equalisation reserve for the financial year	–	–	–	(53)	–	–	53	–
Transfer to ESS shares recharged difference on purchase price of shares vested	–	–	–	–	–	–	(437)	(437)
At 31 March 2014	**495,761**	**724,185**	**483,345**	**1,260**	**(18,388)**	**(662)**	**831,986**	**2,517,487**
At 1 April 2014	495,761	724,185	483,345	1,260	(18,388)	(662)	831,986	2,517,487
Profit for the year	–	–	–	–	–	–	248,543	248,543
Other comprehensive income, net	–	–	–	–	11,851	609	–	12,460
Total comprehensive income	–	–	–	–	11,851	609	248,543	261,003
Transfer from retained earnings	–	–	–	–	–	–	–	–
Transfer to conventional business	(2,839)	–	–	–	–	–	(3,817)	(6,656)
Utilisation of profit equalisation reserve for the financial year	–	–	–	2,644	–	–	(2,644)	–
Transfer to ESS shares recharged difference on purchase price of shares vested	–	–	–	–	–	–	(428)	(428)
Dividend paid	–	–	–	–	–	–	(187,020)	(187,020)
At 31 March 2015	**492,922**	**724,185**	**483,345**	**3,904**	**(6,537)**	**(53)**	**886,620**	**2,584,386**

The accompanying notes form an integral part of the Islamic banking business financial statements.

61. ISLAMIC BANKING BUSINESS (CONT'D.)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015

	Group	
	31 March 2015 RM'000	31 March 2014 (Restated) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and zakat	319,790	315,958
Add/(Less) adjustments for:		
Accretion of discount less amortisation of premium	(104,653)	(77,395)
Allowance for impairment on financing and advances	270,929	294,391
Depreciation of property and equipment	133	153
Amortisation of intangible assets	17	31
Impairment writeback on sundry receivables	–	(51)
Transfer to profit equalisation reserve	35,379	10,743
Gain on sale of financial assets held-for-trading	(117)	(1,176)
Net gain on revaluation of financial assets held-for-trading	(993)	(1,413)
Net loss on sale of financial investments available-for-sale	131	877
Net (gain)/loss on revaluation of derivatives	(232)	7
Provision for commitments and contingencies	(10,032)	(600)
Shares/options granted under Executives' Share Scheme	(11)	606
Operating profit before working capital changes	510,341	542,131
(Increase)/Decrease in operating assets		
Deposit and placements with banks and other financial institutions	368,383	430,000
Financial assets held-for-trading	(85,979)	1,154,951
Financing and advances	(3,323,696)	(2,752,124)
Statutory deposit with Bank Negara Malaysia	(154,000)	(120,000)
Other assets	161,720	(229,779)
Increase/(Decrease) in operating liabilities		
Deposits and placements of banks and other financial institutions	(402,616)	772,996
Recourse obligation on financing sold to Cagamas Bhd	(631,562)	(5,353)
Deposits from customers	4,325,604	2,246,817
Bills and acceptances payable	–	(722,821)
Other liabilities	68,593	3,788
Cash generated from operating activites	836,788	1,320,606
Zakat paid	(1,336)	(1,726)
Tax paid	(73,731)	(58,132)
Net cash generated from operating activities	761,721	1,260,748
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial investments	(152,035)	(1,908,419)
Purchase of property and equipment	(48)	(43)
Purchase of intangible assets	(9)	(5)
Purchase of receivables: investments not quoted in active markets	(350,000)	(106,649)
Net cash used in investing activities	(502,092)	(2,015,116)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net capital funds transferred to conventional business	(6,656)	–
Proceeds received from Subordinated Sukuk Musharakah	–	149,302
Dividend paid	(187,021)	–
Term funding	1,300,000	–
Net cash generated from financing activities	1,106,323	149,302
Net increase/(decrease) in cash and cash equivalents	1,365,952	(605,066)
Cash and cash equivalents at beginning of financial year	2,941,329	3,546,395
Cash and cash equivalents at end of financial year	**4,307,281**	**2,941,329**

The accompanying notes form an integral part of the Islamic banking financial statements.

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS

(i) ISLAMIC BANKING BUSINESS

Shariah Committee and governance

The Shariah Committee comprises five (5) members and is responsible and accountable on matters related to Shariah. This includes:

i. advising Board of Directors and Management of the Bank on Shariah matters;
ii. endorsing and validating products and services, Shariah policies and the relevant documentation in relation to Islamic Banking operation; and
iii. providing advice and guidance on management of zakat fund, charity and other social programme activities.

The Shariah Committee members also sit in the Shariah Oversight Committee, a sub-committee to the Shariah Committee performing an oversight function from Shariah perspective to assess work carried out by Shariah review, Shariah audit, Shariah regulatory review and Shariah risk management. Shariah Oversight Committee is also responsible to provide guidance and advice on matters pertaining to Shariah non-compliance incidents as well as treatment of Shariah non-compliance income.

Shariah non-compliance incident and income

As at 31 March 2015, a total amount of RM113,600.0 arising from 3 Shariah non-compliant incidents was recorded as Shariah non-compliant income. The amount due to operational error was refunded to the affected customers in accordance with the manner as prescribed by the Shariah Oversight Committee.

(ii) CASH AND SHORT-TERM FUNDS

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Cash and bank balances	1,848	25,245
Deposits maturing within one month:		
Other financial institutions	4,305,433	2,916,084
	4,307,281	**2,941,329**

(iii) DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Licensed banks	750,000	400,000
Licensed investment bank	–	300,000
Bank Negara Malaysia	–	300,000
Other financial institutions	–	118,383
	750,000	**1,118,383**

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(iv) FINANCIAL ASSETS HELD-FOR-TRADING

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
At Fair Value		
Money Market Securities:		
Malaysian Government Investment Certificates	141,705	–
Unquoted Securities:		
In Malaysia:		
Private debt securities	10,078	54,695
Outside Malaysia:		
Private debt securities	–	9,999
Total	**151,783**	**64,694**

(v) FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
At Fair Value		
Money Market Securities:		
Malaysian Government Investment Certificates	204,121	300,050
Islamic negotiable instruments of deposit	3,045,885	996,795
Bank Negara Monetary notes	254,914	1,969,876
	3,504,920	3,266,721
Unquoted Securities:		
In Malaysia:		
Private debt securities	604,691	587,994
Total	**4,109,611**	**3,854,715**

(vi) FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group	
	31 March 2015 RM'000	31 March 2014 (Restated) RM'000
At amortised cost		
Unquoted Securities:		
In Malaysia:		
Private debt securities	**1,249,567**	**1,236,055**

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(vii) FINANCING AND ADVANCES

Financing and advances by type and Shariah contracts are as follows:

Group 31 March 2015	Bai Bithaman Ajil RM'000	Murabahah RM'000	Musharakah Mutanaqisah RM'000	Al-Ijarah Thummah Al-Bai (AITAB) RM'000	Bai Al-Inah RM'000	Others RM'000	Total RM'000
Cash lines	–	–	–	–	888,591	–	888,591
Term financing	2,561,064	2,530,032	9,325	–	4,122,052	40,429	9,262,902
Revolving credit	456,811	431,597	–	–	3,165,176	–	4,053,584
Housing financing	1,359,372	–	31,114	–	–	–	1,390,486
Hire purchase receivables	4	–	–	10,950,562	–	–	10,950,566
Bills receivables	–	–	–	–	–	735	735
Credit card receivables	–	–	–	–	–	278,597	278,597
Trust receipts	–	100,907	–	–	–	–	100,907
Claims on customers under acceptance credits	–	959,675	–	–	–	136,291	1,095,966
Gross financing and advances*	4,377,251	4,022,211	40,439	10,950,562	8,175,819	456,052	28,022,334
Allowance for impairment on financing and advances							
- Collective allowance							(458,453)
- Individual allowance							(66,075)
Net financing and advances							**27,497,806**

Group 31 March 2014	Bai Bithaman Ajil RM'000	Murabahah RM'000	Musharakah Mutanaqisah RM'000	Al-Ijarah Thummah Al-Bai (AITAB) RM'000	Bai Al-Inah RM'000	Others RM'000	Total RM'000
Cash lines	–	–	–	–	838,903	–	838,903
Term financing	3,024,016	88,943	8,355	–	3,888,925	40,398	7,050,637
Revolving credit	524,301	252,197	–	–	2,608,265	–	3,384,763
Housing financing	1,075,469	–	22,274	–	–	–	1,097,743
Hire purchase receivables	388	–	–	11,089,161	–	–	11,089,549
Bills receivables	–	–	–	–	–	757	757
Credit card receivables	–	–	–	–	–	311,702	311,702
Trust receipts	–	99,371	–	–	–	–	99,371
Claims on customers under acceptance credits	–	983,237	–	–	–	142,312	1,125,549
Gross financing and advances*	4,624,174	1,423,748	30,629	11,089,161	7,336,093	495,169	24,998,974
Allowance for impairment on financing and advances							
- Collective allowance							(534,465)
- Individual allowance							(19,470)
Net financing and advances							**24,445,039**

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

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(vii) FINANCING AND ADVANCES (Cont'd.)

The maturity structure of financing and advances are as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Maturing within one year	8,712,569	5,998,612
Over one to three years	2,914,449	3,034,780
Over three to five years	4,481,931	4,069,861
Over five years	11,913,385	11,895,721
	28,022,334	**24,998,974**

Gross financing and advances analysed by type of customers are as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Domestic non-bank financial institutions	376,383	189,237
Domestic business enterprises		
- Small medium enterprises	4,320,458	3,803,320
- Others	9,136,728	6,916,523
Government and statutory bodies	383,730	405,206
Individuals	13,663,125	13,540,139
Other domestic entities	57,698	66,272
Foreign individual and entities	84,212	78,277
	28,022,334	**24,998,974**

Financing and advances analysed by profit rate sensitivity are as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Fixed rate:		
Housing financing	257,808	228,350
Hire purchase receivables	10,016,187	9,883,677
Other financing	3,125,980	3,374,584
Variable rate:		
Base rate and lending/financing rate plus	5,236,078	5,201,765
Cost-plus	9,040,137	6,120,971
Other variable rates	346,144	189,627
	28,022,334	**24,998,974**

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(vii) FINANCING AND ADVANCES (Cont'd.)

Gross financing and advances analysed by sectors are as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Agriculture	1,425,890	922,647
Mining and quarrying	1,676,384	151,858
Manufacturing	2,349,086	2,526,099
Electricity, gas and water	148,422	159,893
Construction	2,137,670	2,039,631
Wholesale, retail trade, restaurants and hotels	944,867	872,713
Transport, storage and communication	937,626	762,829
Finance and insurance	376,383	189,237
Real estate	2,825,535	2,153,307
Business activities	461,035	531,065
Education and health	821,983	691,600
Household of which:	13,742,679	13,610,222
- purchase of residential properties	1,370,877	1,077,354
- purchase of transport vehicles	10,401,534	10,434,949
- others	1,970,268	2,097,919
Others	174,774	387,873
Gross financing and advances	**28,022,334**	**24,998,974**

Movements in impaired financing and advances are as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Balance at beginning of financial year	348,515	268,443
Impaired during the financial year	776,843	460,256
Reclassification to non-impaired financing	(81,471)	(44,233)
Recoveries	(123,309)	(100,149)
Amount written off	(314,123)	(235,802)
Balance at end of financial year	**606,455**	**348,515**
Gross impaired financing and advances as % of gross financing and advances	**2.2%**	**1.4%**
Financing loss coverage (excluding collateral values)	**86.5%**	**158.9%**

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(vii) FINANCING AND ADVANCES (Cont'd.)

Impaired financing and advances analysed by sectors are as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Agriculture	354	1,802
Mining and quarrying	7	122
Manufacturing	34,143	30,579
Electricity, gas and water	21,100	56
Construction	9,590	13,416
Wholesale, retail trade, restaurants and hotels	6,763	6,688
Transport, storage and communication	12,076	5,430
Finance and insurance	33	31
Real estate	322,332	–
Business activities	4,211	9,539
Education and health	6,169	7,493
Household of which:	188,040	272,608
- Purchase of residential properties	20,771	37,575
- Purchase of transport vehicles	155,185	213,199
- Others	12,084	21,834
Others	1,637	751
Impaired financing and advances	**606,455**	**348,515**

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

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Collective allowance		
Balance at beginning of financial year	534,465	490,410
Allowance made during the financial year	224,295	240,823
Transferred from conventional commercial banking*	2,463	–
Amount written off and others	(302,770)	(196,768)
Balance at end of financial year	**458,453**	**534,465**
Collective allowance as % of gross financing and advances (excluding RPSIA financing) less individual allowance	**1.7%**	**2.2%**
Individual allowance		
Balance at beginning of financial year	19,470	14,452
Allowance made during the financial year	46,634	53,568
Amount written off and others	(29)	(48,550)
Balance at end of financial year	**66,075**	**19,470**

* As at 31 March 2015, the gross principal/exposure and collective allowance relating to the RPSIA financing amounted to RM1,363.8 million and RM1.6 million respectively (2014:RM450.1 million and RM2.5 million respectively). There was no individual allowance provided for the RPSIA financing.

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(viii) DEFERRED TAX ASSETS/(LIABILITIES)

	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Deferred tax assets	1	292
Deferred tax liabilities	(10,839)	(7,255)
	(10,838)	**(6,963)**

The movements on the deferred tax account are as follows:

	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Balance at beginning of financial year	(6,963)	(15,733)
Transfer to income statements	191	5,041
Recognised in other comprehensive income	(4,066)	3,729
	(10,838)	**(6,963)**

Group 31 March 2015	Balance at beginning of financial year RM'000	Recognised in income statement RM'000	Recognised in other comprehensive income RM'000	Balance at end of financial year RM'000
Deferred tax assets				
Excess of capital allowance over depreciation	(7)	–	–	(7)
Other temporary differences	299	(291)	–	8
	292	**(291)**	**–**	**1**
Deferred tax liabilities				
Excess of capital allowance over depreciation	(36)	14	–	(22)
Deferred charges	(18,704)	2,144	–	(16,560)
Other temporary differences	4,944	(1,686)	–	3,258
Profit equalisation reserve	393	10	–	403
Available-for-sale reserve	6,148	–	(4,066)	2,082
	(7,255)	**482**	**(4,066)**	**(10,839)**

Group 31 March 2014	Balance at beginning of financial year RM'000	Recognised in income statement RM'000	Recognised in other comprehensive income RM'000	Balance at end of financial year RM'000
Deferred tax assets				
Excess of capital allowance over depreciation	(5)	(2)	–	(7)
Other temporary differences	217	82	–	299
	212	**80**	**–**	**292**
Deferred tax liabilities				
Excess of capital allowance over depreciation	(49)	13	–	(36)
Deferred charges	(21,016)	2,312	–	(18,704)
Other temporary differences	2,287	2,657	–	4,944
Profit equalisation reserve	414	(21)	–	393
Available-for-sale reserve	2,419	–	3,729	6,148
	(15,945)	**4,961**	**3,729**	**(7,255)**

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(ix) OTHER ASSETS

	Group 31 March 2015 RM'000	Group 31 March 2014 (Restated) RM'000
Trade debtors	7,161	2,867
Other receivables, deposits and prepayments	61,403	54,969
Amount due from related company	47,453	261,327
Amount due from originators	136,695	118,239
Profit receivable	28,227	33,347
Tax recoverable	28,784	21,676
Deferred charges	69,004	74,817
	378,727	**567,242**

(x) PROPERTY AND EQUIPMENT

Group	Motor vehicles RM'000	Leasehold improvements RM'000	Computer hardware RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
31 March 2015					
Cost					
At beginning of financial year	600	432	551	196	1,779
Additions	–	–	45	3	48
At end of financial year	600	432	596	199	1,827
Accumulated Depreciation					
At beginning of financial year	336	393	480	161	1,370
Depreciation for the financial year	64	27	29	11	131
At end of financial year	400	420	509	172	1,501
Net Book Value					
As at 31 March 2015	**200**	**12**	**87**	**27**	**326**
31 March 2014					
Cost					
At beginning of financial year	600	426	525	185	1,736
Additions	–	6	26	11	43
At end of financial year	600	432	551	196	1,779
Accumulated Depreciation					
At beginning of financial year	258	364	445	150	1,217
Depreciation for the financial year	78	29	35	11	153
At end of financial year	336	393	480	161	1,370
Net Book Value					
As at 31 March 2014	**264**	**39**	**71**	**35**	**409**

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(xi) INTANGIBLE ASSETS

Computer Software	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Cost		
At beginning of financial year	897	892
Additions	9	5
At end of financial year	906	897
Accumulated Depreciation		
At beginning of financial year	869	838
Amortisation for the financial year	17	31
At end of financial year	886	869
Net Carrying Amount	**20**	**28**

(xii) DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Non-Mudarabah Fund:		
Licensed investment banks	159	138
Other financial institutions	257,218	14,949
Licensed banks	–	249,556
Licensed Islamic banks	–	498,686
Bank Negara Malaysia	29,250	35,805
Mudarabah Fund:		
Other financial institutions	824,534	1,394,065
Licensed investment banks	245,369	479,407
Licensed banks	1,363,442	449,982
	2,719,972	3,122,588

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(xiii) DEPOSITS FROM CUSTOMERS

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
(i) By type of deposit:		
Savings deposits		
Wadiah	1,893,135	1,841,983
Mudarabah	5,215	6,002
Demand deposits		
Wadiah	3,875,971	3,742,024
Mudarabah	45,380	34,991
Term deposits		
General investment deposits		
Wakalah	314,750	2,375,226
Mudarabah	13,846,615	17,347,972
Commodity murabahah	9,761,507	–
Negotiable instruments of deposits		
Bai' Bithaman Ajil	6,395	21,017
Structured deposits		
Mudarabah	–	54,149
	29,748,968	**25,423,364**

(ii) The deposits are sourced from the following types of customers:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Business enterprises	14,716,046	14,176,635
Government and statutory bodies	6,899,768	6,029,372
Individuals	6,907,008	4,372,805
Others	1,226,146	844,552
	29,748,968	**25,423,364**

(iii) The maturity structure of negotiable instruments of deposits, term deposits, general investment deposits and structured deposits are as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Due within six months	20,614,382	16,096,656
Over six months to one year	2,054,368	2,996,669
Over one to three years	816,628	272,441
Over three to five years	443,889	432,598
	23,929,267	**19,798,364**

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(xiv) OTHER LIABILITIES

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Other payables and accruals	333,081	324,147
Taxation and zakat payable	30,508	27,027
Provision for commitments and contingencies	15,415	25,439
Amount due from head office	62,642	3,341
Lease deposits and advance rentals	3,432	6,001
Profit equalisation reserve	1,680	1,571
	446,758	**387,526**

The movements in profit equalisation reserve are as follows:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Balance at beginning of financial year	1,571	1,659
Provision during the financial year	35,379	10,743
Utilisation during the financial year	(35,270)	(10,831)
Balance at end of financial year	**1,680**	**1,571**

(xv) SHARE CAPITAL/CAPITAL FUNDS

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Allocated:		
Balance at beginning and end of financial year	**563,381**	**563,381**
Utilised:		
Balance at beginning of financial year	495,761	495,761
Utilised during the financial year	(2,839)	–
Balance at end of financial year	**492,922**	**495,761**

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(xvi) INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Income derived from investment of:		
(i) General investment deposits	1,034,657	1,122,115
(ii) Other deposits	704,819	523,771
(iii) Special investment deposits	13,254	27,256
	1,752,730	1,673,142

(i) Income derived from investment of general investment deposits:

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Finance income and hibah:		
Financing and advances	940,444	1,048,276
Financial assets held-for-trading	665	9,384
Financial investments available-for-sale	27,671	4,121
Financial investments held-to-maturity	8,165	10,459
Financing income on impaired financing	3,561	753
Deposits and placements with banks and other financial institutions	16,565	–
Others	1,017	222
	998,088	1,073,215
Net gain from sale of financial assets held-for-trading	277	885
Gain on revaluation of financial assets held-for-trading	369	1,903
Foreign exchange	6,208	8,465
Loss from sale of financial investments available-for-sale	(28)	(8)
Net loss on derivatives	(110)	–
Others	(14)	(1)
	6,702	11,244
Fee and commission income:		
Commission	4	155
Other fee income	29,863	37,501
	29,867	37,656
Total	**1,034,657**	**1,122,115**

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(xvi) INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS (Cont'd.)

(ii) Income derived from investment of other deposits:

	Group	
	31 March 2015	31 March 2014 (Restated)
	RM'000	RM'000
Finance income and hibah:		
Financing and advances	512,042	306,286
Financial assets held-for-trading	5,897	4,999
Financial investments held-to-maturity	46,652	57,189
Financial investments available-for-sale	15,369	1,205
Impaired financing and advances	1,671	220
Deposits and placements with financial institutions	84,337	136,189
Others	17,461	4,408
	683,429	510,496
Gain from sale of financial investments available-for-sale	(26)	(1)
Gain/(loss) from sale of financial assets held-for-trading	(159)	529
Gain/(loss) on revaluation of financial assets held-for-trading	624	(727)
Foreign exchange	4,072	2,473
Net loss on derivatives	(127)	–
Others	(15)	(1)
	4,369	2,273
Fee and commission income:		
Commission	3,886	2,531
Other fee income	13,135	8,471
	17,021	11,002
Total	**704,819**	**523,771**

(iii) Income derived from investment of specific investment deposits

Finance income and hibah:		
Financing and advances	13,254	27,256

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(xvii) ALLOWANCE FOR IMPAIRMENT ON FINANCING AND ADVANCES

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Allowance for impairment on financing and advances:		
Individual allowance, net	46,634	53,568
Collective allowance, net	224,295	240,823
	270,929	294,391
Impaired financing and advances recovered, net	(139,380)	(85,920)
	131,549	**208,471**

(xviii) INCOME ATTRIBUTABLE TO THE DEPOSITORS

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Deposits from customers:		
Mudarabah Fund	652,120	486,317
Non-Mudarabah Fund	130,409	139,984
	782,529	626,301
Deposits and placements of banks and other financial institutions:		
Mudarabah Fund	56,622	72,727
Non-Mudarabah Fund	9,421	38,979
Others	83,098	84,924
	149,141	196,630
Total	**931,670**	**822,931**

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(xix) INCOME DERIVED FROM INVESTMENT OF SHAREHOLDER'S FUNDS

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Finance income and hibah:		
Financing and advances	–	22,324
Financial investments available-for-sale	85,611	71,663
Deposits and placements with financial institutions	797	887
	86,408	94,874
Loss from sale of financial investments available-for-sale	(78)	(866)
Fee and commission income:		
Commission	3,546	4,270
Other fee income	16,058	22,652
Unrealised gain on fair value hedge	233	–
Net loss on derivatives	(1,002)	–
	18,835	26,922
Total	**105,165**	**120,930**

(xx) OPERATING EXPENSES

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Personnel costs	10,237	13,072
Establishment costs	1,568	1,515
Marketing and communication expenses	3,605	4,655
Administration and general expenses	34,106	25,949
Service transfer pricing expenses	319,582	323,968
	369,098	**369,159**

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(xxi) TAXATION AND ZAKAT

	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Taxation	69,843	66,759
Zakat	1,404	1,156
Taxation and zakat	**71,247**	**67,915**

(xxii) NET INCOME FROM ISLAMIC BANKING BUSINESS

For consolidation with the conventional business, net income from Islamic banking business comprises the following:

	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Income derived from investment of depositors' funds and others	1,752,730	1,673,142
Less: Income attributable to depositors	(931,670)	(822,931)
Income attributable to the Group	821,060	850,211
Income derived from Islamic Banking Funds	105,165	120,930
Less: Finance cost	(80,441)	(67,461)
	845,784	903,680
Intercompany income and expenses	18,903	40,267
	864,687	**943,947**

(xxiii) CAPITAL ADEQUACY RATIO

(a) The aggregated capital adequacy ratios under the Islamic banking business of the Group are as follows:

	Group 31 March 2015 RM'000	Group 31 March 2014 RM'000
Before deducting proposed dividends:		
Common Equity tier 1 ("CET1") Capital ratio	9.795%	10.429%
Tier 1 Capital Ratio	9.795%	10.429%
Total Capital Ratio	14.934%	16.353%
After deducting proposed dividends:		
Common Equity tier 1 ("CET1") Capital ratio	9.795%	9.807%
Tier 1 Capital Ratio	9.795%	9.807%
Total Capital Ratio	14.934%	15.731%

The capital adequacy ratios of the Islamic banking business of the Group are computed in accordance with Bank Negara Malaysia's revised Risk Weighted Capital Adequacy Framework (Basel II) and the Capital Adequacy Framework for Islamic Banks Capital Components ("CAFIB"). The Group's Islamic banking business has adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk.

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(xxiii) CAPITAL ADEQUACY RATIO

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

	Group	
	31 March 2015 RM'000	31 March 2014 (Restated) RM'000
Common Equity Tier 1 ("CET1") Capital		
Ordinary shares	492,922	495,371
Share premium	724,185	724,185
Retained earnings	889,029	831,533
AFS deficit	(6,592)	(18,442)
Statutory reserve	483,345	483,345
Profit equalisation reserve	3,904	1,260
Less : Regulatory adjustments applied on CET1 capital		
Other intangibles	(21)	(28)
Deferred tax assets	(1)	(292)
Profit equalisation reserve	(3,904)	(1,260)
CET1 capital	**2,582,867**	**2,515,672**
Additional Tier 1 capital		
Additional Tier 1 capital instruments (subject to gradual phase-out treatment)	–	–
Less : Regulatory adjustments applied on Tier 1 capital	–	–
Tier 1 capital	**2,582,867**	**2,515,672**
Tier 2 capital		
Tier 2 capital instruments meeting all relevant criteria for inclusion	350,000	350,000
Tier 2 capital instruments (subject to gradual phase-out treatment)	700,000	800,000
Collective impairment provisions and regulatory reserves	305,338	279,038
Less : Regulatory adjustments applied on Tier 2 capital	–	–
Tier 2 capital	**1,355,338**	**1,429,038**
Total Capital	**3,938,205**	**3,944,710**
Credit RWA	25,918,548	22,941,447
Less : Credit RWA absorbed by Restricted Profit Sharing Investment Account	(1,363,811)	(450,133)
Total Credit RWA	24,554,737	22,491,314
Market RWA	230,629	68,731
Operational RWA	1,584,972	1,561,967
Total Risk Weighted Assets	**26,370,338**	**24,122,012**

61. ISLAMIC BANKING BUSINESS (CONT'D.)

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS (CONT'D.)

(xxiv) COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Islamic banking business of the Group makes various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The 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 March 2015 Principal Amount RM'000	31 March 2014 Principal Amount RM'000
Contingent Liabilities		
Obligations under underwriting agreements	–	25,000
Certain transaction-related contingent items	746,892	706,662
Short-term self liquidating trade-related contingencies	80,959	60,205
Direct credit substitutes	107,926	128,226
Al-Kafalah gurantees	77,650	77,650
	1,013,427	997,743
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
up to one year	2,923,931	4,113,057
over one year	977,474	1,024,041
Unutilised credit card lines	594,355	613,662
Forward asset purchases	–	170,000
	4,495,760	5,920,760
Derivative Financial Instruments		
Foreign exchange related contracts:		
One year or less	1,154,993	1,110,511
Profit rate related contracts		
Three to five years	180,000	–
Over five years	350,000	–
Equity and commodity related contracts:		
One year or less	363,034	117,913
Over one year to five years	–	320,095
Over five years	–	–
	2,048,027	1,548,519
Total commitment and contingent liabilities	**7,557,214**	**8,467,022**

62. 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 dated 25 March 2010, the breakdown of the retained earnings of the Group as at the end of the reporting period, into realised and unrealised profits is as follows:

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Total retained earnings:				
- Realised	8,617,715	8,043,026	2,895,435	2,454,052
- Unrealised	1,553,202	664,134	–	–
Total share of retained earnings from associate:				
- Realised	86,956	9,141	–	–
- Unrealised	41,001	4,326	–	–
Less: Consolidation adjustments	(3,468,694)	(3,192,923)	–	–
Total Group retained earnings	**6,830,180**	**5,527,704**	**2,895,435**	**2,454,052**

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

Contents

1.0 SCOPE OF APPLICATION

The Bank Negara Malaysia's ("BNM") Risk Weighted Capital Adequacy Framework (Basel II) ("RWCAF") and Capital Adequacy Framework for Islamic Banks ("CAFIB") – Disclosure Requirements ("Pillar 3") is applicable to all banking institutions licensed under the Financial Services Act 2013 ("FSA") and all Islamic banks licensed under the Islamic Financial Services Act 2013 ("IFSA"). The Pillar 3 disclosure requirements aim to enhance transparency on the risk management practices and capital adequacy of banking institutions.

The banking subsidiaries of AMMB Holdings Berhad ("AMMB") to which the RWCAF framework apply are AmBank (M) Berhad ("AmBank"), AmInvestment Bank Berhad ("AmInvestment Bank") and AmBank Islamic Berhad ("AmBank Islamic") – which offers Islamic banking services.

Up until 31 December 2014, AmBank had provided explicit guarantee against the liabilities of its wholly owned Labuan offshore banking subsidiary, AmInternational (L) Ltd. ("AMIL"), a Labuan company licensed under the Labuan Financial Services and Securities Act to carry out Labuan banking business. On 31 December 2014, AMIL surrendered its banking licence and subsequently changed its principal activity to that of investment holding.

The following information has been provided in order to highlight the capital adequacy of our regulated banking subsidiaries and a pro-forma view of the Group position on an aggregated basis. The information provided has been verified by the Group internal auditors and certified by the Group Managing Director.

BNM guidelines on capital adequacy require regulated banking subsidiaries to maintain an adequate level of capital to withstand any losses which may result from credit and other risks associated with financing operations. Each of these entities is independently held by AMMB as a regulated banking institution – there are no cross-shareholdings within or between these entities. Each entity's standalone and consolidated capital adequacy position and more detailed quantitative disclosures are provided within their respective published financial statements that are available via our website at www.ambankgroup.com.

With effect from 1 January 2013, the capital adequacy ratios are computed in accordance to BNM's guidelines on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued by the Prudential Financial Policy Department on 28 November 2012, which is based on the Basel III capital accord. Prior to that, the capital adequacy ratios of the banking subsidiaries of AMMB were computed in accordance to BNM's Risk Weighted Capital Adequacy Framework and Capital Adequacy Framework for Islamic Banks (General Requirements and Capital Components) (as applicable), which are based on the Basel II capital accord. Each banking entity has adopted the Standardised Approach for Credit and Market Risks and the Basic Indicator Approach for Operational Risk, based on BNM's Guidelines on Capital Adequacy Framework (Basel II – Risk Weighted Assets) and Capital Adequacy Framework for Islamic Banks (Basel II – Risk Weighted Assets).

The minimum regulatory capital adequacy requirements for the risk weighted capital ratios are as follows:

Calendar year	Common Equity Tier 1 ("CET1") Capital ratio	Tier 1 Capital ratio	Total Capital ratio
2013	3.5%	4.5%	8.0%
2014	4.0%	5.5%	8.0%
2015 onwards	4.5%	6.0%	8.0%

The minimum regulatory capital adequacy requirements as stipulated in the above table have not factored in capital buffers that will be introduced in calendar year 2016 onwards.

1.1 Basis of Consolidation

For statutory accounting purposes, the consolidated financial statements of AMMB comprise the financial statements of the Company and the financial statements of all its controlled entities (individually referred to as "group entities") where it is determined that there is a capacity to control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

For purposes of this Pillar 3 Disclosures, the consolidation basis used is the same as that used for regulatory capital adequacy purposes. The following table shows the differences between the scope of statutory and regulatory consolidation.

Type of entity	Accounting treatment	
	Statutory reporting	Basel III regulatory reporting
Subsidiaries licensed under FSA or IFSA or engaged in financial activities	Fully consolidated	Deducted from capital at the banking subsidiary entity level; Fully consolidated in the calculation of capital adequacy at the banking subsidiary consolidated level
Subsidiaries engaged in non-financial activities	Fully consolidated	Risk weighted at the banking subsidiary entity level; Consolidated in the calculation of capital adequacy at the banking subsidiary consolidated level
Associates and jointly controlled entities which are licensed under FSA or IFSA or engaged in financial activities	Equity accounted	Deducted in the calculation of capital
Associates and jointly controlled entities which are not licensed under FSA or IFSA or engaged in financial activities	Equity accounted	Reported as investment and risk weighted

Apart from regulatory requirements and statutory constraints, there is no current or foreseen material, practical or legal impediments to the transfer of funds or regulatory capital within the Group.

Any such transfers would require the approvals of the respective Board of Directors ("Board"), as well as the concurrence of BNM.

2.0 CAPITAL MANAGEMENT

The capital and risk management of the banking subsidiaries of AMMB are managed collectively at Group level. The Group's capital management approach is driven by its desire to maintain a strong capital base to support the development of its businesses, to meet regulatory capital requirements at all times and to maintain good credit ratings.

Strategic, business and capital plans are drawn up annually covering a 3 year horizon and approved by the Board. The capital plan ensures that adequate levels of capital and an optimum mix of different components of capital are maintained by the Group to support its strategy.

The capital plan takes the following into account:

(a) Regulatory capital requirements:

- forecast demand for capital to support the credit ratings; and
- increase in demand for capital due to business growth and market shocks.

(b) Or stresses:

- available supply of capital and capital raising options; and
- internal controls and governance for managing the Group's risk, performance and capital.

The Group uses internal models and other quantitative techniques in its internal risk and capital assessment. The models help to estimate potential future losses arising from credit, market and other risks, and using regulatory formulae to simulate the amount of capital required to support them. In addition, the models enable the Group to gain a deeper understanding of its risk profile, e.g., by identifying potential concentrations, assessing the impact of portfolio management actions and performing what-if analysis.

Stress testing and scenario analysis are used to ensure that the Group's internal capital assessment considers the impact of extreme but plausible scenarios on its risk profile and capital position. They provide an insight into the potential impact of significant adverse events on the Group and how these events could be mitigated. The Group's target capital levels are set taking into account its risk appetite and its risk profile under future expected and stressed economic scenarios.

The Group's assessment of risk appetite is closely integrated with the Group's strategy, business planning and capital assessment processes, and is used to inform senior management's views on the level of capital required to support the Group's business activities.

The Group uses a capital model to assess the capital demand for material risks, and support its internal capital adequacy assessment. Each material risk is assessed, relevant mitigants considered, and appropriate levels of capital determined. The capital modelling process is a key part of the Group's management disciplines.

The capital that the Group is required to hold is determined by its statement of financial position, commitments and contingencies, counterparty and other risk exposures after applying collateral and other mitigants, based on the Group's risk rating methodologies and systems. BNM has the right to impose further capital requirements on Malaysian Financial Institutions.

The Group operates processes and controls to monitor and manage capital adequacy across the organisation. Capital is maintained on the basis of the local regulator's requirements. It is overseen by the Group Chief Executive Officers Committee ("Group CEOs Committee"). The Group CEOs Committee is also responsible for managing the Group's statement of financial position, capital and liquidity.

A strong governance and process framework is embedded in the capital planning and assessment methodology. Overall responsibility for the effective management of risk rests with the Board. The Risk Management Committee of Directors ("RMCD") is specifically delegated the task of reviewing all risk management issues including oversight of the Group's capital position and any actions impacting the capital levels. The Audit and Examination Committee ("AEC") reviews specific risk areas and the issues discussed at the key capital management committees.

Group CEOs Committee proposes internal triggers and target ranges for capital management and operationally oversees adherence with these. For the current financial year ended 31 March 2015 ("FY 2015"), these ranges are 8.0% to 10.0% for the Common Equity Tier 1 Capital Ratio, 9.5% to 11.5% for the Tier 1 Capital Ratio, and 14.0% to 16.0% for the Total Capital Ratio. The Group has been operating within these ranges.

The Capital and Balance Sheet Management Department, is responsible for the ongoing assessment of the demand for capital and the updating of the Group's capital plan.

Appropriate policies are also in place governing the transfer of capital within the Group. These ensure that capital is remitted as appropriate, subject to complying with regulatory requirements and statutory and contractual restrictions.

Table 2.1: Capital Adequacy Ratios

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

	31 March 2015			
	AmBank	AmBank Islamic	AmInvestment Bank	Group *
Before deducting proposed dividends:				
CET1 Capital ratio	10.653%	9.200%	24.196%	10.975%
Tier 1 Capital ratio	12.446%	9.200%	24.196%	12.245%
Total Capital ratio	16.020%	14.371%	24.196%	16.233%
After deducting proposed dividends:				
CET1 Capital ratio	10.023%	9.200%	22.820%	10.508%
Tier 1 Capital ratio	11.816%	9.200%	22.820%	11.778%
Total Capital ratio	15.390%	14.371%	22.820%	15.766%
	31 March 2014			
	AmBank	**AmBank Islamic**	**AmInvestment Bank**	**Group ***
Before deducting proposed dividends:				
CET1 Capital ratio	9.451%	9.829%	16.863%	10.075%
Tier 1 Capital ratio	11.416%	9.829%	16.863%	11.510%
Total Capital ratio	14.913%	15.805%	16.863%	15.818%
After deducting proposed dividends:				
CET1 Capital ratio	9.145%	9.201%	16.863%	9.696%
Tier 1 Capital ratio	11.110%	9.201%	16.863%	11.131%
Total Capital ratio	14.607%	15.178%	16.863%	15.439%

Notes:

(i) The Group 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 as follows:

	Transitional arrangements		
	Calendar Year		
	2013	2014	2015 onwards
CET1 Capital ratio	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%

(ii) 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.

(iii) 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, AMIL. On 31 December 2014, AMIL had ceased to carry on Labuan banking business. Consequently, the above capital ratios of AmBank as at 31 March 2015 refers to only AmBank's capital base as a ratio of its RWA.

Table 2.2: Risk-Weighted Assets and Capital Requirements

The aggregated breakdown of RWA by exposures in major risk category of AMMB Banking Group is as follows:

Exposure class		31 March 2015 Gross exposures/ Exposure at default ("EAD") before credit risk mitigation ("CRM")	Net exposures/ EAD after CRM	Risk weighted assets	Risk weighted assets absorbed by RPSIA	Total risk weighted assets after effects of RPSIA	Minimum capital requirement at 8%
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
1. Credit risk							
On balance sheet exposures							
Sovereigns/central banks		12,225,767	12,225,767	–	–	–	–
Banks, development financial institutions ("DFIs") and multilateral development banks ("MDBs")		12,408,855	12,408,855	2,594,507	–	2,594,507	207,561
Insurance companies, securities firms and fund managers"		35,068	35,068	35,068	–	35,068	2,805
Corporates		52,163,610	48,697,187	40,305,638	1,363,811	38,941,827	3,115,346
Regulatory retail		32,239,542	32,051,629	24,276,596	–	24,276,596	1,942,128
Residential mortgages		10,961,099	10,938,010	3,889,953	–	3,889,953	311,196
Higher risk assets		120,233	120,233	180,349	–	180,349	14,428
Other assets		4,068,190	4,068,190	3,668,927	–	3,668,927	293,514
Securitisation exposures		54,626	54,626	27,088	–	27,088	2,167
Equity exposures		5,395	5,395	5,395	–	5,395	432
Defaulted exposures		1,163,558	1,151,136	1,386,084	–	1,386,084	110,887
Total for on balance sheet exposures		**125,445,943**	**121,756,096**	**76,369,605**	**1,363,811**	**75,005,794**	**6,000,464**
Off balance sheet exposures:							
Over the counter ("OTC") derivatives		3,820,769	3,820,769	1,665,359	–	1,665,359	133,229
Credit derivatives		16	16	8	–	8	1
Off balance sheet exposures other than OTC derivatives or credit derivatives		10,720,143	9,871,131	8,832,374	–	8,832,374	706,590
Defaulted exposures		41,686	38,436	57,610	–	57,610	4,609
Total for off balance sheet exposures		**14,582,614**	**13,730,352**	**10,555,351**	**–**	**10,555,351**	**844,429**
Total on and off balance sheet exposures		**140,028,557**	**135,486,448**	**86,924,956**	**1,363,811**	**85,561,145**	**6,844,893**
2. Large exposures risk requirement				1,474	–	1,474	118
3. Market risk	**Long position**	**Short position**					
Interest rate risk/Rate of return risk							
- General interest rate risk/Rate of return risk	86,476,527	84,366,499		2,028,187	–	2,028,187	162,255
- Specific interest rate risk/Rate of return risk	3,124,503	939,785		150,546	–	150,546	12,044
Foreign currency risk	512,639	28,797		512,639	–	512,639	41,011
Equity risk							
- General risk	171,042	5,313		165,763	–	165,763	13,261
- Specific risk	171,042	5,313		258,396	–	258,396	20,672
Option risk	549,005	306,933		7,112	–	7,112	569
Total	**91,004,758**	**85,652,640**		**3,122,643**	**–**	**3,122,643**	**249,812**
4. Operational risk				**6,946,680**	**–**	**6,946,680**	**555,734**
5. Total RWA and capital requirements				**96,995,753**	**1,363,811**	**95,631,942**	**7,650,557**

As part of arrangements between AmBank and AmBank Islamic in relation to a Restricted Profit Sharing Investment Account ("RPSIA") agreement, AmBank records as "deposits and placements with banks and other financial institutions" its exposure in the arrangement, whereas AmBank Islamic records its exposure as "financing and advances". The RPSIA is a contract based on Shariah concept of Mudarabah between AmBank and AmBank Islamic to finance a specific business venture where AmBank solely provides capital and the business ventures are managed solely by AmBank Islamic as the entrepreneur. The RPSIA exposes AmBank to the risks and rewards of the financing, and accordingly AmBank accounts for all impairment allowances and risk-weighted assets arising from the RPSIA financing.

As at 31 March 2015, the gross exposure and collective allowance relating to the RPSIA financing are RM1,363.8 million and RM1.6 million (2014: RM450.1 million and RM2.5 million respectively). There was no individual allowance provided for the RPSIA financing. RPSIA assets excluded from the risk-weighted capital adequacy computation of AmBank Islamic for 31 March 2015 amounted to RM1,363.8 million (2014: RM450.1 million) and the risk weight on these RPSIA assets are accounted for in the computation of capital adequacy of AmBank.

Table 2.2: Risk-Weighted Assets and Capital Requirements (Cont'd.)

The aggregated breakdown of RWA by exposures in major risk category of AMMB Banking Group is as follows: (Cont'd.)

	31 March 2014 (Restated)						
Exposure class	RM'000	Gross exposures/ Exposure at default ("EAD") before credit risk mitigation ("CRM") RM'000	Net exposures/ EAD after CRM RM'000	Risk weighted assets RM'000	Risk weighted assets absorbed by RPSIA RM'000	Total risk weighted assets after effects of RPSIA RM'000	Minimum capital requirement at 8% RM'000
1. Credit risk							
On balance sheet exposures							
Sovereigns/central banks		17,174,218	17,174,218	–	–	–	–
Banks, development financial institutions ("DFIs") and multilateral development banks ("MDBs")		8,551,010	8,551,010	1,951,904	–	1,951,904	156,152
Insurance companies, securities firms and fund managers		32,857	32,857	32,857	–	32,857	2,629
Corporates		47,296,504	43,855,834	38,305,092	450,133	37,854,959	3,028,397
Regulatory retail		35,399,658	35,205,927	26,678,048	–	26,678,048	2,134,244
Residential mortgages		10,500,745	10,479,600	3,724,103	–	3,724,103	297,928
Higher risk assets		126,280	126,280	189,420	–	189,420	15,154
Other assets		3,924,344	3,924,344	3,508,894	–	3,508,894	280,712
Securitisation exposures		171,382	171,382	113,723	–	113,723	9,098
Equity exposures		9,386	9,386	9,386	–	9,386	751
Defaulted exposures		1,170,846	1,158,636	1,281,205	–	1,281,205	102,496
Total for on balance sheet exposures		**124,357,230**	**120,689,475**	**75,794,633**	**450,133**	**75,344,500**	**6,027,560**
Off balance sheet exposures:							
Over the counter ("OTC") derivatives		2,321,708	2,321,708	1,329,526	–	1,329,526	106,362
Credit derivatives		16	16	8	–	8	1
Off balance sheet exposures other than OTC derivatives or credit derivatives		11,675,486	10,764,482	9,692,778	–	9,692,778	775,422
Defaulted exposures		36,032	31,234	46,786	–	46,786	3,743
Total for off balance sheet exposures		**14,033,242**	**13,117,440**	**11,069,098**	**–**	**11,069,098**	**885,528**
Total on and off balance sheet exposures		**138,390,472**	**133,806,915**	**86,863,731**	**450,133**	**86,413,598**	**6,913,088**
2. Large exposures risk requirement				875	–	875	70
3. Market risk	**Long position**	**Short position**					
Interest rate risk/Rate of return risk							
- General interest rate risk/Rate of return risk	63,551,645	61,400,042		1,632,951	–	1,632,951	130,636
- Specific interest rate risk/Rate of return risk	2,661,247	323,439		332,825	–	332,825	26,626
Foreign currency risk	277,493	58,777		277,493	–	277,493	22,199
Equity risk							
- General risk	210,328	2,122		208,206	–	208,206	16,656
- Specific risk	210,328	2,122		302,574	–	302,574	24,206
Option risk	1,283,449	2,147,956		192,573	–	192,573	15,406
Total	**68,194,490**	**63,934,458**		**2,946,622**	**–**	**2,946,622**	**235,730**
4. Operational risk				**7,088,670**	**–**	**7,088,670**	**567,094**
5. Total RWA and capital requirements				**96,899,897**	**450,133**	**96,449,764**	**7,715,981**

Table 3.3: Capital Structure summarises the aggregated capital position of the Group. The capital structure includes capital under the following headings:

- Common Equity Tier 1 ("CET1") Capital;
- Additional Tier 1 Capital; and
- Tier 2 Capital

All capital instruments included in the capital base have been issued in accordance with the BNM rules and guidelines. The Additional Tier 1 and Tier 2 capital instruments of the Group that were issued prior to 2013 do not meet all qualifying criteria for full recognition of capital instruments under the Basel III accord, on the requirements for loss absorbency at the point of non-viability, and write-off or conversion mechanisms for achieving principal loss absorption and/or loss absorbency at the point of non-viability. These Additional Tier 1 and Tier 2 capital instruments qualify for the gradual phase-out treatment under the transitional arrangements of the Basel III accord. Under this treatment, the amount of capital instruments that can be recognised for each banking entity (and its consolidated group level) shall be capped at 90% of the base in 2013 (as counted separately for Additional Tier 1 Capital and Tier 2 Capital respectively), with the cap reducing by 10% in each subsequent year. To the extent that an instrument is redeemed or derecognised after 1 January 2013, the amount serving as the base is not reduced.

3.1 CET1 Capital

CET1 Capital consists of the following:

(a) Paid-up ordinary share capital

Paid-up ordinary share capital is an item of capital issued by an entity to an investor, which is fully paid-up and where the proceeds of issue are immediately and fully available. There is no obligation to pay a coupon or dividend to the equity holder of ordinary shares. The capital is available for unrestricted and immediate use to cover risks and losses, and enable the entity to continue trading. It can only be redeemed on the winding up of the entity.

(b) Share premium

Share premium is used to record premium arising from new shares issued in the group entity.

(c) Retained earnings

Retained earnings at the end of the financial year and eligible reserves are accumulated resources included in the shareholders' funds in an entity's statement of financial position, with certain regulatory adjustments applied. The retained earnings is included in CET1 Capital net of any interim and/or final dividend declared, and net of any interim losses. Quarterly interim profits have been included in CET1 Capital subject to review/audit by the external auditors.

(d) Other disclosed reserves

Other disclosed reserves comprise the following:

(i) Statutory reserve

Statutory reserve is maintained in compliance with Section 47(2)f of the FSA, Section 57(2)f of IFSA and is not distributable as cash dividends.

(ii) Capital reserve and merger reserve

The capital reserve and merger reserve of the banking subsidiaries represent reserves arising from the transfer of subsidiaries pursuant to schemes of arrangement under group restructuring which involved capital reduction and was accounted for using the merger accounting method.

(iii) Foreign currency translation reserve/(deficit)

Exchange gain (foreign currency translation reserve) and exchange losses (foreign currency translation deficit) arise from the translation of the financial statements of foreign operations, whose functional currencies are different from that of the Group's presentation currency.

3.1 CET 1 Capital (Cont'd.)

(d) Other disclosed reserves (Cont'd.)

(iv) Available-for-sale reserve/(deficit)

Available-for-sale reserve/(deficit) is in respect of unrealised fair value gains/(losses) on financial investments available-for-sale. Where the unrealised fair value changes is a net gain outstanding balance, the Bank can recognise 45% of the total outstanding balance as part of CET1 Capital. Where the unrealised fair value changes is a net loss outstanding balance, the entire outstanding balance is deducted in CET1 Capital.

(e) Cash flow hedging reserve/(deficit)

Cash flow hedging reserve/(deficit) comprises the portion of the gains/(losses) on a hedging instrument in a cash flow hedge that is determined to be an effective hedge. Cash flow hedging gain as at the reporting period is classified as cash flow hedging reserve and cash flow hedging losses is classified as cash flow hedging deficit. The amount of the cash flow hedging reserve/(deficit) is derecognised in the calculation of CET1 Capital.

(f) Profit equalisation reserve

Profit equalisation reserve is the amount appropriated out of the total Islamic banking gross income in order to maintain a certain level of return to Investment Account Holders ("IAH") which is as stipulated by BNM's Guidelines on Profit Equalisation Reserve. Profit equalisation reserve is allocated from retained profits and classified as a separate reserve in equity and is non-distributable. The amount of the profit equalisation reserve is derecognised in the calculation of CET1 Capital.

(g) Regulatory reserve

Regulatory reserve is maintained in accordance with paragraph 13.1 of the the BNM's Policy Document on Classification and Impairment Provisions for Loans/Financing as an additional credit risk absorbent. The amount of the regulatory reserve is derecognised in the calculation of CET1 Capital.

3.2 Additional Tier 1 Capital

The amount of Additional Tier 1 Capital that can be recognised in the computation of the capital adequacy ratios of the banking subsidiaries, at both the entity and consolidated level for 2013, has been capped at 90% of the total qualifying Additional Tier 1 Capital balance outstanding as at 1 January 2013. For 2015, the amount of Additional Tier 1 Capital that can be recognised in the computation of the capital adequacy ratios are capped at 70% of the total qualifying Additional Tier 1 Capital balance outstanding as at 1 January 2013. This is in accordance with the transitional gradual phase-out treatment under the Basel III regime. As at 1 January 2013 and at present, only AmBank has Additional Tier 1 Capital Instrument in issuance. Table 3.1 outlines the application of the grandfathering provisions in respect of the Additional Tier 1 Capital Instruments of AmBank. Details of the Additional Tier 1 Capital Instruments are outlined below.

Table 3.1: Additional Tier 1 Capital Instruments of AmBank and the Basel III Gradual Phase-Out Treatment

Base for Additional Tier 1 Capital Instruments outstanding on 1 January 2013	
Instruments	**RM'000**
Non-Cumulative Non-Voting Guaranteed Preference Shares	750,100
Innovative Tier 1 Capital - Tranche 1	300,000
Innovative Tier 1 Capital - Tranche 2	185,000
Non-Innovative Tier 1 Capital - Tranche 1	200,000
Non-Innovative Tier 1 Capital - Tranche 2	300,000
Total qualifying base	**1,735,100**

3.2 Additional Tier 1 Capital (Cont'd.)

Table 3.1: Additional Tier 1 Capital Instruments of AmBank and the Basel III Gradual Phase-Out Treatment (Cont'd.)

Calendar year	Cap on Additional Tier 1 Capital Instruments that can be recognised in capital adequacy computation each year	
	Cap %	Cap, RM'000
2013	90%	1,561,590
2014	80%	1,388,080
2015	70%	1,214,570
2016	60%	1,041,060
2017	50%	867,550
2018	40%	694,040
2019	30%	520,530
2020	20%	347,020
2021	10%	173,510
2022	0%	0

Innovative Tier 1 Capital

Innovative Tier 1 Capital comprises deeply subordinated debt instruments which despite their legal form, have loss absorbency qualities and can therefore be included as Tier 1 Capital. The Innovative Tier 1 securities in issue and their primary terms are as follows:

(a) Non-Cumulative Non-Voting Guaranteed Preference Shares

On 27 January 2006, AMBB Capital (L) Ltd, a wholly-owned subsidiary of AmBank issued United States Dollar ("USD") 200 million Innovative Hybrid Tier 1 Capital comprising 2,000 preference shares of USD100,000 each ("Hybrid Securities"). The Hybrid Securities are subordinated and guaranteed by AmBank. The gross proceeds from the issuance was on-lent to AmBank in the form of a subordinated term loan on 27 January 2006 for the purpose of supplementing AmBank's working capital requirements.

The salient features of the Hybrid Securities are as follows:

(i) The Hybrid Securities bear non-cumulative dividends from the issue date to (but excluding) 27 January 2016 at 6.77% per annum and thereafter, a floating rate per annum equal to 3 month USD LIBOR plus 2.90% if not redeemed on 27 January 2016. The non-cumulative dividends are payable on a semi-annual basis.

(ii) The Hybrid Securities are perpetual securities and have no fixed final redemption date. The Hybrid Securities may be redeemed in whole but not in part at the option of the issuer (but not the holders) in certain circumstances. In each case, not less than 30 or more than 60 days' notice (which notice shall be irrevocable) must be given.

The Hybrid Securities are listed on both the Labuan International Financial Exchange Inc. and the Singapore Exchange Securities Trading Limited and are offered to international institutional investors outside Malaysia.

(b) Innovative Tier 1 Capital Securities

On 18 August 2009, AmBank issued up to RM485 million Innovative Tier I Capital Securities under its RM500 million Innovative Tier I Capital Securities ("ITICS") Programme. The ITICS bears a fixed interest (non-cumulative) rate at issuance date (interest rate is 8.25% per annum) and step up 100 basis points after the First Call Date (10 years after issuance date) and interest is payable semi-annually in arrears. The maturity date is 30 years from the issue date. The ITICS facility is for a tenor of 60 years from the first issue date and has a principal stock settlement mechanism to redeem the ITICS via cash through the issuance of AmBank's ordinary shares. Upon BNM's approval, AmBank may redeem in whole but not in part the relevant tranche of the ITICS at any time on the 10th anniversary of the issue date of that tranche or on any interest payment date thereafter.

3.2 Additional Tier 1 Capital (Cont'd.)

Non-Innovative Tier 1 Capital

In the financial year 2009, AmBank issued RM500 million Non-Innovative Tier 1 Capital ("NIT1") in nominal value comprising:

(i) Non-Cumulative Perpetual Capital Securities ("NCPCS"), which are issued by AmBank and stapled to the Subordinated Notes described below; and

(ii) Subordinated Notes ("SubNotes"), which are issued by AmPremier Capital Berhad ("AmPremier"), a wholly-owned subsidiary of AmBank (collectively known as "Stapled Capital Securities").

The proceeds from the NIT1 programme were used as working capital. The Stapled Capital Securities cannot be traded separately until the occurrence of certain assignment events. Upon occurrence of an assignment event, the Stapled Capital Securities will "unstaple", leaving the investors to hold only the NCPCS while ownership of the SubNotes will be assigned to AmBank pursuant to the forward purchase contract entered into by AmBank unless there is an earlier occurrence of any other events stated under the terms of the Stapled Capital Securities. If none of the assignment events as stipulated under the terms of the Stapled Capital Securities occur, the Stapled Capital Securities will unstaple on the 20th interest payment date or 10 years from the issuance date of the SubNotes.

The SubNotes have a fixed interest rate of 9.0% per annum. However, the NCPCS distribution will not begin to accrue until the SubNotes are re-assigned to AmBank as referred to above.

The NCPCS are issued in perpetuity unless redeemed under the terms of the NCPCS. The NCPCS are redeemable at the option of AmBank on the 20th interest payment date or 10 years from the issuance date of the SubNotes, or any NCPCS distribution date thereafter, subject to redemption conditions being satisfied. The SubNotes have a tenor of 30 years unless redeemed earlier under the terms of the SubNotes. The SubNotes are redeemable at the option of AmPremier on any interest payment date, which cannot be earlier than the occurrence of assignment events as stipulated under the terms of the Stapled Capital Securities.

The Stapled Capital Securities comply with BNM's Guidelines on Non-Innovative Tier 1 capital instruments. They constitute unsecured and subordinated obligations of AmBank. Claims in respect of the NCPCS rank pari-passu and without preference among themselves and with the most junior class of preference shares of AmBank but in priority to the rights and claims of the ordinary shareholders of AmBank. The SubNotes rank pari-passu and without preference among themselves and with the most junior class of notes or preference shares of AmPremier.

3.3 Tier 2 Capital

The main components of Tier 2 Capital are collective impairment provisions and regulatory reserves (subject to a maximum of 1.25% of total credit risk weighted assets determined under the Standardised Approach) and subordinated debt instruments.

The amount of Tier 2 Capital issued prior to 2013 that can be recognised in the computation of the capital adequacy ratios of the banking subsidiaries, at both the entity and consolidated level for 2013, has been capped at 90% of the total qualifying Tier 2 Capital balance outstanding as at 1 January 2013. For 2015, the amount of such Tier 2 Capital that can be recognised in the computation of the capital adequacy ratios is capped at 70% of the total qualifying Tier 2 Capital balance outstanding as at 1 January 2013. This is in accordance with the transitional gradual phase-out treatment under the Basel III regime. Tables 3.2(a) and 3.2(b) outline the application of the grandfathering provisions in respect of the Tier 2 Capital Instruments for AmBank and AmBank Islamic respectively. AmInvestment Bank does not have any Tier 2 Capital Instruments in issuance as at 1 January 2013 and at present. Details of the Tier 2 Capital Instruments are outlined below.

3.3 Tier 2 Capital (Cont'd.)

Table 3.2(a): Tier 2 Capital Instruments of AmBank and the Basel III Gradual Phase-Out Treatment

Base for Tier 2 Capital Instruments outstanding on 1 January 2013	
Instruments	**RM'000**
Medium Term Notes ("MTN") - Tranche 1	200,000
MTN - Tranche 2	165,000
MTN - Tranche 3	75,000
MTN - Tranche 4	45,000
MTN - Tranche 5	75,000
MTN - Tranche 6	600,000
MTN - Tranche 7	97,800
MTN - Tranche 8	710,000
Total qualifying base	**1,967,800**

Calendar year	Cap on Tier 2 Capital Instruments that can be recognised in capital adequacy computation each year	
	Cap %	Cap, RM'000
2013	90%	1,771,020
2014	80%	1,574,240
2015	70%	1,377,460
2016	60%	1,180,680
2017	50%	983,900
2018	40%	787,120
2019	30%	590,340
2020	20%	393,560
2021	10%	196,780
2022	0%	0

Table 3.2(b): Tier 2 Capital Instruments of AmIslamic and the Basel III Gradual Phase-Out Treatment

Base for Tier 2 Capital Instruments outstanding on 1 January 2013	
Instruments	**RM'000**
Subordinated Sukuk Musharakah - Tranche 1	600,000
Subordinated Sukuk Musharakah - Tranche 2	200,000
Subordinated Sukuk Musharakah - Tranche 3	200,000
Total qualifying base	1,000,000

Calendar year	Cap on Tier 2 Capital Instruments that can be recognised in capital adequacy computation each year	
	Cap %	Cap, RM'000
2013	90%	900,000
2014	80%	800,000
2015	70%	700,000
2016	60%	600,000
2017	50%	500,000
2018	40%	400,000
2019	30%	300,000
2020	20%	200,000
2021	10%	100,000
2022	0%	0

3.3 Tier 2 capital (Cont'd.)

Medium Term Notes

In the financial year 2008, AmBank implemented a RM2.0 billion nominal value Medium Term Notes ("MTN") Programme. The proceeds raised from the MTN Programme had been utilised for the refinancing of existing subordinated debts and for general working capital requirements.

The MTN Programme has a tenor of up to 20 years from the date of the first issuance under the MTN Programme. The MTNs shall be issued for a maturity of up to 20 years as the Issuer may select at the point of issuance provided that no MTN shall mature after expiration of the MTN Programme.

The MTNs issued under the MTN Programme was included as Tier 2 Capital under BNM's capital adequacy framework. Effective 1 January 2013, the MTNs are eligible for gradual phase-out treatment under the transitional arrangement of the Basel III accord, for recognition as Tier 2 Capital for capital adequacy calculation.

The salient features of the MTNs issued under this programme and outstanding as at 31 March 2015 are as follows:

Issue Date	First Call Date	Tenor	Interest Rate	Nominal value outstanding (RM million)
9 April 2008	9 April 2018	15 years Non-Callable 10 years	6.25% per annum (step up by 0.5% per annum after its first call date).	600
16 October 2012	16 October 2017	10 years Non-Callable 5 years	4.45% per annum	710
Total				**1,310**

Basel II Subordinated Sukuk Musharakah

On 30 September 2011, AmBank Islamic implemented a Subordinated Sukuk Musharakah programme ("Sukuk Musharakah") of up to RM2.0 billion. The purpose of the programme is to increase AmBank Islamic's Tier 2 Capital.

The Sukuk Musharakah is for a period of 10 years. AmBank Islamic may exercise its call option and redeem in whole (but not in part) the Sukuk Musharakah on the 5th anniversary of the issue date or on any anniversary date thereafter at 100% of the principal amount together with the expected profit payments.

Sukuk Musharakah issued under the Sukuk Musharakah programme was included as Tier 2 Capital under BNM's capital adequacy framework. Effective 1 January 2013, the Sukuk Musharakah qualify as Tier 2 Capital as a capital instrument eligible for gradual phase-out treatment under the transitional arrangements of the Basel III accord.

The salient features of the Sukuk Musharakah issued under the Subordinated Sukuk Musharakah programme and outstanding as at 31 March 2015 are as follows:

Issue Date	First Call Date	Tenor	Interest Rate	Nominal value outstanding (RM million)
30 September 2011	30 September 2016	10 years Non-Callable 5 years	4.40% per annum	480
31 January 2012	31 January 2017	10 years Non-Callable 5 years	4.35% per annum	190
24 December 2012	23 December 2017	10 years Non-Callable 5 years	4.45% per annum	130
Total				**800**

3.3 Tier 2 capital (Cont'd.)

Basel III Subordinated Notes

On 30 December 2013, AmBank established a new Subordinated Notes programme of RM4.0 billion. The objective of the programme is to enable the issuance of Tier 2 Capital from time to time, for the purpose of enhancing AmBank's total capital position. The programme is set up in accordance to the requirements spelt out in the Capital Adequacy Framework (Capital Components) issued by BNM. Securities issued under this programme are fully Basel III compliant and qualified for recognition as Tier 2 Capital for the purpose of capital adequacy ratio computation.

The programme has a tenor of 30 years from the date of the first issuance under the programme. Each issuance of Tier 2 Subordinated Notes under this programme shall have a tenor of at least 5 years from the issue date, and is callable on any coupon payment date after a minimum period of 5 years from the date of issuance of each tranche.

The salient features of the Subordinated Notes issued under this programme and outstanding as at 31 March 2015 are as follows:

Issue Date	First Call Date	Tenor	Interest Rate	Nominal value outstanding (RM million)
30 December 2013	30 December 2018	10 years Non-Callable 5 years	5.20% per annum	400
Total				**400**

Basel III Subordinated Sukuk Murabahah

On 28 February 2014, AmBank Islamic had implemented a Subordinated Sukuk Murabahah programme of RM3.0 billion. The objective of the programme is to enable the issuance of Tier 2 Capital from time to time, for the purpose of enhancing the AmBank Islamic's total capital position. The programme is set up in accordance to the requirements spelt out in the Capital Adequacy Framework for Islamic Banks (Capital Components) issued by BNM, and the securities issued under this programme are fully Basel III compliant and qualified for recognition as Tier 2 Capital for the purpose of capital adequacy ratio computation.

The programme has a tenor of 30 years from the date of the first issuance under the programme. Each issuance of Tier 2 SubNotes under this programme shall have a tenor of at least 5 years from the issue date, and is callable on any coupon payment date after a minimum period of 5 years from the date of issuance of each tranche.

The salient features of the Sukuk Murabahah issued under this programme and outstanding as at 31 March 2015 are as follows:

Issue Date	First Call Date	Tenor	Interest Rate	Nominal value outstanding (RM million)
28 February 2014	28 February 2019	10 years Non-Callable 5 years	5.07% per annum	200
25 March 2014	25 March 2019	10 years Non-Callable 5 years	5.05% per annum	150
Total				**350**

Table 3.3: Capital Structure

The aggregated components of CET1 Capital, Additional Tier 1 Capital, Tier 2 Capital and Total Capital of the Group are as follows:

	31 March 2015			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group * RM'000
CET1 Capital				
Ordinary shares	820,364	462,922	200,000	1,483,286
Share premium	942,844	724,185	–	1,667,029
Retained earnings	4,874,087	747,523	82,533	5,953,934
Available-for-sale reserve/(deficit)	1,323	(6,592)	1,024	(4,309)
Foreign exchange translation reserve	50,585	–	–	87,982
Statutory reserve	980,969	483,345	200,000	1,664,314
Regulatory reserve	–	–	2,800	2,800
Profit equalisation reserve	–	3,904	–	3,904
Capital reserve	–	–	–	2,815
Merger reserve	–	–	–	111,805
Cash flow hedging deficit	(481)	–	–	(481)
Less: Regulatory adjustments applied on CET1 Capital				
Goodwill	–	–	–	–
Intangible assets	(327,689)	(20)	(1,710)	(337,689)
Deferred tax assets	(98,869)	–	(2,782)	(105,328)
Profit equalisation reserve	–	(3,904)	–	(3,904)
Cash flow hedging deficit	481	–	–	481
55% of cumulative gains of AFS reserve	(728)	–	(563)	(1,256)
Regulatory reserve	–	–	(2,800)	(2,800)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities	(28,652)	–	(52,370)	(12,846)
Deduction in excess of Tier 2 Capital**	–	–	(74,446)	(13,922)
CET1 Capital	**7,214,234**	**2,411,363**	**351,686**	**10,495,815**
Additional Tier 1 Capital				
Additional Tier 1 Capital instruments (subject to gradual phase-out treatment)	1,214,570	–	–	1,214,570
Tier 1 Capital	**8,428,804**	**2,411,363**	**351,686**	**11,710,385**
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	400,000	350,000	–	750,000
Tier 2 Capital instruments (subject to gradual phase-out treatment)	1,310,000	700,000	–	2,010,000
Collective allowance and regulatory reserve	753,172	305,338	4,111	1,059,188
Less: Regulatory adjustments applied on Tier 2 Capital	(42,978)	–	(4,111)	(5,348)
Tier 2 Capital	**2,420,194**	**1,355,338**	**–**	**3,813,840**
Total Capital	**10,848,998**	**3,766,701**	**351,686**	**15,524,225**
Credit RWA	60,253,770	25,790,830	1,122,413	86,924,956
Less: Credit RWA absorbed by Restricted Profit Sharing Investment Account	–	(1,363,811)	–	(1,363,811)
Total Credit RWA	60,253,770	24,427,019	1,122,413	85,561,145
Market RWA	2,774,466	230,629	16,101	3,122,643
Operational RWA	4,694,931	1,553,441	314,533	6,946,680
Large exposure risk RWA for equity holdings	–	–	438	1,474
Total Risk Weighted Assets	**67,723,167**	**26,211,089**	**1,453,485**	**95,631,942**

* Group figures presented in this Report represents an aggregation of the consolidated capital position and RWA of our regulated banking subsidiaries.

** 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 guidelines on Capital Adequacy Framework (Capital Components).

Table 3.3: Capital Structure

The aggregated components of CET1 Capital, Additional Tier 1 Capital, Tier 2 Capital and Total Capital of the Group are as follows:

	31 March 2014			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group * RM'000
CET1 Capital				
Ordinary shares	820,364	462,922	200,000	1,483,286
Share premium	942,844	724,185	–	1,667,029
Retained earnings	4,408,666	698,125	57,377	5,343,662
Available-for-sale reserve/(deficit)	(72,241)	(18,442)	1,707	(87,776)
Foreign exchange translation reserve	(1,990)	–	–	32,527
Statutory reserve	980,969	483,345	200,000	1,664,314
Profit equalisation reserve	–	1,260	–	1,260
Capital reserve	–	–	–	2,815
Merger reserve	48,516	–	–	111,805
Cash flow hedging reserve	3,029	–	–	3,029
Less: Regulatory adjustments applied on CET1 Capital				
Goodwill	–	–	–	(11,243)
Intangible assets	(330,679)	(26)	(1,714)	(336,694)
Deferred tax assets	(51,825)	–	(14,164)	(104,652)
Profit equalisation reserve	–	(1,260)	–	(1,260)
Cash flow hedging reserve	(3,029)	–	–	(3,029)
55% of cumulative gains of AFS reserve	–	–	(939)	(968)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities	(67,722)	–	(25,536)	(6,074)
Deduction in excess of Tier 2 Capital**	–	–	(98,062)	(17,763)
CET1 Capital	**6,676,902**	**2,350,109**	**318,669**	**9,740,268**
Additional Tier 1 Capital				
Additional Tier 1 Capital instruments (subject to gradual phase-out treatment)	1,388,080	–	–	1,388,080
Tier 1 Capital	**8,064,982**	**2,350,109**	**318,669**	**11,128,348**
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	400,000	350,000	–	750,000
Tier 2 Capital instruments (subject to gradual phase-out treatment)	1,557,800	800,000	–	2,357,800
Collective allowance and regulatory reserve	783,541	279,038	4,085	1,063,297
Less: Regulatory adjustments applied on Tier 2 Capital	(270,888)	–	(4,085)	(6,535)
Tier 2 Capital	**2,470,453**	**1,429,038**	**–**	**4,164,562**
Total Capital	**10,535,435**	**3,779,147**	**318,669**	**15,292,910**
Credit RWA	62,683,302	22,773,142	1,483,738	86,863,731
Less: Credit RWA absorbed by Restricted Profit Sharing Investment Account	–	(450,133)	–	(450,133)
Total Credit RWA	62,683,302	22,323,009	1,483,738	86,413,598
Market RWA	2,839,123	68,731	38,766	3,033,666
Operational RWA	4,977,955	1,519,289	366,407	7,088,670
Large exposure risk RWA for equity holdings	143,864	–	875	144,739
Total Risk Weighted Assets	**70,644,244**	**23,911,029**	**1,889,786**	**96,680,673**

* Group figures presented in this Report represents an aggregation of the consolidated capital position and RWA of our regulated banking subsidiaries.

** 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 guidelines on Capital Adequacy Framework (Capital Components).

4.0 GENERAL RISK MANAGEMENT

The Risk Management Framework takes its lead from the Board's Approved Risk Appetite Framework which provides the catalyst to setting the risk/reward profile required by the Board, together with the risk appetite statements, limit framework and policies required to enable successful execution.

The Risk Appetite Framework is approved annually by the Board taking into account the Group's desired external rating and targeted profitability/return on equity ("ROE") and is reviewed periodically throughout the financial year by both the executive management and the Board to consider any fine tuning/amendments taking into account prevailing or expected changes to the operational environment.

The Risk Appetite Framework provides portfolio parameters for Credit Risk, Traded Market Risk, Non-Traded Market Risk, Operational Risk and Regulatory Compliance incorporating, inter alia, limit structures for countries, industries, single counterparty group, products, value at risk, stop loss, stable funding ratio, liquidity and operational risk and regulatory compliance triggers.

Board Approved Risk Appetite Statement

The Group strategic goals are to sustain the top quartile ROE, and to maintain the credit rating of BBB+ or better (from international rating agencies) for the next one to two years. This is supported by sustainable asset quality and continued portfolio diversification within retail and non-retail businesses, with greater contribution from non-interest income, complemented by robust management of liquidity, disciplined execution of interest rate risk/rate of return risk in the balance sheet, and with support from strong level of capital.

The Group intends to maintain sufficient quantity and quality of capital in excess of Basel III requirement for CET 1, Tier 1 Capital, and Total Capital. Our capital requirements are robustly tested over a three year period.

We adopt a conservative approach to liquidity management, maintaining stable and diversified funding base consistent with Basel III liquidity matrix (Net Stable Funds Ratio, and Liquidity Coverage Ratios). Our targeted Unadjusted Loan Deposit Ratio is up to maximum 100% with continually improving current account and savings account ("CASA") deposit composition and market share.

The Group manages operational risk by setting the operational risk appetite statements and measurements that the Group is willing to tolerate to support its business strategies and objectives. The Group manages its reputational risk by not engaging in any activity that has potential to result in a material event or loss that would be outside the expectations of its stakeholders. The Group also manages its regulatory compliance risk by setting positive compliance culture and ensuring that the letter and spirit of regulatory requirements, applicable laws, rules, and standards in the respective jurisdictions are complied with.

The Group manages Shariah risk by ensuring that its operations, business, affairs and activities are in compliance with rulings of the BNM's Shariah Advisory Council ("SAC") and the bank's Shariah Committee.

The Group manages trading and sales activities by instituting appropriate governance, culture, and controls to promote acceptable behaviour.

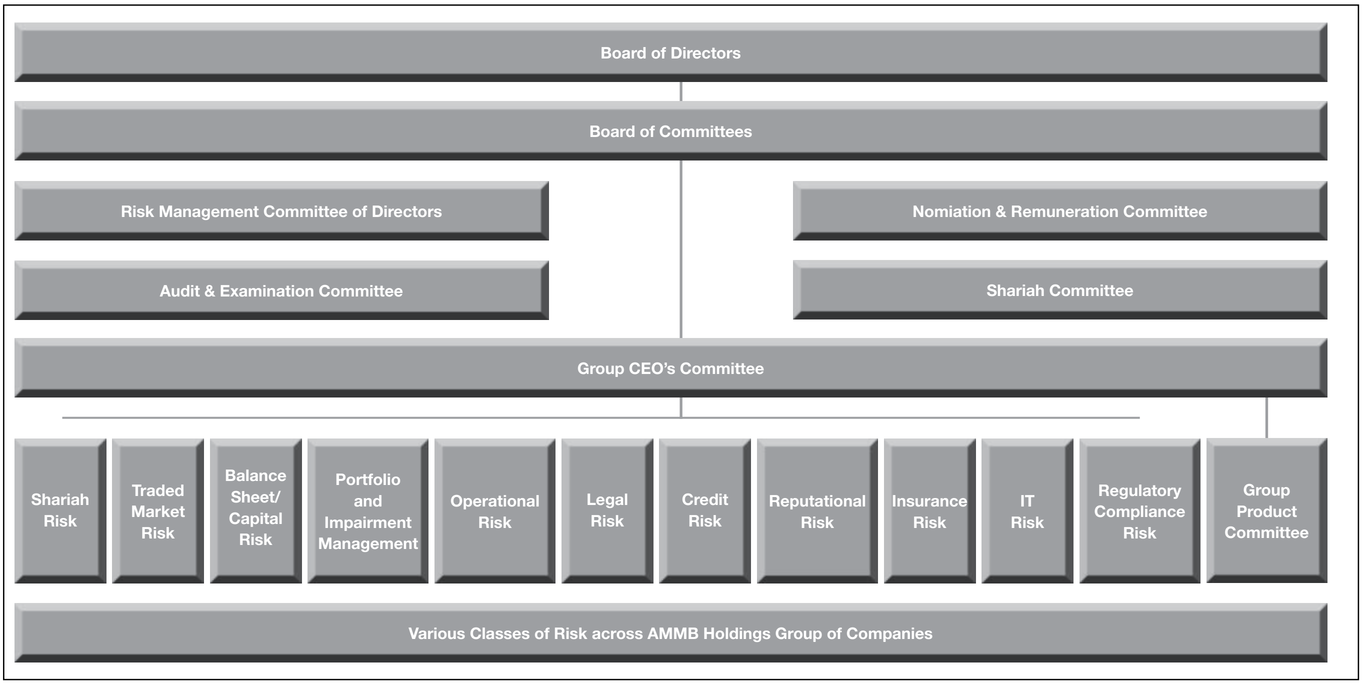
Risk Management Governance

The Board is ultimately responsible for the management of risks within the Group. The RMCD is formed to assist the Board in discharging its duties in overseeing the overall management of all risks covering market risk, liquidity risk, credit risk, operational risk and regulatory compliance risk.

The Board has also established the Group CEOs Committee to assist it in managing the risks and businesses of the Group. The committee addresses all classes of risk within its Board delegated mandate: balance sheet risk, credit risk, legal risk, operational risk, market risk, Shariah risk, compliance risk, reputational risk, product risk and business and IT risk.

In July 2013, the Group Product Committee ("GPC") was re-established as a sub-committee of the Group CEOs Committee. The GPC is to oversee activities in managing products for the Group; and to advise and report to the Group CEOs Committee on product related matters.

The following chart sets out the organisational structure of the Group CEOs Committee and an overview of the Group CEOs Committee's roles and responsibilities.



Business/ Strategic Risk

Business risk is the risk of loss arising from the inability to adapt cost structures, products, pricing, or activities in response to lower than expected revenues, or higher than expected costs (excluding risks elsewhere defined), caused by an unexpected adverse change in the economy and general business conditions/operating environment.

Reputational Risk

Reputation risk is the risk that a company will lose current and future business and/or incur substantial financial penalties because its character or quality has been called into question.

4.1 Internal Capital Adequacy Assessment Process

The core objectives of the Group's Internal Capital Adequacy Assessment Process ("ICAAP") Policy are to:

- Protect the interests of depositors, creditors and shareholders;
- Ensure the safety and soundness of the Group's capital position; and
- Ensure that the capital base supports the Group's Risk Appetite, and strategic business objectives, in an efficient and effective manner.

The requirements of the ICAAP Policy are consistent and calibrated with the Group's Risk Appetite as set and approved by the Board.

The following key principles underpin the ICAAP.

4.1.1 The Group must maintain an approved, documented, risk based and auditable ICAAP. The aim is to ensure the Group maintains, on a continuous basis, an adequate level of capitalisation which is sized following the identification, measurement, monitoring, and effective management and oversight of material risks across the Group, consistent with:

- Group Risk Appetite, including the Group's target credit rating category;
- Regulatory Capital requirements;
- The Board and Management's targeted financial performance, and
- The Group's planned asset growth and strategic business objectives.

4.1 Internal Capital Adequacy Assessment Process (Cont'd.)

4.1.2 Management Oversight

The ICAAP must be subject to Board and senior management oversight, form an integral part of the Group's capital management and decision making processes, and will:

- Undergo regular, effective and comprehensive review;
- Satisfy regulatory requirements;
- Be capable of independent assessment and validation;
- Be incorporated into the Group's overall risk management strategy and governance frameworks.

4.1.3 Capital Management Plan and Framework

The ICAAP must include an approved Capital Management Framework and Plan including:

- A strategy for maintaining capital resources over time;
- Measures that would be taken in the event capital falls below a targeted level; and
- Measures to ensure that the Group is in compliance with minimum regulatory standards.

4.1.4 The Group's quality and level of capital must be commensurate with the level of risks in the business. Sufficient capital should be maintained to:

- Meet minimum prudential requirements in all jurisdictions in which the Group operates, also any rating agency requirements, including maintaining appropriate buffers over minimum capital levels; and
- Be consistent with the Group's overall risk profile and financial positions, taking into account its strategic focus and business plan.

The Group will have appropriately established capital targets for each major capital type including:

- Minimums;
- Triggers; and
- Target operating ranges

4.1.5 Capital allocation:

- The Group's capital, excluding any amount held centrally for strategic contingencies (e.g. acquisitions) should be allocated to individual business units using regulatory capital allocation principles;
- Capital allocation should be consistent with the Group's regulatory capital measurement framework and risk adjusted performance requirements; and
- The Group should only retain capital that is required to meet its economic, operational, prudential and strategic requirements. Consideration should be given to returning capital in excess of that required to shareholders.

4.1.6 Material Risks

- The Group must have clearly articulated definitions of each material risk type to be included in the ICAAP; and
- Processes to identify and determine the materiality of current risk types, change to existing risk types and new risk types must be established.

4.1.7 The Board must be notified and the regulator advised as soon as practicable of any:

- Significant departure from its ICAAP
- Concerns that the Board has about its capital adequacy along with proposed measures to address those concerns; and
- Significant changes in its capital.

ICAAP Framework

Requirements of the Banks

Principal 1:
- Banks have an ICAAP in relation to their risk profile and a strategy for maintaining capital levels

Principal 3:
- Banks are expected to operate above the minimum regulatory capital ratios and should have the ability to hold capital in excess of the minimum

Requirements of the Regulator

Principal 2:
- Regulators to review and evaluate the Bank's ICAAP strategies
- Regulators to monitor and ensure Bank's compliance with regulatory capital ratios
- Regulatory undertake appropriate supervisory action if unsatisfactory results

Principal 4:
- Early intervention by the Regulator to prevent capital from falling below the required minimum levels

Internal Capital Adequacy Assessment Process

Board and Management Oversight	Sound Capital Assessment	Comprehensive Risk Assessment and Management Processes	Monitoring and Reporting	Internal Control and Review
• Material Risk Identified • Material thresholds • Group Risk Appetite • Sufficient Capital Adequacy • Targeted Financial Performance • Planned Asset Growth & Strategic business objective • Policy/Framework	• Identification, Measurement and Reporting of Material Risks • Stressed Plans • Compliance with minimum regulatory standards • Clear linkage between risks and capital • Capital Plan	• Credit Risk • Market Risk • Operational Risk • Credit Residual Risk • Rate Risk in the Banking Book • Credit Concentration Risk • Goodwill Risk • Liquidity & Funding Risk • Contagion Risk • Business/Strategic Risk • Reputation Risk • Shariah Risk	• Level and Trend of Material Risks • Sensitivity Analysis of key assumptions • Regulatory Reporting to Board and Senior Management	• Independent reviews of ICAAP (internal and external audit) • Ongoing compliance monitoring • Stress Testing • Documented processes/ frameworks

Overview of ICAAP process and setting Internal Capital Targets

5.0 CREDIT RISK MANAGEMENT

The credit risk management process is depicted in the table below:

Identification	• Identify/recognise credit risk on transactions and/or positions • Select asset and portfolio mix
Assessment/ Measurement	• Internal credit rating system • Probability of default ("PD") • Loss given default ("LGD") • Exposure at default ("EAD")
Control/ Mitigation	• Portfolio Limits, Counterparty Limits, Benchmark Returns • Collateral & tailored facility structures
Monitoring/ Review	• Monitor and report portfolio mix • Review customer under Classified Account • Undertake post mortem review

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its payment obligations. Exposure to credit risk arises from lending, securities and derivative exposures. The identification of credit risk is done by assessing the potential impact of internal and external factors on the Group's transactions and/or positions as well as Shariah compliance risk (please refer to Section 14 for discussion on Shariah Governance Structure).

The primary objective of credit risk management is to maintain accurate risk recognition - identification and measurement, to ensure that credit risk exposure is in line with the Group's Risk Appetite Framework and related credit policies.

For non-retail credits, risk recognition begins with an assessment of the financial standing of the borrower or counterparty using credit rating model. The model consists of quantitative and qualitative scores that are then translated into rating grades. The assigned credit rating grade forms a crucial part of the credit analysis undertaken for each of the Group's credit exposures.

For retail credits, credit-scoring systems to better differentiate the quality of borrowers are being used to complement the credit assessment and approval processes.

To support credit risk management, our rating models for major portfolios have been upgraded to facilitate:

- improvement in the accuracy of individual obligor risk ratings;
- enhancement to pricing models;
- loan/financing loss provision calculation;
- stress-testing; and
- enhancement to portfolio management.

Lending/financing activities are guided by internal credit policies and Risk Appetite Framework that are approved by the Board. The Group's Risk Appetite Framework is refreshed at least annually and with regard to credit risk, provides direction as to portfolio management strategies and objectives designed to deliver the Group's optimal portfolio mix. Credit risk portfolio management strategies include, amongst others:

- Concentration threshold/review trigger:
  - single counterparty credit;
  - industry sector; and
  - country
- Setting Loan/Financing to Value limits for asset backed loans/financing (i.e., property exposures and other collateral);
- Classified Account processes for identifying, monitoring and managing customers exhibiting signs of weakness and higher risk customers; and
- Setting Benchmark Returns which serve as a guide to the minimum returns the Group requires for the risk undertaken, taking into account operating expenses and cost of capital.

Individual credit risk exposure exceeding certain Credit Approval Delegation ("CAD") thresholds/exceptions to Group Risk Appetite Framework ("GRAF") are escalated to Credit and Commitments Committee ("CACC") for approval. In the event such exposure requires Executive Committee of Directors' ("EXCO") review and endorsement, it will be escalated. Portfolio credit risk is reported to the relevant management and board committees.

The Group CEOs Committee regularly meets to review the quality and diversification of the Group's loan/financing portfolio, approve new and amended credit risk policy, and review the portfolio risk profile against the GRAF.

Group Risk prepares monthly Risk Reports which detail important portfolio composition and trend analysis incorporating asset growth, asset quality, impairments, flow rates of loan/financing delinquency buckets and exposures by industry sectors are reported monthly by Group Risk to executive management and to all meetings of the Board.

The Group applies the Standardised Approach to determine the regulatory capital charge related to credit risk exposure.

5.1 Impairment

5.1.1 Definition of Past Due and Impaired Loans, Financing and Advances

All loans, financing and advances are categorised as either:
- Neither past due nor impaired;
- Past due but not impaired; or
- Impaired

An asset is considered past due when any payment (whether principal and/or interest) due under the contractual terms are received late or missed.

A loan is classified as impaired under the following circumstances:

(a) When the principal or interest or both is past due[1] or the amount outstanding is in excess of approved limit (for revolving facilities), each for more than 90 days or 3 months on any material obligation[2] ; or

(b) For loans/financing where repayments are scheduled on intervals of 3 months or longer, the loan/financing is to be classified as impaired 1+30 days or 1 day+1 month past due (the 30-days grace period is to allow for exclusion of administrative default[3]).

(c) For trade bills/facilities, an account is deemed default and impaired when the past due is 90 days from due date of the bill.

(d) A loan/financing may also be classified as impaired:

  i. As deemed appropriate by the Watch and Control Committee where it is determined the loans/financing have a high probability of default; or
  ii. Cross-default occurs when:
    - a default of a loan/financing obligation of a borrower triggers a default of another loan/financing obligation of the same borrower or
    - a default of a loan/financing obligation of a borrower triggers a default of a loan/financing obligation of other borrowers within the same borrower group.

(e) Debt instruments (for example, fixed income securities, debt converted instrument etc.) shall be classified as impaired when the coupon or interest payment is 1 day past due.

(f) In the case of stock broking and futures broking:

  i. For margin lending, it is impaired when there is a shortfall to carrying value i.e. difference between the collateral value (if any) and the outstanding balance.
  ii. For contra losses, it is impaired when the facility is overdue by 30 days.

5.1 Impairment (Cont'd.)

5.1.2 Methodology for Determination of Individual and Collective Allowances

An assessment is performed to determine whether objective evidence of impairment exists individually for financial assets that are individually significant, and collectively for financial assets that are not individually significant or not individually impaired.

Individual Assessment

Individual assessment is divided into 2 main processes – detection of an event(s) and an assessment of impairment:

(a) Trigger management

In trigger management, financial assets which are above the pre-set individual assessment threshold are assessed using the relevant impairment triggers for objective evidence of impairment.

(b) Valuation of assets

Financial assets which are triggered by the impairment triggers will be measured for evidence of high likelihood of impairment i.e. estimated recoveries (based on the discounted cash flow projection method and taking into account economic conditions) is less than carrying value or fair value is less than the carrying value.

Collective Assessment

Loans/financing and advances, and commitments and contingencies below the significant threshold and those not assessed to be individually impaired, will be subject to collective assessment and a collective allowance will be computed accordingly. The collective impairment assessment and provisioning methodology uses historical loss data to derive the level of provisions. The collective provisions are computed after making the necessary adjustments to reflect current economic conditions.

[1] For credit card facilities, an account is "past due" when the card member fails to settle the minimum monthly repayment due before the next billing date.
[2] Material obligation as determined by Management.
[3] Administrative defaults include cases where exposures become overdue because of oversight on the part of the obligor and/or the banking institution. Instances of administrative defaults may be excluded from the historical default count, subject to appropriate policies and procedures established by the banking institution to evaluate and approve such cases.

Table 5.1: Distribution of gross credit exposures by sector

The aggregated distribution of credit exposures by sector of AMMB Banking Group is as follows:

31 March 2015	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale, Retail Trade, Restaurant and Hotel	Transport, Storage and Communication	Finance and Insurance	Real Estate	Business Activities	Education and Health	Household	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On balance sheet exposures														
Sovereigns/Central banks	–	–	–	–	151,112	–	–	10,278,397	–	–	1,796,258	–	–	12,225,767
Banks, DFIs and MDBs	–	–	–	–	–	–	–	12,282,183	–	–	71,389	–	55,283	12,408,855
Insurance companies, Securities firms and Fund managers	–	–	–	–	–	–	–	35,068	–	–	–	–	–	35,068
Corporates	3,875,404	3,741,894	8,232,753	1,395,327	6,631,807	4,805,559	2,331,067	5,823,425	8,014,784	1,292,913	3,146,169	2,726,954	145,554	52,163,610
Regulatory retail	71,946	17,617	218,998	3,391	202,301	262,702	94,183	223,287	100,286	97,063	136,570	30,773,848	37,350	32,239,542
Residential mortgages	–	–	–	–	–	–	–	–	–	–	–	10,961,099	–	10,961,099
Higher risk assets	–	–	–	–	–	–	–	–	–	–	–	18,868	101,365	120,233
Other assets	–	–	–	–	–	–	–	31,346	–	–	–	515,170	3,521,674	4,068,190
Securitisation exposures	–	–	–	–	–	–	–	23,669	–	–	30,957	–	–	54,626
Equity exposures	–	–	7	–	–	–	–	5,227	–	–	–	–	161	5,395
Defaulted exposures	8,454	300	47,263	7,820	34,096	34,046	9,141	7,904	363,741	6,024	9,194	625,205	10,370	1,163,558
Total for on balance sheet exposures	**3,955,804**	**3,759,811**	**8,499,021**	**1,406,538**	**7,019,316**	**5,102,307**	**2,434,391**	**28,710,506**	**8,478,811**	**1,396,000**	**5,190,537**	**45,621,144**	**3,871,757**	**125,445,943**
Off balance sheet exposures														
OTC derivatives	3,161	185,794	125,721	–	6,474	4,125	68,813	3,373,040	8,953	41,469	629	–	2,590	3,820,769
Credit derivatives	–	–	–	–	–	–	–	16	–	–	–	–	–	16
Off balance sheet exposures other than OTC derivatives or Credit derivatives	284,680	585,610	1,738,026	189,920	2,293,086	765,437	295,338	629,377	1,039,212	267,568	321,872	2,296,856	13,161	10,720,143
Defaulted exposures	–	1,134	2,342	–	29,044	2,428	652	5,146	110	431	15	259	125	41,686
Total for off balance sheet exposures	**287,841**	**772,538**	**1,866,089**	**189,920**	**2,328,604**	**771,990**	**364,803**	**4,007,579**	**1,048,275**	**309,468**	**322,516**	**2,297,115**	**15,876**	**14,582,614**
Total on and off balance sheet exposures	**4,243,645**	**4,532,349**	**10,365,110**	**1,596,458**	**9,347,920**	**5,874,297**	**2,799,194**	**32,718,085**	**9,527,086**	**1,705,468**	**5,513,053**	**47,918,259**	**3,887,633**	**140,028,557**

Table 5.1: Distribution of gross credit exposures by sector

The aggregated distribution of credit exposures by sector of AMMB Banking Group is as follows:

31 March 2014	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale, Retail Trade, Restaurant and Hotel	Transport, Storage and Communication	Finance and Insurance	Real Estate	Business Activities	Education and Health	Household	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On balance sheet exposures														
Sovereigns/Central banks	–	–	–	–	117,013	–	–	13,900,363	–	–	2,856,709	–	300,133	17,174,218
Banks, DFIs and MDBs	–	–	–	–	–	–	–	8,470,498	–	798	69,627	–	10,087	8,551,010
Insurance companies, Securities firms and Fund managers	–	–	–	–	–	–	–	32,857	–	–	–	–	–	32,857
Corporates	3,868,523	3,141,998	8,184,045	1,579,238	6,989,052	4,204,303	2,962,251	3,893,145	7,014,735	1,917,043	1,455,196	1,812,837	274,138	47,296,504
Regulatory retail	114,786	29,936	255,287	4,036	268,335	339,228	120,030	246,421	83,601	114,835	167,611	33,611,769	43,783	35,399,658
Residential mortgages	–	–	–	–	–	–	–	–	–	–	–	10,500,745	–	10,500,745
Higher risk assets	–	–	–	–	–	–	–	918	417	–	–	22,439	102,506	126,280
Other assets	129	–	286	–	1,956	83	367	42,402	315	162,581	–	976,925	2,739,300	3,924,344
Securitisation exposures	–	–	–	–	–	–	91,586	74,397	–	–	5,399	–	–	171,382
Equity exposures	–	–	18	–	–	–	1,860	5,642	1,650	36	–	–	180	9,386
Defaulted exposures	11,786	640	107,372	290	107,624	38,338	45,640	9,309	7,984	6,921	12,277	809,635	13,030	1,170,846
Total for on balance sheet exposures	**3,995,224**	**3,172,574**	**8,547,008**	**1,583,564**	**7,483,980**	**4,581,952**	**3,221,734**	**26,675,952**	**7,108,702**	**2,202,214**	**4,566,819**	**47,734,350**	**3,483,157**	**124,357,230**
Off balance sheet exposures														
OTC derivatives	4,450	9,672	60,516	–	9,338	6,197	45,270	2,151,603	2,671	26,132	–	–	5,859	2,321,708
Credit derivatives	–	–	–	–	–	–	–	16	–	–	–	–	–	16
Off balance sheet exposures other than OTC derivatives or Credit derivatives	392,020	187,942	2,071,798	213,777	2,384,702	941,012	468,837	570,925	1,219,557	276,164	386,925	2,540,348	21,479	11,675,486
Defaulted exposures	–	–	4,072	–	17,692	4,175	500	5,190	–	4,183	12	86	122	36,032
Total for off balance sheet exposures	**396,470**	**197,614**	**2,136,386**	**213,777**	**2,411,732**	**951,384**	**514,607**	**2,727,734**	**1,222,228**	**306,479**	**386,937**	**2,540,434**	**27,460**	**14,033,242**
Total on and off balance sheet exposures	**4,391,694**	**3,370,188**	**10,683,394**	**1,797,341**	**9,895,712**	**5,533,336**	**3,736,341**	**29,403,686**	**8,330,930**	**2,508,693**	**4,953,756**	**50,274,784**	**3,510,617**	**138,390,472**

Table 5.2: Impaired and past due loans, advances and financing, individual and collective allowances by sector

The aggregated amounts of impaired and past due loans, advances and financing, individual and collective allowances, charges for individual impairment allowances and write offs during the financial year by sector of AMMB Banking Group is as follows:

31 March 2015	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale, Retail Trade, Restaurant and Hotel	Transport, Storage and Communication	Finance and Insurance	Real Estate	Business Activities	Education and Health	Household	Others	Not allocated	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Impaired loans, advances and financing	9,142	7,041	206,878	21,361	21,685	43,289	24,277	451	398,608	15,921	12,603	797,553	13,922	–	1,572,731
Past due loans/financing	21,442	9,442	217,827	841	97,258	118,048	100,778	7,195	343,655	49,490	52,749	10,456,534	42,613	–	11,517,872
Individual allowance	–	5,949	137,352	13,032	7,854	10,710	13,078	–	30,267	7,111	978	9,493	–	–	235,823
Collective allowance	–	–	–	–	–	–	–	–	–	–	–	–	–	1,413,424	1,413,424
Charges/(writeback) for individual allowance	(11)	2,959	24,703	(11,659)	12,967	12,810	(952)	10,359	24,958	9,020	1,732	5,263	692	–	92,841
Write-offs against individual allowance	–	137	5,862	–	112	–	2,695	21	–	–	–	2,800	–	–	11,627

31 March 2014	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale, Retail Trade, Restaurant and Hotel	Transport, Storage and Communication	Finance and Insurance	Real Estate	Business Activities	Education and Health	Household	Others	Not allocated	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Impaired loans, advances and financing	7,385	4,132	227,053	24,250	36,051	44,512	62,616	1,769	7,920	24,511	13,816	1,213,010	1,679	–	1,668,704
Past due loans/financing	66,989	18,726	283,365	24,915	173,997	148,449	374,429	12,651	174,772	102,005	73,499	13,599,269	5,781	–	15,058,847
Individual allowance	11	3,127	108,930	21,240	3,366	205	8,746	–	123	2,754	–	19,050	–	–	167,552
Collective allowance	–	–	–	–	–	–	–	–	–	–	–	–	–	1,950,556	1,950,556
Charges/(writeback) for individual allowance	(5,161)	4,079	131,331	(3,249)	3,858	5,905	41,908	–	(4,788)	3,229	29,324	(6,743)	(5,523)	–	194,170
Write-offs against individual allowance	–	15,638	120,927	–	14,784	7,308	39,248	–	567	4,080	32,669	–	245	–	235,466

Table 5.3: Geographical distribution of credit exposures

The aggregated geographic distribution of credit exposures of AMMB Banking Group is as follows:

	31 March 2015		
	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
On balance sheet exposures			
Sovereigns/Central banks	11,707,281	518,486	12,225,767
Banks, DFIs and MDBs	11,377,395	1,031,460	12,408,855
Insurance companies, Securities firms and Fund managers	35,068	–	35,068
Corporates	49,419,827	2,743,783	52,163,610
Regulatory retail	32,232,582	6,960	32,239,542
Residential mortgages	10,961,099	–	10,961,099
Higher risk assets	119,150	1,083	120,233
Other assets	3,862,688	205,502	4,068,190
Specialised Financing/Investment	–	–	–
Securitisation exposures	54,626	–	54,626
Equity exposures	5,395	–	5,395
Defaulted exposures	1,163,401	157	1,163,558
Total for on balance sheet exposures	**120,938,512**	**4,507,431**	**125,445,943**
Off balance sheet exposures			
OTC derivatives	3,820,764	5	3,820,769
Credit derivatives	16	–	16
Off balance sheet exposures other than OTC derivatives or Credit derivatives	10,017,519	702,624	10,720,143
Defaulted exposures	41,686	–	41,686
Total for off balance sheet exposures	**13,879,985**	**702,629**	**14,582,614**
Total on and off balance sheet exposures	**134,818,497**	**5,210,060**	**140,028,557**

	31 March 2014		
	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
On balance sheet exposures			
Sovereigns/Central banks	16,651,813	522,405	17,174,218
Banks, DFIs and MDBs	7,376,076	1,174,934	8,551,010
Insurance companies, Securities firms and Fund managers	155	32,702	32,857
Corporates	45,904,310	1,392,194	47,296,504
Regulatory retail	35,399,658	–	35,399,658
Residential mortgages	10,500,745	–	10,500,745
Higher risk assets	125,356	924	126,280
Other assets	3,737,914	186,430	3,924,344
Specialised Financing/Investment	–	–	–
Securitisation exposures	171,382	–	171,382
Equity exposures	9,350	36	9,386
Defaulted exposures	1,170,846	–	1,170,846
Total for on balance sheet exposures	**121,047,605**	**3,309,625**	**124,357,230**
Off balance sheet exposures			
OTC derivatives	2,321,708	–	2,321,708
Credit derivatives	16	–	16
Off balance sheet exposures other than OTC derivatives or Credit derivatives	11,436,709	238,777	11,675,486
Defaulted exposures	36,032	–	36,032
Total for off balance sheet exposures	**13,794,465**	**238,777**	**14,033,242**
Total on and off balance sheet exposures	**134,842,070**	**3,548,402**	**138,390,472**

Table 5.4: Geographical distribution of impaired and past due loans, advances and financing, individual and collective allowances

The aggregated amounts of impaired and past due loans, advances and financing, individual and collective allowances by geographic distribution of AMMB Banking Group is as follows:

	31 March 2015		
	In Malaysia	Outside Malaysia	Total
	RM'000	RM'000	RM'000
Impaired loans, advances and financing	1,572,731	–	1,572,731
Past due loans/financing	11,517,872	–	11,517,872
Individual allowance	235,823	–	235,823
Collective allowance	1,399,449	13,975	1,413,424

	31 March 2014		
	In Malaysia	Outside Malaysia	Total
	RM'000	RM'000	RM'000
Impaired loans, advances and financing	1,650,220	18,484	1,668,704
Past due loans/financing	15,058,847	–	15,058,847
Individual allowance	155,630	11,922	167,552
Collective allowance	1,935,785	14,771	1,950,556

Table 5.5: Residual contractual maturity by major types of credit exposure

The aggregated residual contractual maturity by major types of gross credit exposures of AMMB Banking Group is as follows:

	31 March 2015								
	Up to 1 month RM'000	>1 month to 3 months RM'000	>3 months to 6 months RM'000	12 months RM'000	3 years RM'000	>3 years to 5 years RM'000	> 5 years RM'000	No maturity specified RM'000	Total RM'000
On balance sheet exposures									
Sovereigns/central banks	7,363,872	518,486	39,691	–	–	111,715	4,192,003	–	12,225,767
Banks, DFIs and MDBs	5,786,428	6,015,151	202,669	41,929	25,205	95,456	236,803	5,214	12,408,855
Insurance companies, Securities firms and Fund managers	–	–	–	–	–	–	35,068	–	35,068
Corporates	12,611,990	3,879,843	3,253,383	2,286,742	6,341,510	6,317,590	17,472,552	–	52,163,610
Regulatory retail	1,604,464	66,964	125,313	274,956	2,689,845	5,709,215	21,768,785	–	32,239,542
Residential mortgages	761	299	1,134	3,828	58,387	129,986	10,766,704	–	10,961,099
Higher risk assets	1	25	14	59	479	1,444	16,846	101,365	120,233
Other assets	1,244,268	8,900	11,214	23,028	453,106	203,050	–	2,124,624	4,068,190
Specialised Financing/ Investment	–	–	–	–	–	–	–	–	–
Securitisation exposures	6	–	–	–	–	–	54,620	–	54,626
Equity exposures	5,226	–	–	–	–	–	8	161	5,395
Defaulted exposures	395,222	8,560	11,180	14,865	95,191	127,028	511,512	–	1,163,558
Total for on balance sheet exposures	**29,012,238**	**10,498,228**	**3,644,598**	**2,645,407**	**9,663,723**	**12,695,484**	**55,054,901**	**2,231,364**	**125,445,943**
Off balance sheet exposures									
OTC derivatives	332,521	251,288	278,084	410,913	644,305	558,032	1,345,626	–	3,820,769
Credit derivatives	–	–	–	–	10	–	6	–	16
Off balance sheet exposures other than OTC derivatives or Credit derivatives	1,424,378	1,034,971	1,165,335	1,911,504	1,949,721	906,960	2,327,274	–	10,720,143
Defaulted exposures	3,734	13,330	1,482	18,708	399	977	3,056	–	41,686
Total for off balance sheet exposures	**1,760,633**	**1,299,589**	**1,444,901**	**2,341,125**	**2,594,435**	**1,465,969**	**3,675,962**	**–**	**14,582,614**
Total on and off balance sheet exposures	**30,772,871**	**11,797,817**	**5,089,499**	**4,986,532**	**12,258,158**	**14,161,453**	**58,730,863**	**2,231,364**	**140,028,557**

Table 5.5: Residual contractual maturity by major types of credit exposure

The aggregated residual contractual maturity by major types of gross credit exposures of AMMB Banking Group are as follows:

	31 March 2014								
	Up to 1 month RM'000	>1 month to 3 months RM'000	>3 months to 6 months RM'000	12 months RM'000	3 years RM'000	>3 years to 5 years RM'000	> 5 years RM'000	No maturity specified RM'000	Total RM'000
On balance sheet exposures									
Sovereigns/central banks	8,253,072	3,150,733	317,409	394,031	–	441,417	4,596,838	20,718	17,174,218
Banks, DFIs and MDBs	5,312,847	1,820,747	696,008	125,202	51,671	114,844	114,133	315,558	8,551,010
Insurance companies, Securities firms and Fund managers	156	–	–	–	–	–	32,701	–	32,857
Corporates	13,161,438	3,737,631	3,119,316	1,771,135	4,303,371	6,636,274	14,565,681	1,658	47,296,504
Regulatory retail	1,940,375	90,704	143,553	327,587	2,965,523	5,980,690	23,951,226	–	35,399,658
Residential mortgages	1,368	415	1,498	3,974	64,215	137,601	10,291,674	–	10,500,745
Higher risk assets	462	26	62	119	607	1,373	23,201	100,430	126,280
Other assets	1,735,850	3,908	4,904	10,159	–	341,784	–	1,827,739	3,924,344
Securitisation exposures	4,040	–	–	–	–	–	167,342	–	171,382
Equity exposures	5,641	–	–	–	–	–	3,565	180	9,386
Defaulted exposures	158,260	15,026	19,209	35,194	156,358	159,898	626,901	–	1,170,846
Total for on balance sheet exposures	**30,573,509**	**8,819,190**	**4,301,959**	**2,667,401**	**7,541,745**	**13,813,881**	**54,373,262**	**2,266,283**	**124,357,230**
Off balance sheet exposures									
OTC derivatives	58,650	54,064	48,995	111,199	577,074	721,878	749,848	–	2,321,708
Credit derivatives	–	–	–	–	10	–	6	–	16
Off balance sheet exposures other than OTC derivatives or Credit derivatives	1,486,075	983,395	1,218,169	2,116,651	1,747,166	1,040,647	3,083,383	–	11,675,486
Defaulted exposures	13,253	1,363	5,186	6,114	6,158	193	3,765	–	36,032
Total for off balance sheet exposures	**1,557,978**	**1,038,822**	**1,272,350**	**2,233,964**	**2,330,408**	**1,762,718**	**3,837,002**	**–**	**14,033,242**
Total on and off balance sheet exposures	**32,131,487**	**9,858,012**	**5,574,309**	**4,901,365**	**9,872,153**	**15,576,599**	**58,210,264**	**2,266,283**	**138,390,472**

Table 5.6: Reconciliation of changes to loans/financing impairment allowances

The reconciliation of changes to aggregated loan/financing impairment allowances of AMMB Banking Group is as follows:

	31 March 2015	
	Individual impairment allowance RM'000	Collective impairment allowance RM'000
Balance at beginning of the financial year	167,552	1,950,556
Charge for the year – net	91,027	504,522
Reclassification to assets held for sale	(9,906)	–
Amount written-off	(13,303)	(1,043,652)
Amount transferred from AmBank Islamic (Note 1)	–	(2,463)
Amount transferred to AmBank	–	2,463
Exchange differences	453	1,998
Balance at end of the financial year	**235,823**	**1,413,424**

	(Charge off)/ recoveries RM'000
Bad debts written off during the year/period	622,275
Bad debt recoveries during the year/period	–

	31 March 2014	
	Individual impairment allowance RM'000	Collective impairment allowance RM'000
Balance at beginning of the financial year	186,122	1,948,313
Effect arising from the pooling of interests	–	38,660
As restated	186,122	1,986,973
Charge for the year/period – net	216,719	602,110
Amount written-off	(235,466)	(639,938)
Exchange differences	177	1,411
Balance at end of the financial year	**167,552**	**1,950,556**

	(Charge off)/ recoveries RM'000
Bad debts written off during the year	(73,098)
Bad debt recoveries during the year	821,567

Note 1 On 2 May 2014, upon expiry of the RPSIA contract entered into with AmBank Islamic in the financial year ended 31 March 2013, AmBank had derecognised the collective allowance previously recognised in its financial statements. Accordingly, AmBank Islamic now accounts for the collective allowance in its financial statements.

Note 2 As at 31 March 2015, the gross exposure and collective allowance relating to the RPSIA financing amounted to RM1,363.8 million and RM1.6 million respectively (31 March 2014:RM450.1 million and RM2.5 million respectively). There was no individual allowance provided for the RPSIA financing for 2015 and 2014.

6.0 CREDIT RISK EXPOSURE UNDER STANDARDISED APPROACH

The Group adopts the list of eligible External Credit Assessment Institutions ("ECAIs") that are used by the Group for the following exposure classes:

- Sovereigns and Central Banks
- Banking Institutions
- Corporate
- Securitisations

Depending on the exposure class, the following ratings by the following ECAIs are used by the Group:

- Standard & Poor's Rating Services ("S&P")
- Moody's Investors Service ("Moody's")
- Fitch Rating ("Fitch")
- RAM Rating Services Berhad ("RAM")
- Malaysian Rating Corporation Berhad ("MARC")

The table below provides the External Credit Assessment Institutions (ECAIs) rating that broadly corresponds to the broad internal credit quality categories. The mapping is based on 1 year average cumulative default rates as per corporate default studies undertaken by Fitch (1990-2012), Standard & Poor's (1981-2012), Moody's (1983-2012), RAM (1992-2012) and MARC (1998-2012); and is incorporated in the Credit Risk Rating Policy.

Credit Quality Classification	Moody's	S & P	Fitch	RAM	MARC
Very Strong	AAA to Baa3	AAA to BBB-	AAA to BBB-	AAA to AA3	AAA to AA
Strong	Ba1 to Ba3	BB+ to BB-	BB+ to BB-	A1 to BBB3	AA- to A+
Satisfactory	B1 to B3	B+ to B-	B+ to B-	BB1 to B1	A to BBB-
Substandard	Caa1 to C	CCC+ to C	CCC to C	B2 to C3	BB+ to C
Impaired	D	D	D	D	D

Table 6.1: Credit exposures by risk weights under the Standardised Approach

The breakdown of credit risk exposures by risk weights of AMMB Banking Group is as follows:

	31 March 2015 Exposures after netting and credit risk mitigation										
Risk weights	Sovereigns and Central banks RM'000	Banks, DFIs and MDBs RM'000	Insurance Companies, Securities firms and Fund managers RM'000	Corporates RM'000	Regulatory retail RM'000	Residental mortgages RM'000	Higher risk assets RM'000	Other assets RM'000	Securitisation exposures RM'000	Equity exposures RM'000	Total Exposures after Netting and CRM RM'000	Total Risk Weighted Assets RM'000
0%	12,225,767	24,797	–	5,245,411	–	–	–	399,263	–	–	17,895,238	–
20%	–	13,485,048	–	4,752,350	3,467	–	–	–	53,312	–	18,294,177	3,658,836
35%	–	–	–	–	–	10,536,010	–	–	–	–	10,536,010	3,687,604
50%	–	1,995,411	–	330,482	24,648	457,069	–	–	–	–	2,807,610	1,403,804
75%	–	–	–	–	32,791,674	–	–	–	–	–	32,791,674	24,593,755
100%	–	553	92,007	47,227,192	1,132,645	225,492	–	3,668,927	–	5,395	52,352,211	52,352,211
150%	–	–	–	500,266	171,086	–	136,862	–	–	–	808,214	1,212,320
1250%	–	–	–	–	–	–	–	–	1,314	–	1,314	16,426
Total	**12,225,767**	**15,505,809**	**92,007**	**58,055,701**	**34,123,520**	**11,218,571**	**136,862**	**4,068,190**	**54,626**	**5,395**	**135,486,448**	**86,924,956**

	31 March 2014 Exposures after netting and credit risk mitigation										
Risk weights	Sovereigns and Central banks RM'000	Banks, DFIs and MDBs RM'000	Insurance Companies, Securities firms and Fund managers RM'000	Corporates RM'000	Regulatory retail RM'000	Residental mortgages RM'000	Higher risk assets RM'000	Other assets RM'000	Securitisation exposures RM'000	Equity exposures RM'000	Total Exposures after Netting and CRM RM'000	Total Risk Weighted Assets RM'000
0%	17,174,218	14,221	–	3,454,129	–	–	–	410,290	–	–	21,052,858	–
20%	200	8,149,006	–	2,811,319	11,875	–	–	6,449	164,923	–	11,143,772	2,228,753
35%	–	–	–	–	–	10,116,493	–	–	–	–	10,116,493	3,540,772
50%	–	2,422,531	–	366,948	32,072	537,724	–	–	–	–	3,359,275	1,679,638
75%	–	–	–	–	36,581,523	–	–	–	–	–	36,581,523	27,436,142
100%	–	66	53,470	45,901,636	1,250,663	121,405	–	3,507,605	–	9,386	50,844,231	50,844,231
150%	–	–	–	272,787	286,481	–	143,036	–	–	–	702,304	1,053,456
1250%	–	–	–	–	–	–	–	–	6,459	–	6,459	80,739
Total	**17,174,418**	**10,585,824**	**53,470**	**52,806,819**	**38,162,614**	**10,775,622**	**143,036**	**3,924,344**	**171,382**	**9,386**	**133,806,915**	**86,863,731**

Table 6.2: Rated Exposures according to Ratings by ECAIs

	31 March 2015					
	Ratings of Corporate by Approved ECAIs					
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB1 to BB3	B1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
Exposure class	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>On and off balance sheet exposures</u>						
Credit exposures (using corporate risk weights)						
Insurance companies, Securities firms and Fund managers	92,007	–	–	–	–	92,007
Corporates	62,338,535	2,995,459	217,821	134	56	59,125,065
Total	**62,430,542**	**2,995,459**	**217,821**	**134**	**56**	**59,217,072**

	31 March 2014					
	Ratings of Corporate by Approved ECAIs					
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB1 to BB3	B1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RII	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
Exposure class	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>On and off balance sheet exposures</u>						
Credit exposures (using corporate risk weights)						
Insurance companies, Securities firms and Fund managers	53,470	–	–	–	–	53,470
Corporates	57,115,590	2,220,910	233,798	–	33	54,660,849
Total	**57,169,060**	**2,220,910**	**233,798**	**–**	**33**	**54,714,319**

	31 March 2015					
	Short term Ratings of Banking Institutions and Corporate by Approved ECAIs					
	Moody's	P-1	P-2	P-3	Others	Unrated
	S&P	A-1	A-2	A-3	Others	Unrated
	Fitch	F1+ F1	F2	F3	B to D	Unrated
	RAM	P-1	P-2	P-3	NP	Unrated
	MARC	MARC-1	MARC-2	MARC-3	MARC-4	Unrated
Exposure class	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>On and off balance sheet exposures</u>						
Banks, DFIs and MDBs	–	–	–	–	–	–
Total	**–**	**–**	**–**	**–**	**–**	**–**

	31 March 2014					
	Short term Ratings of Banking Institutions and Corporate by Approved ECAIs					
	Moody's	P-1	P-2	P-3	Others	Unrated
	S&P	A-1	A-2	A-3	Others	Unrated
	Fitch	F1+ F1	F2	F3	B to D	Unrated
	RAM	P-1	P-2	P-3	NP	Unrated
	MARC	MARC-1	MARC-2	MARC-3	MARC-4	Unrated
	RII	a-1+,a-1	a-2	a-3	b,c	Unrated
Exposure class	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>On and off balance sheet exposures</u>						
Banks, DFIs and MDBs	104,813	104,813	–	–	–	–
Total	**104,813**	**104,813**	**–**	**–**	**–**	**–**

Table 6.2: Rated Exposures according to Ratings by ECAIs (Cont'd.)

	31 March 2015					
	Ratings of Sovereigns and Central Banks by Approved ECAIs					
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Unrated
Exposure Class	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On and off balance sheet exposures						
Sovereigns and Central banks	12,225,767	518,486	11,707,281	–	–	–
Total	**12,225,767**	**518,486**	**11,707,281**	**–**	**–**	**–**

	31 March 2014					
	Ratings of Sovereigns and Central Banks by Approved ECAIs					
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Unrated
	RII	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Unrated
Exposure Class	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On and off balance sheet exposures						
Sovereigns and Central banks	17,174,418	522,405	16,652,013	–	–	–
Total	**17,174,418**	**522,405**	**16,652,013**	**–**	**–**	**–**

	31 March 2015					
	Ratings of Banking Institutions by Approved ECAIs					
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to B3	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Unrated
Exposure class	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On and off balance sheet exposures						
Banks, DFIs and MDBs	15,505,808	4,934,672	2,697,113	1,428,843	49	6,445,131
Total	**15,505,808**	**4,934,672**	**2,697,113**	**1,428,843**	**49**	**6,445,131**

	31 March 2014					
	Ratings of Banking Institutions by Approved ECAIs					
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to B3	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Unrated
	RII	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	Unrated
Exposure class	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On and off balance sheet exposures						
Banks, DFIs and MDBs	10,481,010	1,070,567	927,474	925,132	62	7,557,775
Total	**10,481,010**	**1,070,567**	**927,474**	**925,132**	**62**	**7,557,775**

Table 6.3: Securitisation according to Ratings by ECAIs

	31 March 2015			
	Ratings of Securitisation by Approved ECAIs			
	Moody's	Aaa to Aa3	A1 to A3	Unrated
	S&P	AAA to AA-	A+ to A-	Unrated
	Fitch	AAA to AA-	A+ to A-	Unrated
	RAM	AAA to AA3	A1 to A3	Unrated
	MARC	AAA to AA-	A+ to A-	Unrated
Exposure class	RM'000	RM'000	RM'000	RM'000
On and off balance sheet exposures				
Securitisation exposures	54,626	53,312	–	1,314
Total	**54,626**	**53,312**	**–**	**1,314**

	31 March 2014			
	Ratings of Securitisation by Approved ECAIs			
	Moody's	Aaa to Aa3	A1 to A3	Unrated
	S&P	AAA to AA-	A+ to A-	Unrated
	Fitch	AAA to AA-	A+ to A-	Unrated
	RAM	AAA to AA3	A1 to A3	Unrated
	MARC	AAA to AA-	A+ to A-	Unrated
	RII	AAA to AA-	A+ to A-	Unrated
Exposure class	RM'000	RM'000	RM'000	RM'000
On and off balance sheet exposures				
Securitisation exposures	171,382	164,923	–	6,459
Total	**171,382**	**164,923**	**–**	**6,459**

7.0 CREDIT RISK MITIGATION

Main types of collateral taken by the Group

Collateral is generally taken as security for credit exposures as a secondary source of repayment in case the counterparty cannot meet its contractual repayment obligations from cash flow generation. Types of collateral typically taken by the Group include:

- Cash and term deposits
- Exchange traded shares, bonds, sukuk, convertible bonds and marketable securities
- Non-exchange traded debt securities/sukuk
- Unit trusts (including Amanah Saham Nasional, Amanah Saham Bumiputera and mutual funds)
- Non-exchange traded shares
- Residential and non-residential property
- Plantation land, mining land, quarry land and vacant land
- Passenger vehicle, commercial vehicle, construction vehicle and vessel
- Plant and machineries

In the case of the Group's Islamic Banking operations, only Shariah approved assets can be accepted as permissible collateral.

Where the customer risk profile is considered very sound (or by nature of the product, for instance small limit products such as credit cards), a transaction may be provided on an "unsecured" basis, this is not supported by collateral.

In addition to rating customer's probability of default via an internal risk rating system, the Group uses Security Indicators ("SIs") in its non-retail portfolio to assess the strength of collateral supporting its exposures.

Processes for collateral management

To support the development of processes around collateral valuation and management, the concept of legal enforceability and certainty are central to collateral management. In order to achieve legal enforceability and certainty, the Group has standard collateral instruments, and where applicable, security interests are registered.

Guarantee Support

Guarantee support for lending/financing proposals are an integral component in transaction structuring for the Group. The guarantee of a financially strong party can help improve the risk grade of a transaction through its explicit support of the borrower/customer, where borrower's/customer's risk grade will be enhanced with guarantor's risk grade.

Guarantees that are recognised for risk grading purposes may be provided by parties that include associated entities, banks or sovereigns. Credit policy provides threshold parameters to determine acceptable counterparties in achieving risk grade enhancement of the transaction. Guarantee by a counterparty with lower rating than the borrower/customer is not recognised as part of the risk grade enhancement.

Use of credit derivatives and netting for risk mitigation

Currently, the Group does not use credit derivatives and netting for risk mitigation.

Transaction structuring to mitigate credit risk

Besides tangible security and guarantee support described above, credit risk mitigation techniques are used in structuring transactions. These include duration limits managing the number of years the loan/financing is extended, amortisation schedules and loan/financing covenants. These assist in managing credit risk and in providing early warning signals, whereby should loan/financing covenants be breached, the Group and the customer can work together to address the underlying causes and as appropriate, restructure facilities.

Concentrations of credit risk mitigation

The Group carefully monitors collateral concentrations via portfolio management reporting and amendments as necessary to its Risk Appetite Framework and related policies governing Loan/Financing to Value metrics.

The main types of collateral undertaken by the Group are properties, motor vehicles and exchange traded shares.

7.0 CREDIT RISK MITIGATION (Cont'd.)

Table 7.1: Credit Risk Mitigation

The aggregated exposures and eligible guarantees, credit derivatives and collateral of the AMMB Banking Group are as follows:

Exposures	31 March 2015 Exposures before CRM RM'000	Exposures covered by Guarantees RM'000	Exposures covered by Eligible Financial Collateral RM'000
Credit risk			
On balance sheet exposures			
Sovereigns/Central banks	12,225,767	–	–
Banks, DFIs And MDBs	12,408,855	–	–
Insurance companies, Securities firms and Fund managers	35,068	–	–
Corporates	52,163,610	1,263,686	7,786,794
Regulatory retail	32,239,542	2,642	331,409
Residential mortgages	10,961,099	–	126,181
Higher risk assets	120,233	–	–
Other assets	4,068,190	–	–
Securitisation exposures	54,626	–	–
Equity exposures	5,395	–	–
Defaulted exposures	1,163,558	2,186	67,595
Total for on balance sheet exposures	**125,445,943**	**1,268,514**	**8,311,979**
Off balance sheet exposures			
OTC derivatives	3,820,769	–	–
Credit derivatives	16	–	–
Off balance sheet exposures other than OTC derivatives or Credit derivatives	10,720,143	15,067	1,610,807
Defaulted exposures	41,686	35	12,604
Total for off balance sheet exposures	**14,582,614**	**15,102**	**1,623,411**
Total on and off balance sheet exposures	**140,028,557**	**1,283,616**	**9,935,390**

Exposures	31 March 2014 Exposures before CRM RM'000	Exposures covered by Guarantees RM'000	Exposures covered by Eligible Financial Collateral RM'000
Credit risk			
On balance sheet exposures			
Sovereigns/Central banks	17,174,218	–	–
Banks, DFIs And MDBs	8,551,010	–	–
Insurance companies, Securities firms and Fund managers	32,857	–	–
Corporates	47,296,504	1,063,194	7,842,064
Regulatory retail	35,399,658	9,696	366,236
Residential mortgages	10,500,745	–	98,733
Higher risk assets	126,280	–	–
Other assets	3,924,344	–	–
Securitisation exposures	171,382	–	–
Equity exposures	9,386	–	–
Defaulted exposures	1,170,846	6,177	40,296
Total for on balance sheet exposures	**124,357,230**	**1,079,067**	**8,347,329**
Off balance sheet exposures			
OTC derivatives	2,321,708	–	–
Credit derivatives	16	–	–
Off balance sheet exposures other than OTC derivatives or Credit derivatives	11,675,486	8,784	1,790,809
Defaulted exposures	36,032	50	11,839
Total for off balance sheet exposures	**14,033,242**	**8,834**	**1,802,648**
Total on and off balance sheet exposures	**138,390,472**	**1,087,901**	**10,149,977**

8.0 OFF BALANCE SHEET EXPOSURES AND COUNTERPARTY CREDIT RISK

8.1 Off Balance Sheet exposures

The Group off balance sheet exposures consist of 3 main categories as follows:

(1) Credit related exposures, e.g. guarantees given on behalf of customers, certain transaction-related contingent items, obligation under underwriting agreement, short term self liquidating trade-related contingencies, irrevocable commitment to extend credit and unutilised credit card line.

(2) Derivatives Financial Instruments, e.g. forward exchange contracts (forward exchange contracts and cross currency swaps) interest/profit rate related contracts (interest/profit rates futures and interest/profit rates swap), equity related contracts (option and futures) and commodity related contract (option).

(3) Other treasury-related exposures, e.g. forward purchase commitment.

Off balance sheet exposure is mitigated by setting of credit limit for the respective counterparty and exposure limit for industry sectors which are governed under the GRAF.

8.2 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/profit rates, foreign exchange and equities.

For each individual contract, the pre-settlement risk exposure is normally calculated based on the sum of the marked-to-market ("MTM") value of the exposure, plus the notional principal multiplied by the potential credit risk exposure ("PCRE") factor; if the sum of each individual contract is negative, the pre-settlement risk exposure for this contract is deemed to be zero.

Pre-settlement risk exposure = MTM + PCRE factor (or known as add-on factor) x Notional Principal

- The MTM is essentially the current replacement cost of the contract, and can be positive or negative. Where it is positive, i.e. in the money, the Group has credit exposure against the counterparty; if it is negative, i.e. out of the money, the negative value will be used.
- The PCRE factors recognise that prices change over the remaining period to maturity, and that risk increases with time. The PCRE factors are mandated for regulatory capital purposes.
- Variation to the above generic methodology is allowed for specific product.

Maximum pay out method is used for back to back and structured products where the underlying instrument structures are dynamic i.e. not confine to a standardised underlying instrument. Where the maximum payout is known, it is taken as the pre-settlement risk amount. However, in situations where the maximum payout is not observable, a Monte Carlo simulation method is used.

Exposure to the counterparty is governed by the counterparty credit limit under the GRAF.

Other than credit limit setting and related duration setting of such limits, the Group's primary tool to mitigate counterparty credit risk is by taking collateral.

For derivative exposures, collateral is generally managed via standard market documentation which governs the amount of collateral required and the re-margining frequency between counterparties, including the impact on collateral requirements should either the banking subsidiary's or the counterparty's credit risk rating be upgraded or downgraded.

Table 8.1: Off Balance Sheet Exposures

The aggregated off balance sheet exposures and counterparty credit risk of the AMMB Banking Group is as follows:

	31 March 2015			
Description	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Assets RM'000
Direct Credit Substitutes	996,116		996,116	864,804
Transaction related contingent Items	6,355,902		3,177,951	2,267,393
Short Term Self Liquidating trade related contingencies	715,135		143,027	115,047
Assets sold with recourse	300		100	100
Forward Asset Purchases	824,066		55,226	25,761
Obligations under an on-going underwriting agreements	–		–	–
Foreign exchange related contracts				
One year or less	35,092,270	810,371	1,214,420	664,982
Over one year to five years	2,500,277	203,211	350,443	104,415
Over five years	1,950,414	228,324	616,206	340,259
Interest/Profit rate related contracts				
One year or less	4,922,516	1,989	10,347	3,796
Over one year to five years	31,036,561	115,815	838,890	278,245
Over five years	8,783,307	68,173	682,670	216,296
Equity and commodity related contracts				
One year or less	606,676	1,504	10,988	10,816
Over one year to five years	–	–	4,549	2,275
Over five years	69,830	1,757	–	–
Other Commodity Contracts				
One year or less	363,034	363	37,029	18,514
Credit Derivative Contracts				
One year or less	327,515	7,572	–	–
Over one year to five years	–	–	10	5
Over five years	326,889	33,133	6	3
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	4,970,929		2,511,000	2,264,785
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	15,645,655		3,142,257	2,787,962
Unutilised credit card lines	3,955,894		791,179	589,693
Total	**119,693,486**	**1,472,212**	**14,582,614**	**10,555,351**

Description	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Assets RM'000
	31 March 2014			
Direct Credit Substitutes	1,336,108		1,207,308	1,050,829
Transaction related contingent Items	5,370,402		2,749,602	1,925,160
Short Term Self Liquidating trade related contingencies	677,065		135,407	100,189
Assets sold with recourse	300		300	300
Forward Asset Purchases	275,872		6,530	3,744
Obligations under an on-going underwriting agreements	296,375		–	–
Foreign exchange related contracts				
One year or less	23,311,484	91,629	235,814	154,345
Over one year to five years	3,018,618	118,761	331,810	271,535
Over five years	895,569	89,634	272,947	225,831
Interest/Profit rate related contracts				
One year or less	4,377,755	3,947	12,754	4,554
Over one year to five years	28,591,959	153,942	927,330	392,518
Over five years	6,250,838	48,801	476,900	244,942
Equity and commodity related contracts				
One year or less	419,790	4,928	19,603	13,526
Over one year to five years	395,211	523	22,093	11,046
Other Commodity Contracts				
One year or less	53,805	80	2,770	1,385
Over one year to five years	320,095	480	19,686	9,843
Credit Derivative Contracts				
Over one year to five years	306,519	4,651	10	5
Over five years	305,967	19,153	6	3
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	6,169,893		3,065,133	2,649,405
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	18,399,196		3,700,104	3,378,187
Unutilised credit card lines	4,235,678		847,135	631,751
Total	**105,008,499**	**536,529**	**14,033,242**	**11,069,098**

Table 8.2: Credit Derivatives Counterparty Credit Risk ("CCR")

Credit derivatives that create exposures to counterparty credit risk are as follows:

Usage	Product	31 March 2015 Sell Leg Notional Exposure for Protection Sold RM'000	31 March 2015 Buy Leg * Notional Exposure for Protection Bought RM'000	31 March 2014 Sell Leg Notional Exposure for Protection Sold RM'000	31 March 2014 Buy Leg * Notional Exposure for Protection Bought RM'000
Intermediation	Credit default swap	354,399	300,000	312,485	300,000

* Out of the total notional exposure for protection bought as at 31 March 2015, RM283,500,000 (31 March 2014: RM283,500,000) has no counterparty credit risk exposure because it is on a fully funded basis.

9.0 SECURITISATION

9.1 Objectives, roles and involvement

AMMB Banking Group has undertaken securitisations of its own originated assets, as well as advised on securitisations of third party assets as part of its debt capital markets services for its clients. The Group's objectives in relation to securitisation activity include the following:

- increase the availability of different sources of funding;
- facilitate prudential balance sheet management;
- transfer of credit and market risk;
- obtain regulatory capital relief, if applicable;
- earn management fees on assets under management;
- earn other fees for products and services provided, e.g. liquidity, funding and credit support, structuring, arranging and underwriting services.

The Group is involved in the following types of securitisation activities:

- Securitisation of assets originated by the Group. Such transactions provide diversity in the funding base for the Group entities. Such securitisations may or may not involve the transfer of credit risk and as such, may or may not provide regulatory capital relief.
- Securitisation of third party-originated assets.
- Facilities and services provided to securitisations - the Group provides various facilities to securitisations which include liquidity, funding and credit support as well as services such as structuring and arranging.
- Investment in securities - the Group underwrites bonds issued from securitisation programmes and also purchases such bonds in the secondary markets.

9.2 Regulatory capital approaches used in AMMB Banking Group's securitisation activities

Securitisation exposures held in the trading books of the Group are subjected to market risk capital charge using the Standardised Approach.

For securitisation exposures held in the banking books, the Group applies the Standardised Approach related to banking book exposures to determine the credit risk capital charge.

9.3 Governance

The Group's Debt Capital Markets team is tasked with the structuring of securitisation transactions whilst the governance of these securitisation activities is overseen by the Board and Executive Committees, and managed in accordance with the credit risk and market risk frameworks.

Securitisation exposures held in banking books and trading books are governed under the limits set for the banking book and trading book respectively.

9.4 Risk measurement and reporting of securitisation exposures

The Group relies on the external ratings assigned by recognised external credit assessment institutions in determining the capital charge requirement for rated securitisation exposures. The Group also assesses the performance information of the underlying pool on an ongoing basis e.g. 30/60/90 days past due, default rates, prepayment rates, etc, to gauge the stability of the model parameters to determine sufficiency of the buffers. The reporting for such exposures is dependent on the Group's ultimate position, whether acting as a third party investor to both on or off-balance sheet exposures.

9.5 SPV used in securitisation exercises

Third party exposures that have been securitised via SPVs include civil servant and government-linked companies' staff housing loans.

9.6 Accounting Policies for Securitisation

The Group has sponsored SPVs involving assets of the Group. Such SPVs are consolidated where the Group has control as determined in accordance with MFRS 10, Consolidated Financial Statements.

Assets that have been transferred wholly or proportionately to an unconsolidated entity remain on the Group's statement of financial position, with a liability recognised for the proceeds received, unless:

(a) substantially all risks and rewards associated with the assets have been transferred, in which case, they are derecognised in full; or
(b) if a significant portion, but not all, of the risks and rewards have been transferred, the asset is derecognised entirely if the transferee has the ability to sell the financial asset, otherwise the asset continues to be recognised to the extent of the Group's continuing involvement.

9.7 Use of external rating agencies

The Group uses the services of both RAM and MARC and where applicable, international rating agency for securitisation transactions purposes.

Table 9.1: Securitisation (Trading and Banking Book)

The aggregated securitised exposures of AMMB Banking Group is as follows:

	31 March 2015			
Underlying Asset	Total Exposures Securitised RM'000	Past Due RM'000	Impaired RM'000	Gains/losses recognised during the year RM'000
<u>**Traditional Securitisation Originated by the Group**</u>				
<u>Banking Book</u>				
Corporate loans	165,580	–	100,918	–
Mortgage loans	801,925	–	792,193	–
Total Traditional Securitisation	**967,505**	**–**	**893,111**	**–**
<u>**Total Synthetic Securitisation**</u>	**–**	**–**	**–**	**–**
Total Traditional and Synthetic Securitisation	**967,505**	**–**	**893,111**	**–**

	31 March 2014			
Underlying Asset	Total Exposures Securitised RM'000	Past Due RM'000	Impaired RM'000	Gains/losses recognised during the year RM'000
<u>**Traditional Securitisation Originated by the Group**</u>				
<u>Banking Book</u>				
Corporate loans	199,373	–	129,895	–
Mortgage loans	747,256	–	738,154	–
Total Traditional Securitisation	**946,629**	**–**	**868,049**	**–**
<u>**Total Synthetic Securitisation**</u>	**–**	**–**	**–**	**–**
Total Traditional and Synthetic Securitisation	**946,629**	**–**	**868,049**	**–**

Table 9.2: Securitisation under the Standardised Approach for Banking Book Exposures

Securitisation Exposures by Exposure Type	Exposure Value of Positions Purchased or Retained RM'000	Exposure after CRM RM'000	Exposures subject to deduction RM'000	31 March 2015 Distribution of Exposures after CRM according to Appplicable Risk Weights — Rated Securitisation Exposures or Risk weights of Guarantees/ Credit Derivatives 20% RM'000	50% RM'000	1250% RM'000	Risk Weighted Assets RM'000
Traditional Securitisation Originated by Third Party							
On Balance Sheet Exposures	53,312	53,312	–	53,312	–	–	10,662
Originated by the Group							
On Balance Sheet Exposures	1,314	1,314	–	–	–	1,314	16,426
Total Traditional Securitisation	54,626	54,626	–	53,312	–	1,314	27,088
Total Traditional and Synthetic Securitisation	**54,626**	**54,626**	**–**	**53,312**	**–**	**1,314**	**27,088**

Securitisation Exposures by Exposure Type	Exposure Value of Positions Purchased or Retained RM'000	Exposure after CRM RM'000	Exposures subject to deduction RM'000	31 March 2014 Distribution of Exposures after CRM according to Appplicable Risk Weights — Rated Securitisation Exposures or Risk weights of Guarantees/ Credit Derivatives 20% RM'000	50% RM'000	1250% RM'000	Risk Weighted Assets RM'000
Traditional Securitisation Originated by Third Party							
On Balance Sheet Exposures	164,923	164,923	–	164,923	–	–	32,984
Originated by the Group							
On Balance Sheet Exposures	6,459	6,459	–	–	–	6,459	80,739
Total Traditional Securitisation	171,382	171,382	–	164,923	–	6,459	113,723
Total Traditional and Synthetic Securitisation	**171,382**	**171,382**	**–**	**164,923**	**–**	**6,459**	**113,723**

Table 9.3: Securitisation under the Standardised Approach for Trading Book Exposures

	31 MARCH 2015				
Securitisation Exposures by Exposure Type	Total exposure value of positions RM'000	Exposures subject to deduction RM'000	General Risk Charge RM'000	Specific Risk Charge RM'000	Risk Weighted Assets RM'000
Traditional Securitisation Originated by Third Party					
On Balance Sheet by Exposure Type - others	–	–	–	–	–
Total Traditional Securitisation	**–**	**–**	**–**	**–**	**–**

	31 MARCH 2014				
Securitisation Exposures by Exposure Type	Total exposure value of positions RM'000	Exposures subject to deduction RM'000	General Risk Charge RM'000	Specific Risk Charge RM'000	Risk Weighted Assets RM'000
Traditional Securitisation Originated by Third Party					
On Balance Sheet by Exposure Type - others	40,685	–	895	814	21,363
Total Traditional Securitisation	**40,685**	**–**	**895**	**814**	**21,363**

10.0 OPERATIONAL RISK

The operational risk management process is depicted in the table below:

Identification	• Identify and analyse risks in key processes/activities within Line of Business (including new products)
Assessment/ Measurement	• Incident Management and Data Collection • Risk and Control Self Assessment • Key Risk Indicators • Key Control Testing • Risk Treatment Plan
Control/ Mitigation	• Policies addressing control and governance requirements to mitigate specific operational risk • Advisory on the establishment of internal controls • Contingency planning
Monitoring/ Review	• Monitoring and reporting of loss incidents by Event Type, Portfolio and Line of Business and entity, reporting of operational risk board and management triggers, risk profile status, key risk indicator breaches and key control testing exceptions • Periodical review of risk profile within Line of Business

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external incidents which includes but is not limited to legal risk and Shariah compliance risk (Please refer to Section 14 for discussion on Shariah Governance Structure). It excludes strategic, systemic and reputational risk.

Operational Risk Appetite ("ORA") is set as part of overall GRAF, which sets the acceptable tolerance levels of operational risk that the Bank is willing to accept, taking into consideration of the relevant financial and non-financial risk or return attributes in order to support the achievement of Bank's strategic plan and business objectives.The ORA statements and measurements are classified based on operational loss event types, which are grouped into five (5) categories as below and monitored via Incident Management and Data Collection, Key Risk Indicator and Key Control Testing.

- Fraud (internal and external);
- Employment Practices and Workplace Safety;
- Client, Products and Business Practices;
- Business Disruption, System Failures and Damage to Physical Assets; and
- Execution, Delivery and Process Management

The strategy for managing operational risk in the Group is anchored on the three lines of defence concept which are as follows:

- The first line of defence is responsible for the management of operational risk in order that accountability and ownership is as close as possible to the activity that creates the risk and ensuring that effective action is taken to manage them. Enhanced First Line of Defence provides a business specific focus on the implementation of operational risk management activities and supports more effective day-to-day monitoring of operational risks.
- In the second line, Group Operational Risk is responsible for exercising governance over operational risk through the management of the operational risk framework, policy development, quality assurance of internal controls, operational risk measurement and capital allocation, fraud strategy and reporting of operational risk issues to Group CEOs Committee, Risk Management Committee of Directors ("RMCD") and Board.
- Group Internal Audit acts as the third and final line of defence by providing independent assurance on the internal control effectiveness through periodic audit programme.

Group Operational Risk maintains close working relationships with all Line of Business, continually assisting in the identification of operational risks inherent in their respective business activities, assessing the impact and significance of these risks and ensuring that satisfactory risk mitigation measures and controls are in place. Various tools and methods are employed to identify, measure, control and monitor/report operational risk issues within the Group. The Operational Risk Management System ("ORMS") contains the following modules:

- The Incident Management and Data Collection ("IMDC") module provides a common platform for reporting operational risk incidents that fall within one of the seven Event Types as stated in Basel II. IMDC also serves as a centralised database of operational risk incidents to model the potential exposure to operational risks in future and estimate the amount of economic capital charge.
- The Risk and Control Self Assessment ("RCSA") is a process of continual assessment of risks and controls effectiveness. By using structured questionnaires to assess and measure key risk and its corresponding controls effectiveness, RCSA provides risk profiling across the Group.
- The Key Risk Indicators ("KRI") module provides early warning of increasing risk and/or control failures by monitoring the changes of the underlying risk measurements.
- The Key Control Testing ("KCT") is the test steps or assessment performed periodically to assure that the key controls are in place and they are operating as intended or effective in managing the operational risks.
- The Risk Treatment Plan is required to be developed to ensure all risks identified are resolved or mitigated sufficiently.

The Group CEOs Committee, RMCD and Board are the main reporting and escalation committees for operational risk matters including outsourcing risk, information technology risk, shariah risk, legal risk and business continuity management.

10.1 Business Continuity Management

The Business Continuity Management ("BCM") process is depicted in the table below:

Identification	• Identify events that potentially threaten the business operations and areas of criticality
Assessment/ Measurement	• Business Impact Analysis • Threat Assessment
Control/ Mitigation	• Policies governing the BCM implementation • BCM methodologies controlling the process flow • Implementing the BCM plan
Monitoring/ Review	• BCM plan testing and exercise • Review of BCM Plan • BCM Plan maintenance

The BCM function forms an integral part of Operational Risk Management. It places the importance of maintaining a BCM framework and policies to identify events that could potentially threaten the Group's operations and establishment of critical functions recovery against downtimes. BCM builds the resilience and recovery capability to safeguard the interest of Group's stakeholders by protecting our brand and reputation.

The BCM process complements the effort of the recovery team and specialist units to ensure the Group has the required critical capabilities and resources, such as IT system disaster recovery, alternate workspace and effective communication during interruptions.

The Group is continuously reviewing the level of business operations resiliency and conduct periodical testing to enhance the BCM capability throughout all critical departments and branches across the region. Training is an ongoing agenda to heighten the BCM awareness and inculcate a business resilience culture.

10.2 Legal Risk

In all the jurisdictions that the Group conducts its business, it is subject to legal risks arising from potential breaches of applicable laws, unenforceability of contracts, lawsuits, or adverse judgement, which may lead to incurrence of losses, disruption or otherwise impact on the Group's financials or reputation.

Legal risk is overseen by Group CEOs Committee, upon advice by internal legal counsel and, where necessary, in consultation with external legal counsel to ensure that such risks are appropriately managed.

10.3 Regulatory Compliance Risk

A proactive regulatory risk monitoring and control process is essential for any financial group to provide assurance that its products and services are offered in a manner consistent with regulatory requirements and industry best practice. Regulatory Compliance undertakes the task by ensuring that appropriate measures are introduced and applied accordingly, whilst inculcating a compliance culture across all levels of staff. Amongst the measures introduced are monitoring and reporting, training, providing advice and disseminating information. A process is in place to standardise compliance practices across the Group.

The compliance monitoring and reporting system is essentially a mechanism through which businesses monitor their compliance to rules and regulations as well as provide monthly, quarterly and exception reporting that is carried out online. This reaffirms our commitment to a centralised compliance infrastructure that embraces regular self-assessment by staff, thus providing management the assurance that staff are aware and comply with internal and external requirements.

Compliance awareness is performed on a regular basis to ensure staff keeps abreast of banking, insurance, capital markets and anti-money laundering laws as well as other regulatory developments. The awareness helps staff develop their skills to identify compliance issues as well as cultivate good corporate ethics.In addition to the training provided, the Compliance Repository, an online resource tool, continues to provide staff with easy access to rules and regulations to various search modes.

Regulatory Compliance also provides advice on regulatory matters and measures to be implemented by the Group to facilitate compliance with rules and regulations. To further promote understanding, regulatory compliance facilitates briefings, disseminates information and leads coordination efforts.

11.0 MARKET RISK MANAGEMENT

Market risk is the risk of losses due to adverse changes in the level or volatility of market rates or prices, such as interest/profit rates, credit spreads, equity prices and foreign exchange rates. The Group differentiates between two categories of market risk: Traded Market Risk ("TMR") and Non-Traded Market Risk ("NTMR"). Assessment, control and monitoring of these risks are the responsibility of Investment Banking and Markets Risk ("IBMR").

11.1 Traded Market Risk ("TMR")

The TMR management process is depicted in the table below. Please refer to Section 8 for off balance sheet exposures and counterparty credit risk arising from market risk.

Identification	• Identify market risks within existing and new products • Review market-related information review such as market trends and economic data
Assessment/ Measurement	• Value-at-Risk ("VaR") • Annual Loss Limit ("ALL") • Historical Stress Loss ("HSL") • Other Detailed Management Controls
Control/ Mitigation	• VaR Limits • HSL Limit • Loss Limits (Annual/Monthly/Daily) • Concentration Limits • Greek Limits (Delta/Gamma/Delta-Gamma/Vega/Theta) • Present Value of One Basis Point Limits ("PV01") • Stealth Limits • Position Size Limits • Maximum Tenor Limits • Maximum Holding Period • Minimum Holding Period • Approved Instruments/Currencies/Countries • Other Detailed Management Limits
Monitoring/ Review	• Monitor limits • Periodical review and reporting

TMR arises from transactions in which the Group acts as principal with clients or the market. It involves taking positions in fixed income, equity, foreign exchange, commodities and/or derivatives. The objectives of TMR management are to understand, accurately measure and work with the business to ensure exposures are managed within the Board and Group CEOs Committee approved limit structures and risk appetite. This is done via robust traded market risk measurement, limit setting, limit monitoring, and collaboration and agreement with Business Units.

VaR, ALL, HSL and other detailed management controls are used to measure, monitor and control TMR exposures. VaR is a quantitative measure which applies recent historic market conditions to estimate potential losses in market value, at a certain confidence level and over a specified holding period. Loss limits serve to alert management on the need to take relevant and appropriate action once they are triggered.

To complement VaR, HSL is used as a measure of the potential impact on portfolio values due to more extreme, albeit plausible, market movements. In addition, HSL is used to gauge and ensure that the Group is able to absorb extreme, unanticipated market movements.

Apart from VaR, ALL and HSL, additional sensitivity controls (e.g. Greek Limits/PV01) and indicators are used to monitor changes in portfolio value due to changes in risk factors under different market conditions.

IBMR monitors and reports risk exposures against limits on a daily basis. Portfolio market risk positions are also reported to Group CEOs Committee, RMCD and the Board. Furthermore, policies and procedures are in place to ensure prompt action is taken in the event of non-adherence to limits. Business Units exposed to traded market risk are required to maintain risk exposures within approved risk limits. Business Units are required to provide an action plan to address any non-adherence to limits. The action plan must be approved by Senior Management.

The Group adopts the Standardised Approach for market risk capital charge computation. The capital charge serves as a buffer against losses from potential adverse market movements.

IBMR is committed to ongoing improvements in market risk processes and systems, and allocates substantial resources to this endeavour.

11.2 Non-Traded Market Risk

Interest Rate Risk/Rate of Return Risk in the Banking Book ("IRR/RORBB")

The IRR/RORBB risk management process is depicted in the table below:

Identification	• Identify IRR/RORBB within existing and new products. • Review market-related information review such as market trend and economic data.
Assessment/ Measurement	• VaR • Earnings-at-Risk ("EaR") • PV01 • Other Detailed Management Controls
Control/ Mitigation	• VaR Limits • EaR Limits • PV01 Limits • Other Detailed Management Limits
Monitoring/ Review	• Monitor limits • Periodical review and reporting

IRR/RORBB arises from changes in market interest/profit rates that impact core net interest/profit income, future cash flows or fair values of financial instruments. This risk arises from mismatches between repricing dates of assets and liabilities, changes in yield curves, volatilities in interest/profit margins and implied volatilities on interest/profit rate options. The provision of retail and wholesale banking products and services (primarily lending/financing and deposit taking activities) creates interest/profit rate-sensitive positions in the Group's statement of financial position.

The principal objectives of balance sheet risk management are to manage interest/profit income sensitivity while maintaining acceptable levels of IRR/RORBB and funding risk, and to manage the economic value of Group's capital.

The Board's oversight of IRR/RORBB is supported by the Group CEOs Committee. Group CEOs Committee is responsible for the alignment of Group-wide risk appetite and funding needs, taking into consideration Group-wide business strategies. Group CEOs Committee consistently oversees the Group's gapping positions, asset growth and liability mix against the interest/profit rate outlook. It also reviews strategies to ensure a comfortable level of IRR/RORBB is maintained. The Group has successfully engaged long-term borrowings and written interest/profit rate swaps to manage IRR/RORBB, and maintained an acceptable gapping profile as a result. In accordance with the Group's policy, positions are monitored on a daily basis and hedging strategies are employed to ensure risk exposures are maintained within Board-established limits.

The Group measures the risk of losses arising from potential adverse movements in market interest/profit rates and volatilities using VaR. VaR is a quantitative measure of IRR/RORBB which applies recent historic market conditions to estimate the potential loss in economic value, at a certain confidence level and over a specified holding period.

The Group complements VaR by stress testing IRR/RORBB exposures to highlight potential risk that may arise from extreme market events that are rare but plausible.

Key assumptions in the gap and sensitivity analysis relate to the behaviour of interest/profit rates and spreads, changes in loan/financing and deposit product balances due to behavioural characteristics under different interest/profit rate environments. Material assumptions include the repricing characteristics and the stickiness of indeterminate or non-maturity deposits and loans/financing.

The rate scenarios may include rapid ramping of interest/profit rates, gradual ramping of interest/profit rates, and narrowing or widening of spreads. Usually each analysis incorporate what management deems the most appropriate assumptions about customer behaviour in an interest/profit rate scenario. However, in certain cases, assumptions are deliberately changed to test the Group's exposure to a specified event.

The Group's strategy seeks to optimise exposure to IRR/RORBB within Board-approved limits. This is achieved through the ability to reposition the interest/profit rate exposure of the statement of financial position using dynamic product and funding strategies, supported by MFRS 139 - compliant interest/profit rate hedging activities using interest/profit rate swaps and other derivatives. These approaches are governed by Group's policies in the areas of product and liquidity management as well as the banking book policy statements and hedging policies.

IRR/RORBB is calculated daily and reported to Group CEOs Committee, RMCD and the Board.

Table 11.1: Interest Rate Risk/Rate of Return Risk Sensitivity in the Banking Book

The aggregated IRR/RORBB sensitivity for AMMB Banking Group is as follows:

Impact On Profit Before Taxation	31 March 2015	
	Interest Rate/Rate of Return	Interest Rate/Rate of Return
	+ 100 bps	- 100 bps
Currency	RM'000	RM'000
MYR	155,510	(155,510)

Impact on Equity		
	Interest Rate/Rate of Return	Interest Rate/Rate of Return
	+ 100 bps	- 100 bps
Currency	RM'000	RM'000
MYR	(550,073)	618,507

Impact On Profit Before Taxation	31 March 2014	
	Interest Rate/Rate of Return	Interest Rate/Rate of Return
	+ 100 bps	- 100 bps
Currency	RM'000	RM'000
MYR	162,628	(162,628)

Impact on Equity		
	Interest Rate/Rate of Return	Interest Rate/Rate of Return
	+ 100 bps	- 100 bps
Currency	RM'000	RM'000
MYR	(569,021)	632,380

12.0 EQUITIES (BANKING BOOK POSITIONS)

Equity risk is the potential loss that may be incurred on equity investments in the banking book. The Group's equity exposures in the banking book are primarily categorised as follows:

- Equity investments that are taken for strategic and other objectives – Where an equity investment is undertaken for a strategic purpose, such investment will be made only after extensive analysis and due diligence. Equity investments undertaken for other business objectives are principally in conjunction with initiatives or measures promoted by the relevant regulatory authorities or trade bodies in which the Group will jointly with other financial institutions invest in such entities to attain various objectives, such as socio-economic development, promoting the further development of the financial market, the provision of facilities to improve customer service, and support for human capital development for the betterment of the Malaysian banking industry. The Board's approvals are required prior to committing to all forms of equity investment under this category and, where relevant, the necessary regulatory approval or notification will be obtained or met.

- Equity investments on which capital gains are expected – These transactions are for proprietary trading.

- Equity investments made as the result of a work out of a problem exposure – From time to time, the Group will take an equity stake in a customer as part of a work out arrangement for problem exposures. These investments are made only where there is no other viable option available and form an immaterial part of the Group's equity exposures.

12.1 Valuation for and accounting of equity investments in the banking book

Measurement of equity securities – Equity securities that have a quoted market price are carried at their fair value. Investments in unlisted securities are measured at cost less impairment loss (if any).

Where the investment is held for long term strategic purposes, these investments are accounted for as available-for-sale, with changes in fair value being recognised in equity.

Table 12.1: Equity investments and capital requirement

An analysis of equity investments by appropriate equity groupings and risk weighted assets of AMMB Banking Group is as follows:

	31 March 2015 RM'000	31 March 2014 RM'000
Non traded equity investments		
Value of quoted (publicly traded) equities	176,996	188,288
Value of unquoted (privately held) equities	100,367	102,465
Total	**277,363**	**290,753**
Net realised and unrealised gains/(losses)		
Cumulative realised gains/(losses) from sales and liquidations	12,081	41,204
Total unrealised gains/(losses)	(9,866)	(12,154)
Total	**2,215**	**29,050**
Risk Weighted Assets		
Equity investments subject to a 100% risk weight	176,957	188,288
Equity investments subject to a 150% risk weight	150,608	153,699
Total	**327,565**	**341,987**
Total minimum capital requirement (8%)	**26,205**	**27,359**

13.0 LIQUIDITY RISK AND FUNDING MANAGEMENT

Liquidity risk is the risk that the organisation either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can only access these financial resources at an unreasonable cost. Liquidity risk exposure arises mainly from the deposit taking and borrowing activities and market disruption, and to a lesser extent, significant drawdown of funds from previously contracted financing and purchase commitments. Funding risk is the risk of ongoing ability to raise sufficient funds to finance actual and proposed business activities at a reasonable cost. Funding and liquidity risk are interrelated as improper funding risk management may lead to liquidity problem while insufficient liquidity risk management may also give rise to funding risk.

The liquidity risk management process is depicted in the table below:

Identification	• Identify liquidity risk within existing and new business activities • Review market-related information such as market trend and economic data • Keep abreast with regulatory requirements
Assessment/ Measurement	• New Liquidity Framework ("NLF") • Liquidity Concentration Ratios • Liquidity Coverage Ratio ("LCR") • Loans to Deposit Ratio ("LDR") • Other Detailed Management Controls
Control/ Mitigation	• NLF Limits • Concentration Ratios • LCR Limits • LDR Limits • Other Detailed Management Limits
Monitoring/ Review	• Monitor limits • Periodical review and reporting

The liquidity risk management of the Group is aligned with both BNM's Liquidity Coverage Ratio ("LCR") and the New Liquidity Framework issued by BNM. The primary objective of the Group's liquidity risk management is to ensure the availability of sufficient funds at a reasonable cost to honour all financial commitments when they fall due. This objective is partly managed through maintenance of a portfolio of high-quality liquid assets to protect against adverse funding conditions and support day-to-day operations. The secondary objective is to ensure an optimal funding structure and to balance the key liquidity risk management objectives, which includes diversification of funding sources, customer base and maturity period.

The Board provides the liquidity risk management oversight while the Group CEOs Committee is the responsible governing body that approves the Group's liquidity management and strategies policies, and is responsible for setting liquidity limits, proposing liquidity risk policies and contingency funding plan, and practices to be in compliance with local regulatory requirements, and monitor liquidity on an ongoing basis. The Capital and Balance Sheet Management Department and Group Risk Management propose and oversee the implementation of policies and other controls relating to the above risks.

The Group has put in place a Contingency Funding Plan to identify early warning signals of possible liquidity problem. The Contingency Funding Plan also sets out the detailed responsibilities among the relevant departments in the event of actual liquidity crises occurring to ensure orderly execution of procedures to restore the liquidity position and confidence in the organisation.

The Group has in place various liquidity measurements that provide the Group with visibility from volatility of customer's deposits to the concentration ratio of chunky deposits. Group Risk Management is responsible for monitoring the controls and limits while the Capital and Balance Sheet Management Department is responsible to ensure the controls and limits are within the thresholds.

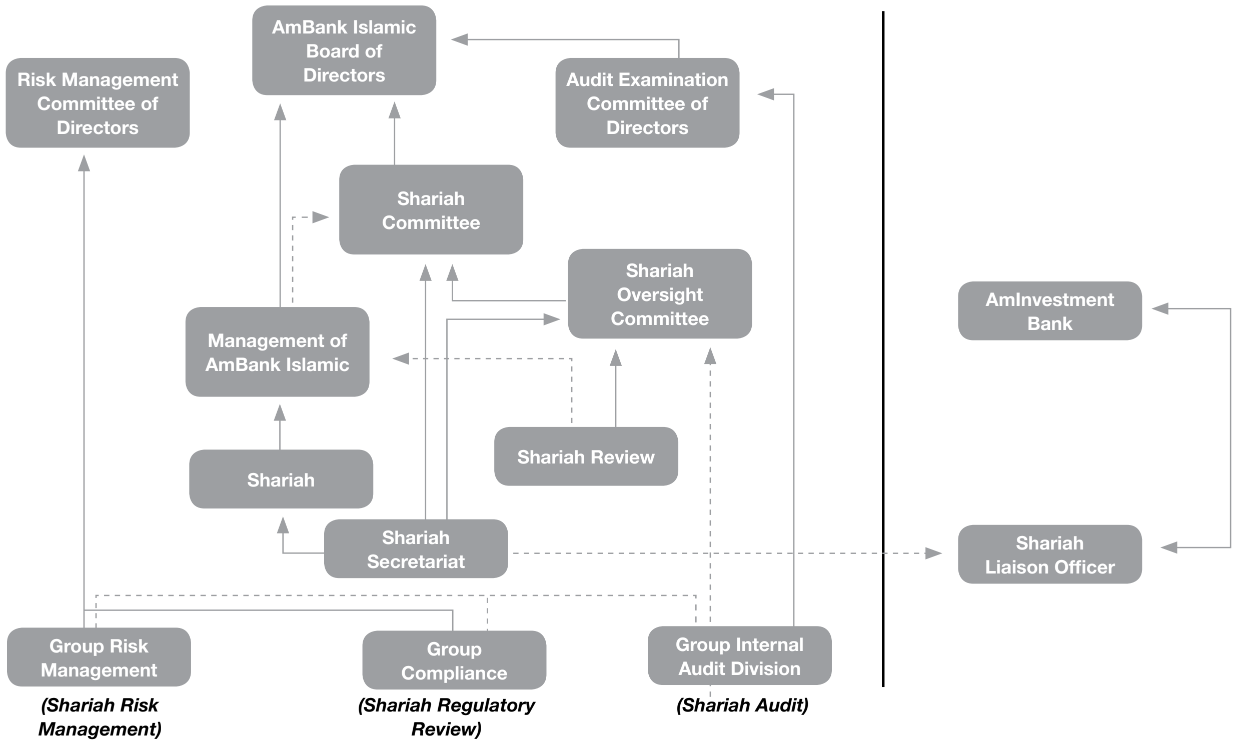
Stress testing is undertaken to assess and plan for the impact for various scenarios which may put the Group's liquidity at risk. The stress testing output contributes to the development of the liquidity risk limits and the Group's Contingency Funding Plan.

The Group further stresses the importance of customer deposit accounts as a source of funds to finance lending/financing to customers. They are monitored using the unadjusted loans/financing to deposit ratio, which compares loans/financing and advances to customers as a percentage of customer deposit accounts.

As conservative liquidity management practice, part of the Group's medium term assets is funded by medium term liabilities. Medium term is defined by the Group as remaining term to maturity in excess of one year.

In preparation to the impending implementation of BNM's Basel III Net Stable Funding Ratio ("NSFR"), the Group is already monitoring the NSFR and continue to pursue strategies to ensure the availability of cost effective liquidity.

14.0 SHARIAH GOVERNANCE STRUCTURE



The Group has established a sound and robust Shariah governance structure for its Islamic banking operations in accordance with the requirement of BNM's "Shariah Governance Framework for Islamic Financial Institutions". This is to ensure the operations and business activities of AmBank Islamic comply with Shariah principles and its requirements.

Apart from Shariah Department and Shariah Review Department, AmBank Islamic's Shariah governance structure leverages on the Group's shared platforms such as Group Risk Management Department, Group Compliance Department and Group Internal Audit Division for key Shariah functions. As a prudential measure, AmBank Islamic has continued to enhance its overall Shariah governance structure and compliance with Shariah requirements in line with the regulatory policies and requirements under Islamic Financial Services Act (IFSA).

AmInvestment Bank leverages on the Shariah Secretariat of AmBank Islamic in referring matters to the Shariah Committee. AmInvestment Bank also has the option to engage external Shariah Advisor registered and approved by the Securities Commission Malaysia.

Board of Directors

The Board is accountable and responsible for the overall oversight on the Shariah governance and Shariah compliance, including the appointment and remuneration of the Shariah Committee members. The Board performs its oversight through various committees such as AEC, RMCD and Shariah Committee.

Audit and Examination Committee ("AEC")

AEC is a Board committee responsible for assisting the Board in ensuring Islamic Banking operations of the Group are Shariah compliant through oversight of the Shariah Audit function performed by Group Internal Audit Division.

Risk Management Committee of Directors ("RMCD")

RMCD is a Board committee responsible for assisting the Board in ensuring risk management and control process are in place and functioning, including Shariah risk management through Group Risk Management Department and Shariah regulatory review through Group Compliance Department.

Shariah Committee

The Shariah Committee is responsible and accountable on matters related to Shariah. This includes advising the Board and Management on Shariah matters and endorsing and validating products and services, Shariah policies and the relevant documentation in relation to Islamic Banking operations. The Shariah Committee also provides advice and guidance on management of zakat fund, charity and other social programs or activities.

Shariah Oversight Committee

The Shariah Oversight Committee, which is a sub-committee to the Shariah Committee performs an oversight function from Shariah perspective for the functions of Shariah review, Shariah audit, and Shariah risk management. Shariah Oversight Committeeprovides guidance and advice on matters pertaining to Shariah non-compliant incidents as well as treatment of Shariah non-compliant income (if any).

Management

Management is responsible to make reference to the Shariah Committee and Shariah Oversight Committee on Shariah matters and to take necessary measures for implementation. The Management is also responsible in setting the infrastructure and providing the environment and adequate resources to support the Shariah governance structure. This includes putting in place adequate systems and controls in order to ensure compliance with Shariah and to mitigate Shariah non-compliance risk.

Shariah Department

The Shariah Department operates as a one-stop centre for all Shariah related matters of Islamic businesses and activities. This includes providing day-to-day Shariah advisory and research, and as Secretariat to the Shariah Committee and Shariah Oversight Committee. In addition, the Shariah Department also performs the zakat and charity management.

Shariah Review Department

Shariah Review Department is a designated team within AmBank Islamic that undertakes Shariah review function from operational perspective. The objective of the Shariah review function is to provide reasonable self-assurance for AmBank Islamic in its daily activities and operations thus to add value and improve the degree of Shariah awareness and compliance. Shariah Review Department is accountable to the Shariah Oversight Committee and operationally report to the Management of AmBank Islamic.

Group Internal Audit Division

A designated team within the Group Internal Audit Department is responsible to conduct independent assessment on the level of Shariah compliance of Islamic banking operations through Shariah audit function. Areas of audit include product structure documentation, adequacy of systems, internal controls and computation, staff competency and adequacy of the Shariah governance process.

Group Compliance Department

Undertakes the Shariah compliance review from a regulatory perspective. This is executed based on the Shariah Regulatory Review Methodology, which consists of the Compliance Monitoring and Reporting ("CMR") and Regulatory Compliance Assessment. CMR is a periodical self-assessment by the Departments via a structured process and Compliance Assessment is performed to review on department's compliance with regulatory requirements including Shariah regulatory requirements and effectiveness of the self-assessment performed.

Group Risk Management Department

Shariah risk management leverages on existing infrastructure within Group Risk Management Department in managing the Shariah risk. The unique Shariah risks shall be identified according to existing risk types, credit risk, operational risk and market risk.

14.1 Non-Shariah compliant income

Shariah non-compliant income is an income generated from any transaction(s) that arise from the failure of AmBank Islamic to comply with Shariah principles and requirements as laid down by Shariah Advisory Council of Bank Negara Malaysia and its own Shariah Committee.

As at 31 March 2015, an amount of approximately RM113,600 arising from 3 Shariah non-compliant incidents was recorded as Shariah non-compliant income. The amount due to operational error was refunded to the affected customers in accordance with the manner as prescribed by the Shariah Oversight Committee.

AmBank Islamic has put in place and continues to enhance controls to prevent similar incidents from recurring such as revised processes as well as asset management.

AS AT 31 MARCH 2015
The properties owned by the subsidiaries are as follows:

Location	Description	Age of Property	Tenure	Net Book Value (RM)	Built-up Area (sq.ft)	Date of Acquisition
Perak Darul Ridzuan						
5, Main Road 32300 Pulau Pangkor	One unit of two-storey shophouse for branch premises	42 years	Freehold	48,106	2,720	31 Dec 1990
27, Jalan Trump Kuala Sepetang 34650 Taiping	One unit of double-storey shoplot for branch premises	32 years	Freehold	39,423	2,702	4 Nov 1991
107, Jalan Tokong Datoh 33300 Grik	One unit of two-storey shoplot for branch premises	30 years	Leasehold Term: 99 years Expiry: 30 Oct 2084	126,550	5,695	29 Dec 1990
2 & 4, Jalan Temenggong Pusat Bandar 34200 Parit Buntar	Two units of two-storey shoplots for branch premises	26 years	Leasehold Term: 99 years Expiry: Oct 2088	227,248	6,722	23 Dec 1993
16 to 18, Persiaran Greentown 6, 30450 Ipoh	Two units of four-storey shopoffices for operations	16 years	Leasehold 99 years Expiry: 21 Nov 2094	1,989,396	7,200	9 Oct 1997
Pulau Pinang						
1 & 3, Lorong Murni 6 Taman Desa Murni Sungai Dua 13800 Butterworth	Two units of double-storey shoplots for branch premises	23 years	Freehold	471,598	7,200	28 Nov 1996
35 & 36 – Phase 1 Prai Business Point 322 Prai Perdana 12000 Seberang Prai	Two units of vacant three-storey shopoffices	15 years	Freehold	1,264,488	10,307	28 Nov 1998
1311, Jalan Besar 14200 Sungai Bakap Province Wellesley	One unit of two-storey shoplot for branch premises	25 years	Freehold	175,276	3,894	7 Dec 1992
4194, Jalan Bagan Luar 12000 Butterworth	Two units of two-storey shoplots for branch premises	30 years	Freehold	201,720	7,200	16 Sep 1992
2E, Lorong Selamat, 10400 Pulau Pinang	One unit of two-storey shophouse for operations	76 years	Freehold	322,867	1,048	30 Sep 1997
2F Lorong Selamat, 10400 Pulau Pinang	One unit of nine-storey office building for operations	17 years	Freehold	5,407,730	25,600	30 Sep 1997
Wilayah Persekutuan – Kuala Lumpur						
Wisma AmBank 113, Jalan Pudu 55100 Kuala Lumpur	One unit of twelve-storey office building for operations and branch premises	29 years	Freehold	13,463,320	55,700	4 Nov 1991
2 & 4, Jalan 12/5 Taman Melati, Setapak 53100 Kuala Lumpur	Two units of two-storey shoplots for storage purposes	24 years	Freehold	305,464	5,600	17 Jul 1992
2 & 4, Jalan 23/70A Desa Sri Hartamas 55048 Kuala Lumpur	Two units of four-storey shoplots for rental purposes	16 years	Freehold	2,859,949	13,504	23 Apr 1998
85, 87, 89, 107, 109 & 111 Jalan 3/93, Taman Miharja 55200 Kuala Lumpur	Six units of three-storey shoplots for rental purposes	25 years	Leasehold Term: 99 years Expiry: 11 Aug 2086	1,954,437	30,528	9 Mar 1992
8th & 9th Floor, Bangunan AmAssurance 1, Jalan Lumut 50400 Kuala Lumpur	Office space for operations	22 years	Freehold	5,687,477	105,592	18 May 1994

Location	Description	Age of Property	Tenure	Net Book Value (RM)	Built-up Area (sq.ft)	Date of Acquisition
149-151 Jalan Maharajalela, Wisma Kurnia, 50150 Kuala Lumpur	Two units of five-storey shopoffices with a basement for operations	15 years	Freehold	3,702,369	17,530	20 Mar 1985
4-G,4-1,4-2 & 4-3, Jalan Prima 5, Pusat Niaga Metro Prima, Kepong, 52100 Kuala Lumpur	One unit of four-storey shopoffice for operations	15 years	Leasehold 96 years Expiry: 28 Apr 2096	1,502,683	7,500	5 Oct 2004
22, Jalan Yap Ah Shak, 50300 Kuala Lumpur	One unit of two-storey shophouse for operations	66 years	Freehold	1,487,982	1,820	27 May 1996
Wilayah Persekutuan – Labuan						
A (03-6) & E (03-1) Kerupang II 87000 Labuan	Two units of three-room walk-up apartments for residential purposes	20 years	Leasehold Term: 99 years Expiry: 25 Apr 2058	296,357	1,016	30 Jun 1996
Alpha Park Tower Condo Labuan, 10th Floor Financial Park Complex 87000 Labuan	Condominium for residential purposes	19 years	Leasehold Term: 99 years Expiry: 31 Dec 2090	350,494	1,679	1 Jul 1996
Selangor Darul Ehsan						
11, Jalan Taman Off Jalan Melayu 41300 Klang	One unit of four-storey shoplot under joint venture for rental	30 years	Leasehold Term: 99 years Expiry: Jun 2077	207,895	6,200	4 Nov 1991
7 & 9, Jalan Perusahaan 2 Off Jalan Kolej 43300 Seri Kembangan	Two units of two-storey commercial complexes for branch premises	29 years	Leasehold Term: 40 years Expiry: May 2017	387,093	8,000	25 Nov 1995
Damansara Fairway 3 6C, Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya	One unit of thirteen-storey office building for operations	24 years	Leasehold Term: 99 years Expiry: 25 Oct 2090	14,583,310	76,120	13 Oct 2000
8, Jalan Pinggiran Ukay 2, Medan Damai Ukay, Jalan Ulu Klang, 68000 Ampang	One unit of three-storey shopoffice for storage purposes	25 years	Freehold	461,792	4,270	30 Dec 1986
25, Jalan Tiara 3, Bandar Baru Klang, 41150 Klang	One unit of four-storey shopoffice for operations	17 years	Leasehold 99 years Expiry: 8 May 2093	1,004,780	6,588	17 Aug 2004
27, Jalan Tiara 3, Bandar Baru Klang, 41150 Klang	One unit of four-storey shopoffice for operations	17 years	Leasehold 99 years Expiry: 8 May 2093	992,823	6,588	30 Jul 1998
Menara Kurnia, 9, Jalan PJS 8/9, 46150 Petaling Jaya	One unit of twenty five-storey office building	15 years	Leasehold 99 years Expiry: 17 Jul 2091	82,787,911	288,048	14 Mar 1997
B3-01-08, Jalan PJS 8/9, 46150 Petaling Jaya	One unit of shoplot for rental	16 years	Leasehold 99 years Expiry: 17 Jul 2091	439,349	1,369	28 Feb 2006
Pahang Darul Makmur						
Lot 4, Sec 1, Pekan Mengkuang Mukim of Triang District of Temerloh	One piece of vacant land	N/A	Freehold	61,000	410,009	4 Nov 1991

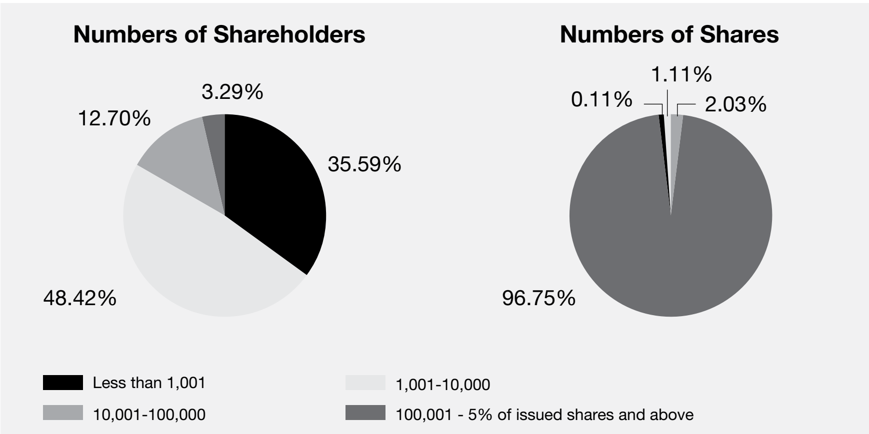
Location	Description	Age of Property	Tenure	Net Book Value (RM)	Built-up Area (sq.ft)	Date of Acquisition
533, Tanah Rata 39000 Cameron Highlands	One unit of apartment for vacation purposes	31 years	Leasehold Term: 85 years Expiry: Aug 2067	110,176	980	30 Nov 1985
27, Jalan Sudirman 3, Bandar Seri Semantan, 28000 Temerloh	One unit of three-storey shopoffice for operations	14 years	Leasehold 99 years Expiry: 2 Mar 2096	541,670	3,900	9 Dec 2000
Negeri Sembilan Darul Khusus						
22 & 23, Jalan Dato' Lee Fong Yee 70000 Seremban	Two units of four-storey shoplots for branch premises	30 years	Freehold	960,789	22,000	15 Mar 1990
Lot 4261 GM395 Mukim Jimah, Port Dickson	One unit of vacant two-storey shophouse	18 years	Freehold	25,664	1,765	25 Apr 1997
32, Beta Ria Business Centre, Jalan Durian Emas 4, Off Jalan Dato' Siamang Gagap, 70100 Seremban	One unit of four-storey shopoffice for operations	16 years	Leasehold 99 years Expiry: 21 Nov 2096	718,989	7,841	18 Feb 2000
Riverine Villas, Parcel No. KG109-3, Penthouse, Block K, Persiaran Palm Springs, Palm Springs Resort, Batu 13, Jalan Pantai, 71250 Port Dickson	One unit of penthouse for rental purposes	16 years	Freehold	90,000	2,379	11 Sep 1995
Johor Darul Takzim						
S142, Bt 22, Jalan Mersing Kahang New Village 86700 Kahang	One unit of double-storey shoplot for branch premises	32 years	Freehold	58,229	2,300	4 Nov 1991
31-7, Jalan Raya Kulai Besar, 81000 Kulai	One unit of shoplot for branch premises	27 years	Freehold	342,636	6,930	19 May 1992
14 & 15, Jalan Abdullah 85000 Segamat	Two units of four-storey shoplots for branch premises	75 years	Freehold	330,388	5,832	12 Jun 1985
100, Jalan Besar 83700 Yong Peng	One unit of shoplot for branch premises	77 years	Freehold	194,407	3,120	12 Jun 1985
12, 12a & 12b, Jalan Padi Satu, Bandar Baru Uda, 81200 Johor Bharu	One unit of three-storey shopoffice for operations	22 years	Freehold	1,620,287	9,363	21 Feb 2000
19-01 to 19-04 & 20-01 to 20-04, Susur 4, Jalan Tun Abdul Razak, 80100 Johor Bharu	Two units of four-storey shopoffices with mezzanine for operations	11 years	Leasehold 99 years Expiry: 29 Sep 2096	1,740,640	10,587	13 Oct 1998
8 Jalan Persiaran Yayasan, 86000 Kluang	One unit of four-storey shopoffice for operations	23 years	Leasehold 99 years Expiry: 2 Apr 2089	725,498	6,584	29 Oct 2001
Kelantan Darul Naim						
707, Jalan Masjid Lama 17000 Pasir Mas	One unit of two-storey shoplot for branch premises	37 years	Leasehold Term: 66 years Expiry: Jan 2061	257,147	3,024	25 Jun 1993
PT 495, PT 496 & PT 497, Seksyen 27, Jalan Dusun Raja, 15300 Kota Bharu	Three units of three-storey shophouses for operations	10 years	Leasehold 33 years Expiry: 21 Aug 2038	1,643,771	12,884	6 Sep 2004

Location	Description	Age of Property	Tenure	Net Book Value (RM)	Built-up Area (sq.ft)	Date of Acquisition
Terengganu Darul Iman						
50, Jalan Lim Teck Wan 23000 Dungun	One unit of double-storey shoplot for branch premises	32 years	Freehold	132,787	3,600	4 Nov 1991
26, Jalan Sultan Mahmud, 20400 Kuala Terengganu	One unit of four-storey shopoffice for operations	35 years	Freehold	1,094,605	6,398	23 Feb 1999
Sabah and Sarawak						
257, Jalan Haji Taha 93400 Kuching	Seven-storey office building for branch premises and rental	16 years	Leasehold Term: 855 years Expiry: Jul 2792	10,154,992	51,906	31 Dec 1994
665, Jalan Permaisuri, 98000 Miri	One unit of three-storey shophouse for operations	11 years	Leasehold from 18 Sep 1992 Expiry: 17 Sep 2052	981,232	4,567	20 Apr 1999
246 & 247, Jalan Datuk Wee Kheng Chiang, 93450 Kuching	Two units of three-storey shophouses for operations	19 years	Leasehold from 14 Nov 1950 Expiry: 31 Dec 2797	1,910,294	8,664	1 Nov 1997
47, Bandaran Berjaya, 88000 Kota Kinabalu	One unit of four-storey shopoffice for operations	8 years	Leasehold 999 years Expiry: 21 Jan 2901	2,014,039	8,500	24 May 2005
Melaka						
163 Taman Melaka Raya, 75000 Melaka	One unit of three-storey shopoffice for operations	10 years	Leasehold 99 years Expiry: 19 Aug 2075	634,995	4,640	12 Aug 2003
162 Taman Melaka Raya 75000 Melaka	One unit of three-storey shopoffice for operations	11 years	Leasehold 99 years Expiry: 19 Aug 2075	895,951	5,200	28 Feb 1998
Kedah						
18, 18A, 18B, 18C, 18D, 18E & 18F, Leboh Raya Darul Aman, 05100 Alor Setar	One unit of six-storey office block, six units of three-storey shopoffices	13 years	Freehold	8,228,421	61,522	10 Dec 2001
Lot 5221, Bandar Sungai Petani, Kuala Muda, Sungai Petani, 08000 Kuala Muda	One piece of commercial land	N/A	Freehold	1,350,000	N/A	6 Jul 2007

AS AT 30 JUNE 2015

ANALYSIS OF SHAREHOLDINGS

Authorised Share Capital	: RM5,200,000,000 divided into 5,000,000,000 Ordinary Shares of RM1.00 each and 200,000,000 Converting Preference Shares of RM1.00 each
Issued and Paid-up Ordinary Share Capital	: RM3,014,184,844
Class of Share	: Ordinary Share of RM1.00 each
Voting Rights	: 1 vote per ordinary shareholder on a show of hands 1 vote per ordinary share on a poll



	Number of Shares		Direct Shareholding	
Number of Shareholders	**No. of Shareholders**	**% of Shareholders**	**No. of Shares**	**% of Shares**
Size of Shareholdings				
Less than 100	1,667	9.29	50,891	0.00
100 – 1,000	4,721	26.30	3,302,039	0.11
1,001 – 10,000	8,692	48.42	33,403,351	1.11
10,001 – 100,000	2,281	12.7	61,145,297	2.03
100,001 to less than 5% of issued shares	588	3.28	1,727,152,646	57.3
5% and above of issued shares	2	0.01	1,189,130,620	39.45
Total	**17,951**	**100.00**	**3,014,184,844**	**100.00**
Location of Shareholders				
Malaysia	16,687	92.96	1,470,759,937	48.81
Singapore	251	1.39	2,968,861	0.09
Hong Kong	2	0.02	18,900	0.00
Australia	31	0.18	717,190,758	23.79
United Kingdom	16	0.09	320,670	0.01
United States of America	5	0.03	63,400	0.00
Other Countries	959	5.33	822,862,318	27.30
Total	**17,951**	**100.00**	**3,014,184,844**	**100.00**
Types of Shareholders (By Nationality)				
Malaysian				
- Individual	14,690	81.83	85,793,311	2.85
- Nominee companies	1,712	9.54	1,001,781,476	33.24
- Other companies	285	1.59	383,185,150	12.72
Singaporean	251	1.39	2,968,861	0.09
Hong Kong National	2	0.02	18,900	0.00
Australian	31	0.18	717,190,758	23.79
United Kingdom National	16	0.09	320,670	0.01
American	5	0.03	63,400	0.00
Other foreigners	959	5.33	822,862,318	27.3
Total	**17,951**	**100.00**	**3,014,184,844**	**100.00**

AS AT 30 JUNE 2015

30 LARGEST SHAREHOLDERS

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

		No. of Shares	%
1.	ANZ Funds Pty Ltd	716,841,483	23.78
2.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	472,289,137	15.67
3.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Amcorp Group Berhad (CB4-AMCORPCAPLL)	147,318,449	4.89
4.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (LBNOFFSHORE-EDG)	111,199,952	3.69
5.	Amcorp Group Berhad	99,609,304	3.30
6.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for the Bank of New York Mellon (Mellon ACCT)	72,013,082	2.39
7.	Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Amcorp Group Berhad	65,500,000	2.17
8.	Amanahraya Trustees Berhad Amanah Saham Wawasan 2020	65,210,990	2.16
9.	Amanahraya Trustees Berhad Skim Amanah Saham Bumiputera	50,000,000	1.66
10.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (West CLTOD67)	48,939,019	1.62
11.	Kumpulan Wang Persaraan (Diperbadankan)	44,974,300	1.49
12.	HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Amcorp Group Berhad	44,200,000	1.47
13.	HSBC Nominees (Asing) Sdn Bhd BBH and CO Boston for Matthews Asian Growth and Income Fund	42,005,500	1.39
14.	Amanahraya Trustees Berhad Amanah Saham Malaysia	35,539,400	1.18
15.	HSBC Nominees (Asing) Sdn Bhd BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	35,032,958	1.16
16.	DB (Malaysia) Nominee (Asing) Sdn Bhd State Street London Fund GMBM for M&G Investment Funds (1) - M&G Global Basics Fund	31,992,900	1.06
17.	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Amcorp Group Berhad (49234JTRK-RC2)	30,000,000	1.00
18.	Cartaban Nominees (Asing) Sdn Bhd GIC Private Limited for Government of Singapore (C)	25,052,941	0.83
19.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Regular Savings Fun (N14011940100)	23,734,300	0.79
20.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	23,552,862	0.78
21.	Amanahraya Trustees Berhad AS 1Malaysia	22,900,000	0.76
22.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd	22,394,618	0.74
23.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	21,340,100	0.71
24.	Cartaban Nominees (Tempatan) Sdn Bhd Exempt AN for Eastspring Investments Berhad	20,438,000	0.68
25.	HSBC Nominees (Asing) Sdn Bhd TNTC for Mondrian Large Cap Concentrated Emerging Markets Equity Fund L.P.	19,358,000	0.64
26.	HSBC Nominees (Asing) Sdn Bhd TNTC for Mondrian Emerging Markets Equity Fund L.P.	16,158,700	0.54
27.	HSBC Nominees (Asing) Sdn Bhd HSBC BK PLC for Prudential Assurance Company Ltd	15,417,800	0.51
28.	HSBC Nominees (Asing) Sdn Bhd HSBC BK PLC for Abu Dhabi Investment Authority (AQUS)	11,642,337	0.39
29.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	10,246,000	0.34
30.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	9,336,750	0.31
	Total	**2,354,238,882**	**78.10**

AS AT 30 JUNE 2015

SUBSTANTIAL SHAREHOLDING ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	No. of Shares			
	Direct Interest	%	Indirect Interest	%
Y Bhg Tan Sri Azman Hashim	–	–	391,069,003[1]	12.97
ANZ Funds Pty Ltd	716,841,483	23.78	–	–
Australia and New Zealand Banking Group Limited	–	–	716,841,483[2]	23.78
Amcorp Group Berhad	391,069,003	12.97	–	–
Clear Goal Sdn Bhd	–	–	391,069,003[1]	12.97
Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	488,316,937	16.20	–	–

Notes:
[1] Deemed interested by virtue of Section 6A (4) of the Companies Act, 1965 held through Amcorp Group Berhad.
[2] Deemed interested by virtue of Section 6A (4) of the Companies Act, 1965 held through ANZ Funds Pty Ltd.

DIRECTORS' INTEREST IN THE COMPANY AND ITS SUBSIDIARIES

THE COMPANY– AMMB HOLDINGS BERHAD

Ordinary Shares

	No. of Shares			
	Direct Interest	%	Indirect Interest	%
Y Bhg Tan Sri Azman Hashim	–	–	391,069,003[1]	12.97
Y Bhg Dato' Azlan Hashim	218,000	0.01	–	–

Note:
[1] Deemed interested by virtue of Section 6A (4) of the Companies Act, 1965 held through Amcorp Group Berhad.

Y Bhg Tan Sri Azman Hashim, by virtue of his interest in the shares of AMMB Holdings Berhad ("AMMB"), is also deemed to have an interest in the shares of the subsidiaries of AMMB to the extent that AMMB has an interest ("Deemed Interest"). Tan Sri Azman Hashim has ceased to have any Deemed Interest by virtue of a reduction in the shareholding of Amcorp Group Berhad in AMMB to below 15% since 9 January 2014.

Other than stated above, none of the other directors of the Company had any direct and indirect interest in the Company or its subsidiaries.

AMMB HOLDINGS BERHAD
22nd Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur

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Fax: 03-2078 2842 (General), 03-2032 1914 (Group Company Secretary)
Website: www.ambankgroup.com

Retail Banking

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No. 8, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 03-2167 3000/3200
Fax: 03-2166 5593
Telex: MA 032355
Cable Address: AMBANK MAL
Website: www.ambankgroup.com
Contact Centre:
1300 80 8888 (Domestic)
or 603-2178 8888 (Overseas)

Branch Offices and Regional Offices are shared with AmBank Islamic Berhad except the three AmBank Islamic Berhad full fledged branches at Bandar Baru Bangi, Alamanda Shopping Complex and UIA – Gombak

Regional Offices

NORTHERN REGION

Pulau Pinang
Leboh Pantai
Tel : 04-261 5573
Fax : 04-250 1025

INNER CENTRAL REGION

Wilayah Persekutuan
Taman Tun Dr. Ismail (TTDI)
Tel: 03-7940 0900
Fax: 03-7910 0902

OUTER CENTRAL REGION

Wilayah Persekutuan
Kepong
Tel: 03-6259 0375
Fax: 03-6259 0379

SOUTHERN REGION

Johor Bahru – Metropolis Tower
Tel: 07-334 9000
Fax: 07-335 3319

EAST COAST REGION

Kuantan – Jalan Berserah
Tel: 09-560 1261
Fax: 09-566 5776

SABAH

Kota Kinabalu
Wisma Fook Looi
Tel : 088-280 111
Fax : 088-242 739

SARAWAK

Kuching – Jalan Haji Taha
Tel: 082-238 238 293
Fax: 082-230 342

Branch Offices

Wilayah Persekutuan
Kuala Lumpur

Bandar Manjalara
Tel: 03-6274 1315
Fax: 03-6274 1232

Bangsar Baru
Tel: 03-2282 8739/8740
Fax: 03-2282 8741

Berjaya Times Square
Tel: 03-2141 8003
Fax: 03-2141 2413

Cheras
Taman Connaught
Tel: 03-9101 4855/7562
Fax: 03-9101 4977

Taman Maluri
Tel: 03-9282 2917, 9285 5266
Fax: 03-9282 6261

Jalan Ipoh – Batu 3
Tel: 03-4042 7192/3577
Fax: 03-4042 0237

Jalan Ipoh – Batu 4 1/2
Tel: 03-6259 3252/3253
Fax: 03-6250 9574

Jalan Raja Chulan
Tel: 03-2078 2100/2166
Fax: 03-2032 3935

Jalan Yap Kwan Seng
Tel: 03-2167 3000
Fax: 03-2162 1606

Solaris Mont Kiara
Tel: 03-6203 7920/7930
Fax: 03-6203 7930

Kepong Baru
Tel: 03-6251 3322/3355
Fax: 03-6259 2870

KL Sentral
Tel: 03-2272 1964/1967
Fax: 03-2272 1970

Overseas Union Garden
Tel: 03-7784 7035/7036
Fax: 03-7784 7041

Pudu – Jalan Pasar
Tel: 03-2141 3617/3635
Fax: 03-2144 0313

Jalan Klang Lama
Tel: 03-7980 8069/8079
Fax: 03-7980 7908

Bandar Sri Permaisuri
Tel: 03-9172 4934
Fax: 03-9172 4803

Selayang
Tel: 03-6136 8560/8561
Fax: 03-6136 8559

Setapak
Tel: 03-4023 6381
Fax: 03-4023 6551

Sri Petaling
Tel: 03-9059 4152/4168
Fax: 03-9056 2512

Wangsa Maju
Tel: 03-4149 5207/5213
Fax: 03-4149 5242

Medan Pasar
Tel: 03-2026 4870/4886
Fax: 03-2072 9148

Menara Dion
Tel: 03-2026 3939, 2381 1550
Fax: 03-2026 6048

Taman Tun Dr. Ismail (TTDI)
Tel: 03-7940 0996, 7940 0997
Fax: 03-7940 0993

Desa Sri Hartamas
Tel: 03-6201 0550
Fax: 03-6201 0524

Selangor Darul Ehsan

AMCORP Mall
Tel: 03-7954 1327/4401
Fax: 03-7955 2575

Ampang Point
Tel: 03-4252 2630/2636
Fax: 03-4252 4160

Bandar Mahkota Cheras
Tel: 03-9010 5901
Fax: 03-9010 5896

Klang
Bandar Bukit Tinggi
Tel: 03-3324 6275/4059
Fax: 03-3324 4043

Bandar Puteri
Tel: 03-5161 2653/2969
Fax: 03-5161 3364

Persiaran Sultan Ibrahim
Tel: 03-3342 6010/0690
Fax: 03-3344 3744

Kota Damansara
Tel: 03-6141 7470/7469
Fax: 03-6141 7466

Balakong
Tel: 03-9074 4013/4078
Fax: 03-9074 4148

Bandar Baru Sungai Buloh
Tel: 03-6157 7500/2242
Fax: 03-6156 6000

Banting
Tel: 03-3187 7462/1330
Fax: 03-3187 0190

Gateway@KLIA2
Tel: 03-8787 8153
Fax: 03-8787 8150

Dataran Mentari
Tel: 03-5622 2451/52
Fax: 03-5622 2450

Bestari Jaya
Tel: 03-3271 0378/0379
Fax: 03-3271 0376

Damansara Utama
Tel: 03-7726 3660/3662
Fax: 03-7726 3658

Kajang
Tel: 03-8736 0468, 8737 6272
Fax: 03-8736 7333

Kelana Jaya
Tel: 03-7803 4574, 7804 3508/3509
Fax: 03-7803 4781

Kota Kemuning
Tel: 03-5120 1186
Fax: 03-5120 1185

PJ New Town
Tel : 03-7956 9077/9103
Fax : 03-7956 3146

PJ SS2
Tel: 03-7874 0042/0477
Fax: 03-7874 2517

Wisma Palmbase
Tel: 03-3371 7672/7698
Fax: 03-3371 8749

Puchong
Bandar Puteri
Tel: 03-8060 5944/6964
Fax: 03-8060 6532

Taman Kinrara
Tel: 03-8075 4461/4680/2478
Fax: 03-8070 3336

Setia Alam
Tel: 03-3343 7740/7758
Fax: 03-3343 7862

Rawang Country Homes
Tel: 03-6092 5732/5731
Fax: 03-6092 5735

Bandar Baru Rawang
Tel: 03-6091 6835/6837
Fax: 03-6091 8612

Semenyih
Tel: 03-8723 9609/9897
Fax: 03-8723 9571

Sepang
Tel: 03-3142 2171/2250
Fax: 03-3142 2170

Shah Alam
Section 13
Tel: 03-5519 5645/5691
Fax: 03-5510 2416

Section 15
Tel: 03-5512 2778/2860
Fax: 03-5510 6968

Seri Kembangan
Tel: 03-8942 5364/2093
Fax: 03-8942 5373

Subang Jaya
Tel: 03-5635 0093, 5636 4434
Fax: 03-5634 5088

Subang New Village
Tel: 03-7846 7052/7053
Fax: 03-7846 7364

Sungai Besar
Tel: 03-3224 1203/2128
Fax: 03-3224 2177

Tanjung Karang
Tel: 03-3269 5429/5727
Fax: 03-3269 8997

USJ Sentral
Tel: 03-8025 9390
Fax: 03-8025 9378

USJ Taipan
Tel: 03-5631 0878, 5636 8699
Fax: 03-5637 2899

Perak Darul Ridzuan

Ayer Tawar
Tel: 05-672 2201/3126
Fax: 05-672 2205

Bagan Serai
Tel: 05-721 1808/5805
Fax: 05-721 1392

Batu Gajah
Tel: 05-366 1372/1442
Fax: 05-366 5009

Bercham
Tel: 05-545 9695/9697
Fax: 05-545 9702

Ipoh Garden
Tel: 05-542 5100/5102
Fax: 05-546 1833

Ipoh
Jalan Yang Kalsom
Tel: 05-249 8546/8532
Fax: 05-255 7539

Kampar
Tel: 05-465 1964, 466 1067
Fax: 05-465 1534

Kuala Kangsar
Tel: 05-776 1186/1955
Fax: 05-776 4008

Kuala Sepetang
Tel: 05-858 1773
Fax: 05-858 1996

Langkap
Tel: 05-659 1227/2735
Fax: 05-659 2888

Menglembu
Tel: 05-281 0402/0403
Fax: 05-281 0408

Pangkor
Tel: 05-685 1051/2776
Fax: 05-685 2161

Parit Buntar
Tel: 05-716 2366/1732
Fax: 05-716 4287

Silibin
Tel: 05-527 7715/7716
Fax: 05-527 7719

Sitiawan
Tel: 05-691 2476/2496
Fax: 05-691 6935

Sungai Siput
Tel: 05-597 2357/2388
Fax: 05-597 2359

Taiping
Tel: 05-808 3108, 806 0613
Fax: 05-807 2108

Tanjung Malim
Tel: 05-459 0825/6649
Fax: 05-459 6371

Teluk Intan
Tel: 05-621 1008/7175
Fax: 05-621 2120

Pulau Pinang

Ayer Itam
Tel: 04-826 3015, 828 8566
Fax: 04-829 1414

Balik Pulau
Tel: 04-866 0863/8633
Fax: 04-866 8430

Bagan Ajam
Tel: 04-331 9020
Fax: 04-331 9024

Bayan Baru
Tel: 04-644 8142/8149
Fax: 04-644 8163

Bukit Mertajam
Tel: 04-530 2392/2393
Fax: 04-530 2395

Gelugor
Tel: 04-657 1284/2148
Fax: 04-657 2004

Jelutong
Tel: 04-657 2339, 659 2410
Fax: 04-657 1644

Leboh Pantai
Tel: 04-263 2520/2523
Fax: 04-263 1468

Pulau Tikus
Tel: 04-229 8942/8943
Fax: 04-229 8945

Sungai Bakap
Tel: 04-582 2368/4579
Fax: 04-582 5827

Sungai Dua
Tel: 04-356 7691/1328
Fax: 04-356 1159

Tanjung Bungah
Tel: 04-890 4502/4628
Fax: 04-890 4690

Menara Liang Court
Tel: 04-226 3939
Fax: 04-226 1313

Seberang Jaya
Tel: 04-397 9569/9570
Fax: 04-397 9572

Kedah Darul Aman

Alor Setar
Tel: 04-730 1905, 731 1984
Fax: 04-731 3901

Jitra
Tel: 04-917 2910/5555
Fax: 04-917 2911

Kulim
Tel: 04-491 3666/3667
Fax: 04-490 0162

Langkawi
Tel: 04-966 3130/3133
Fax: 04-966 3129

Sungai Petani
Tel: 04-422 7980/7987
Fax: 04-422 8191

Lagenda Heights
Tel: 04-425 1382
Fax: 04-425 3587

Perlis Indera Kayangan

Kangar
Tel: 04-976 9177/9190
Fax: 04-976 4217

Kelantan Darul Naim

Kota Bharu
Tel: 09-741 9508/9506
Fax: 09-747 9340

Pasir Mas
Tel: 09-790 0701/0702
Fax: 09-790 0703

Terengganu Darul Iman

Dungun
Tel: 09-848 5220/5221
Fax: 09-845 6220

Jerteh
Tel: 09-697 2511/2512
Fax: 09-697 2513

Kemaman
Tel: 09-859 2534
Fax: 09-859 4433

Kuala Terengganu
Tel: 09-624 9957/9958/
9959/9960
Fax: 09-624 9916

Pahang Darul Makmur

Bentong
Tel: 09-222 6850/3888
Fax: 09-222 4622

Jerantut
Tel: 09-266 3005/5005
Fax: 09-266 5046

Kuantan
Jalan Beserah
Tel: 09-560 1818/1830
Fax: 09-567 0695

Jalan Haji Abdul Aziz
Tel: 09-516 4389/2607
Fax: 09-555 3782

Mentakab
Tel: 09-277 1196/3028
Fax: 09-277 5427

Raub
Tel: 09-356 1850, 355 3166
Fax: 09-356 1852

Tanah Rata
Tel: 05-491 1088/1089
Fax: 05-491 1087

Temerloh
Tel: 09-290 1113/1128
Fax: 09-296 5889

Triang
Tel: 09-255 3124/3304
Fax: 09-255 3198

Negeri Sembilan Darul Khusus

Bahau
Tel: 06-455 3001/3002
Fax: 06-454 3998

Mantin
Tel: 06-758 3630/3631
Fax: 06-758 2251

Nilai
Tel: 06-794 0412, 06-794 0413, 06-794 0414
Fax: 06-794 0415

Port Dickson
Tel: 06-646 1013/1016
Fax: 06-647 4033

Rasah Jaya
Tel: 06-632 8462/8420
Fax: 06-632 8382

Seremban
Jalan Dato' Lee Fong Yee
Tel: 06-762 4463, 763 6988
Fax: 06-763 5905

Jalan Pasar
Tel: 06-764 7735/7734
Fax: 06-764 1537

Melaka

Ayer Keroh
Tel: 06-232 3146/3866
Fax: 06-232 3466

Jasin
Tel: 06-529 4361/4362
Fax: 06-529 4363

Jalan Munshi Abdullah
Tel: 06-282 8114, 286 6530/2870/2871
Fax: 06-283 6926

Tampin
Tel: 06-441 1330/3301
Fax: 06-441 4735

Taman Melaka Raya
Tel: 06-282 5785/5897
Fax: 06-282 5979

Bandar Utama Cheng
Tel: 06-335 6066
Fax: 06-335 1086

Johor Darul Takzim

Batu Pahat
Jalan Rugayah
Tel: 07-433 8431, 434 8550
Fax: 07-431 6214

Jalan Rahmat
Tel: 07-432 4208, 431 8218
Fax: 07-431 8961

Setia Tropika
Tel: 07-236 1124
Fax: 07-235 1127

Melodies Garden
Tel: 07-334 1061/1054
Fax: 07-334 1063

Metropolis Tower
Tel: 07-335 8905/0600
Fax: 07-335 0469

Bukit Indah
Tel: 07-235 4708/4722
Fax: 07-235 4834

Johor Jaya
Tel: 07-354 7033, 355 7759
Fax: 07-356 2624

Kluang
Tel: 07-776 2801
Fax: 07-771 9408

Kota Tinggi
Tel: 07-883 4978
Fax: 07-883 4507

Kulai
Tel: 07-663 4830/1567
Fax: 07-663 1155

Pasir Gudang
Tel: 07-251 0861/2916
Fax: 07-251 8908

Permas Jaya
Tel: 07-387 8977, 386 9842
Fax: 07-387 7748

Pontian
Tel: 07-687 3171/6388
Fax: 07-687 3067

Segamat
Tel: 07-931 9515/9941
Fax: 07-931 6159

Skudai
Tel: 07-556 8031/7259
Fax: 07-558 1927

Sungai Rengit
Tel: 07-826 3011/3013
Fax: 07-826 3359

Tampoi
Tel: 07-234 1216/1217
Fax: 07-234 1131

Tangkak
Tel: 07-978 1331/9519
Fax: 07-978 2144

Ulu Tiram
Tel: 07-867 1004, 867 1002
Fax: 07-867 1006

Yong Peng
Tel: 07-467 2499/3546
Fax: 07-467 2668

Muar
Tel: 06-954 0070/0071
Fax: 06-954 0076

Sabah

Bandar Pasaraya
Tel: 089-218 240, 213 419
Fax: 089-218 226

Kota Kinabalu Metro Town
Tel: 088-393 202
Fax: 088-393 701

Keningau
Tel: 087-333 745, 331 088
Fax: 087-331 818

Kota Kinabalu
Jalan Sagunting
Tel: 088-243 725, 246 112
Fax: 088-248 967

Luyang Commercial Centre
Tel: 088-280 164/160
Fax: 088-241 242

Kudat
Tel: 088-612 301, 613 255
Fax: 088-612 253

Lahad Datu
Tel: 089-881 561, 884 992
Fax: 089-881 778

Sandakan
Tel: 089-212 627, 215 322
Fax: 089-273 666

Tawau
Tel: 089-764 932/905, 770 430
Fax: 089-764 971

Sarawak

Bau
Tel: 082-762 319/325
Fax: 082-762 320

Bintulu
Tel: 086-337 164/290
Fax: 086-332 400

Jalan Abell
Tel: 082-244 608/604
Fax: 082-232 023

Jalan Haji Taha
Tel: 082-207 298, 236 610
Fax: 082-256 600

Jalan Penrissen
Tel: 082-455 560
Fax: 082-455 596

Tabuan Jaya
Tel: 082-360 644/740
Fax: 082-360 942

Miri
Beautiful Jade Centre
Tel: 085-414 676
Fax: 085-419 676

Boulevard Centre
Tel: 085-437 908/909
Fax: 085-437 915

Sarikei
Tel: 084-655 776/777
Fax: 084-655 775

Serian
Tel: 082-875 157/158
Fax: 082-875 155

Sibu
Tanahmas
Tel: 084-322 766, 313 639
Fax: 084-318 786

Jalan Pedada
Tel: 084-337 791, 339 105
Fax: 084-337 736

Jalan Tuanku Osman
Tel: 084-348 746
Fax: 084-348 745

Sibu Jaya
Tel: 084-237 849, 236 978, 237 030
Fax: 084-237 927

Kuching Premier 101
Tel: 082-466 116
Fax: 082-466 106

Wilayah Persekutuan

Labuan
Tel: 087-417 891/898
Fax: 087-418 090

Islamic Banking

AmBank Islamic Berhad
Head Office
Level 45, Menara AmBank
No. 8, Jalan Yap Kwan Seng
50400 Kuala Lumpur
Tel: 03-2167 3000
Fax: 03-2166 5664
Telex: MA 032355
Cable Address: AMBANK MAL
Website: www.ambankislamic.com

Contact Centre:
1300 80 8888 (Domestic)
or 603-2178 8888 (Overseas)

Branch Offices and Regional Offices are shared with AmBank (M) Berhad except the three AmBank Islamic Berhad full fledged branches at Bandar Baru Bangi, Alamanda Shopping Complex and UIA – Gombak

Branch Offices

Selangor Darul Ehsan

Bandar Baru Bangi
Tel: 03-8925 1124/3313
Fax: 03-8925 2005

UIA - Gombak
Tel: 03-6185 6577
Fax: 03-6185 6584

Wilayah Persekutuan

Putrajaya
Alamanda Shopping Complex
Tel: 03-8888 3898
Fax: 03-8888 9352

AmCard Services Berhad
(formerly known as Arab-Malaysian Credit Berhad)
Head Office
Level 11, Menara MBf
Jalan Sultan Ismail
50250 Kuala Lumpur
PO Box 10060, 50704 Kuala Lumpur
Tel: 03-2167 7000
Fax: 03-2162 1563

Merchant Business Centres

Pulau Pinang

Menara Liang Court
Tel: 04-228 7555
Fax: 04-229 9762

Butterworth
Tel: 04-397 7166
Fax: 04-397 7191

Kedah Darul Aman

Alor Setar
Tel: 04-772 4333
Fax: 04-772 1301

Langkawi
Tel: 04-966 0331
Fax: 04-966 0334

Sg Petani
Tel: 04-425 2276
Fax: 04-423 6852

Johor Darul Takzim

Johor Bahru
Tel: 07-334 3322
Fax: 07-332 2516

Batu Pahat
Tel: 07-431 1667/431 2268
Fax: 07-431 4170

Kluang
Tel: 07-777 1134/771 7134
Fax: 07-771 7135

Muar
Tel: 06-954 4077/954 4085
Fax: 06-954 4048

Pahang Darul Makmur

Kuantan
Tel: 09-515 8800
Fax: 09-516 2182

Selangor Darul Ehsan

Setia Alam
Tel: 03-3358 0819
Fax: 03-3358 8921

Perak Darul Ridzuan

Ipoh
Tel: 05-241 3777
Fax: 05-2419515

Sitiawan
Tel: 05-692 3076/692 4792
Fax: 05-692 8537

Melaka

Melaka
Tel: 06-283 3888
Fax: 06-281 4622

Negeri Sembilan Darul Khusus

Seremban
Tel: 06-764 8422
Fax: 06-764 8417/762 3038

Terengganu Darul Iman

Kuala Terengganu
Tel: 09-623 3692
Fax: 09-623 9342

Kelantan Darul Naim

Kota Bahru
Tel: 09-744 9803
Fax: 09-744 9875

Sarawak

Kuching
Tel: 082-422 262
Fax: 082-231 262

Miri
Tel: 085-425 022
Fax: 085-425 020

Sibu
Tel: 084-340 515
Fax: 084-340 516

Bintulu
Tel: 086-337 190
Fax: 086-338 190

Sabah

Kota Kinabalu
Tel: 088-269 555
Fax: 088-253 803

Tawau
Tel: 089-751 400
Fax: 089-752 868

Sandakan
Tel: 089-217 785
Fax: 089-215 499

Wilayah Persekutuan

Labuan FT
Tel: 087-421 889
Fax: 087-421 887

Wholesale Banking Coverage

Head Office
24th Floor
Bangunan AmBank Group
No. 55, Jalan Raja Chulan
P.O.Box 10233
50708 Kuala Lumpur
Tel: 03-2036 2633
Fax: 03-2078 2842

Branch Offices

CENTRAL REGION

Kuala Lumpur
Menara Dion
Tel: 03-2026 3939
Fax: 03-2026 6855

Petaling Jaya
Taman Tun Dr. Ismail (TTDI)
Tel: 03-7940 0999/0959
Fax: 03-7940 0960

Kajang
Tel: 03-8733 2176
Fax: 03-8733 3280

Shah Alam
Section 13
Tel: 03-5510 9915
Fax: 03-5510 9920

NORTHERN REGION

Pulau Pinang
Menara Liang Court
Tel: 04-226 1818
Fax: 04-229 7488

Bukit Mertajam
Tel: 04-540 3187/3188/3189
Fax: 04-530 6151

Ipoh
Ipoh Garden
Tel: 05-546 8766
Fax: 05-545 7682

SOUTHERN & EAST COAST REGION

Johor Bahru
Metropolis Tower
Tel: 07-334 8766, 333 2309/4245
Fax: 07-334 8799

Batu Pahat
Jalan Rahmat
Tel: 07-432 8851/2288
Fax: 07-432 7000

Muar
Jalan Abdullah
Tel: 06-953 7276/9984, 955 6178
Fax: 06-955 5057

Kluang
Jalan Dato' Teoh Siew Khor
Tel: 07-771 3271
Fax: 07-772 1843

Segamat
Jalan Abdullah
Tel: 07-931 9052
Fax: 07-931 9057

Taman Melaka Raya
Tel: 06-282 9706/9701
Fax: 06-288 1732

Seremban
Seremban City Centre
Tel: 06-767 9594/2809
Fax: 06-767 8197

Kuantan
Tel: 09-513 7655
Fax: 09-513 4516

SARAWAK REGION

Kuching
Tel: 082-244 791
Fax: 082-259 771

Sibu
Tel: 084-312 528
Fax: 084-327 669

Miri
Tel: 085-411 588
Fax: 085-439 788

Bintulu
Tel: 086-313 478
Fax: 086-311 400

SABAH REGION

Kota Kinabalu
Tel: 088-213 488/498
Fax: 088-262 096

WILAYAH PERSEKUTUAN

Labuan
Tel: 087-413 133, 439 399
Fax: 087-425 211, 439 395

Wholesale Banking Products

AmInvestment Bank Berhad
Head Office
22nd Floor
Bangunan AmBank Group
No. 55, Jalan Raja Chulan
P. O. Box 10233
50708 Kuala Lumpur
Tel: 03-2036 2633
Fax: 03-2078 2842

Branch Offices

Selangor Darul Ehsan

Damansara Utama
Tel: 03-7710 6613
Fax: 03-7710 7708

Pulau Pinang

Menara Liang Court
Tel: 04-226 1818
Fax: 04-229 7634

Lebuh Pantai
Tel: 04-261 8688
Fax: 04-261 9288

Johor Darul Takzim

Johor Bahru
Tel: 07-334 8766
Fax: 07-332 3843

Batu Pahat
Tel: 07-434 2282
Fax: 07-432 7982

Sabah

Kota Kinabalu
Tel: 088-213 488/498, 221 728
Fax: 088-221 050

Sarawak

Kuching
Tel: 082-244 791
Fax: 082-414 944

Markets
Head Office
Level 23
Bangunan AmBank Group
55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2059 8700/8600/8610
Fax: 03-2031 4821

Transaction Banking
Head Office
Level 16 & 21, Menara Dion
Jalan Sultan Ismail
50250 Kuala Lumpur
Website: www.ambankgroup.com/transactionbanking
Client Services Group
Tel: 603-2381 8800
Fax: 603-2026 1716

Transaction Banking Centres available at (please contact Head Office for more information)
- Kuala Lumpur, Wilayah Persekutuan
- Penang, Pulau Pinang
- Ipoh, Perak Darul Ridzuan
- Bukit Mertajam, Pulau Pinang
- Shah Alam, Selangor Darul Ehsan
- Seremban, Negeri Sembilan Darul Khusus
- Melaka, Melaka
- Johor Bahru, Johor Darul Takzim
- Batu Pahat, Johor Darul Takzim
- Muar, Johor Darul Takzim
- Kota Kinabalu, Sabah
- Kuching, Sarawak
- Sibu, Sarawak
- Miri, Sarawak

Funds Management

AmInvestment Services Berhad
9th Floor
Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2032 2888
Fax: 03-2031 5210

AmIslamic Funds Management Sdn Bhd
9th & 10th Floor
Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2032 2888
Fax: 03-2031 5210

Private Banking
Head Office
Level 18
Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2036 1300

AmFutures Sdn Bhd
16th Floor
Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-9235 3235/3223
Fax: 03-2032 3221

Am ARA REIT Managers Sdn Bhd
Penthouse
Menara AmFIRST
No.1, Jalan 19/3
46300 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7955 8780/82
Fax: 03-7955 8380
Website: www.amfirstreit.com.my

AmTrustee Berhad
15th Floor
Menara AmFIRST
No. 1, Jalan 19/3
46300 Petaling Jaya, Selangor
Tel: 03-7954 6862
Fax: 03-7954 6595
Email: amtrustee@ambankgroup.com

AmResearch Sdn Bhd
15th Floor
Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2036 2633
Fax: 03-2078 3162

AmInternational (L) Ltd/ AmBank (M) Berhad, Labuan Offshore Branch
Head Office
Level 12(B)
Block 4 Office Tower
Financial Park Labuan Complex
Jalan Merdeka
87000 Federal Territory of Labuan
Tel: 087-413 133, 439 399
Fax: 087-425 211, 439 395

General Insurance

AmGeneral Insurance Berhad
(Formerly known as Kurnia Insurans (M) Berhad)
Head Office
AmGeneral Insurance Berhad
Menara Kurnia
N0.9, Jalan PJS 8/9,
46150 Petaling Jaya,
P.O. Box 8607,
46792 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia

Kurnia Insurans
Tel: 03-7875 3333
Fax: 03-7875 9933

AmAssurance
Contact Centre: 1300 80 3030

Branch Offices

Wilayah Persekutuan

Jalan Lumut
Tel: 03-4047 8000
Fax: 03-4045 3520
Contact Centre: 1300 80 3030

Jalan Maharajalela
Tel: 03-2148 1528
Fax: 03-2145 9949

Jalan Yap Ah Shak
Tel: 03-2693 2937
Fax: 03-2693 8431

Selangor Darul Ehsan

Klang
Tel: 03-3341 0559
Fax: 03-3342 6890

Central Branch, Menara Kurnia
Tel: 03-7875 3333
Fax: 03-7875 9933

Kepong
Tel: 03-6257 7623
Fax: 03-6257 8249

Kajang
Tel: 03-8737 9236
Fax: 03-8734 1467

Perak Darul Ridzuan

Ipoh
AmAssurance
Tel: 05-253 3493
Fax: 05-253 1650

Kurnia Insurans
Tel: 05-255 4097
Fax: 05-255 6020

Sitiawan
Tel: 05-691 0515
Fax: 05-691 2341

Taiping
Tel: 05-807 2254
Fax: 05-808 8922

Pulau Pinang

Butterworth
Tel: 04-397 5085
Fax: 04-397 8226

Penang
Tel: 04-229 7181
Fax: 04-228 9191

Kedah Darul Aman

Alor Setar
AmAssurance
Tel: 04-733 7898
Fax: 04-732 4606

Kurnia Insurans
Tel: 04-731 1320
Fax: 04-731 0888

Sungai Petani
Tel: 04-442 8218
Fax: 04-442 8217

Perlis Indera Kayangan

Kangar
Tel: 04-976 8905
Fax : 04-977 3636

Kelantan Darul Naim

Kota Bharu
Tel: 09-744 3312
Fax: 09-744 9633

Terengganu Darul Iman

Kuala Terengganu
Tel: 09-624 6561
Fax: 09-624 6531

Pahang Darul Makmur

Kuantan
Tel: 09-566 4527
Fax: 09-566 1164

Temerloh
Tel: 09-296 0933
Fax: 09-296 6933

Negeri Sembilan Darul Khusus

Seremban
Tel: 06-767 2158
Fax: 06-763 8462

Melaka

Melaka
Tel: 06-281 3707
Fax: 06-288 3090

Johor Darul Takzim

Bandar Baru Uda
Tel: 07-238 9872
Fax: 07-238 7625

Batu Pahat
Tel: 07-432 6199
Fax: 07-432 5396

Johor Bahru
Tel: 07-334 4618
Fax: 07-334 7620

Johor Jaya
Tel: 07-355 2970
Fax: 07-358 4754

Kluang
Tel: 07-772 2182
Fax: 07-773 3993

Segamat
Tel: 07-932 9303
Fax: 07-932 1701

Sabah

Kota Kinabalu
Tel: 088-393 129
Fax: 088-393 137

Tawau
Tel: 089-762 633
Fax: 089-762 533

Sarawak

Kuching
Tel: 082-339 171
Fax: 082-339 176

Miri
Tel: 085-420 102
Fax: 085-420 924

Sibu
Tel: 084-231 730
Fax: 084-231 702

Life Assurance/Family Takaful

AmMetLife
Head Office
Level 19, Menara AmMetLife
No. 1, Jalan Lumut
50400 Kuala Lumpur
Tel: 03-4047 8000
Fax: 03-4043 8680
Contact Centre: 1300 88 8800

AmMetLife Takaful
Head Office
Level 12, Menara AmMetLife
No. 1, Jalan Lumut
50400 Kuala Lumpur
Tel: 03-4047 8000
Fax: 03-4043 2007
Contact Centre: 1300 22 9777

Branch Offices

Wilayah Persekutuan

Kuala Lumpur
KL Main Branch
Tel: 03-4041 6959
Fax: 03-4045 4682

Selangor Darul Ehsan

Klang
Tel: 03-3344 8100
Fax: 03-3344 7524

Perak Darul Ridzuan

Ipoh
Tel: 05-254 0589, 255 8193
Fax: 05-241 3570

Pulau Pinang

Georgetown
Tel: 04-229 3611, 228 7270/7268
Fax: 04-228 4412

Kedah Darul Aman

Sungai Petani
Tel: 04-422 8819
Fax: 04-421 3528

Alor Setar
Tel: 04-734 6731, 735 4809
Fax: 04-735 4335

Kelantan Darul Naim

Kota Bharu
Tel: 09-747 0571/0569
Fax: 09-744 2342

Terengganu Darul Iman

Kuala Terengganu
Tel: 09-626 1605/4945
Fax: 09-631 7285

Pahang Darul Makmur

Kuantan
Tel: 09-566 2011
Fax: 09-567 9792

Negeri Sembilan Darul Khusus

Seremban
Tel: 06-767 2280
Fax: 06-767 2282

Melaka

Taman Melaka Raya
Tel: 06-281 3590
Fax: 06-281 3580

Johor Darul Takzim

Batu Pahat
Tel: 07-434 2985/2986
Fax: 07-434 3102

Johor Bahru
Tel: 07-333 2688
Fax: 07-334 4776

Sabah

Kota Kinabalu
Tel: 088-393 676/678/938
Fax: 088-393 679

Tawau
Tel: 089-760 151
Fax: 089-760 153

Sarawak

Kuching
Tel: 082-415 067
Fax: 082-236 418

Sibu
Tel: 084-313 901
Fax: 084-344 875

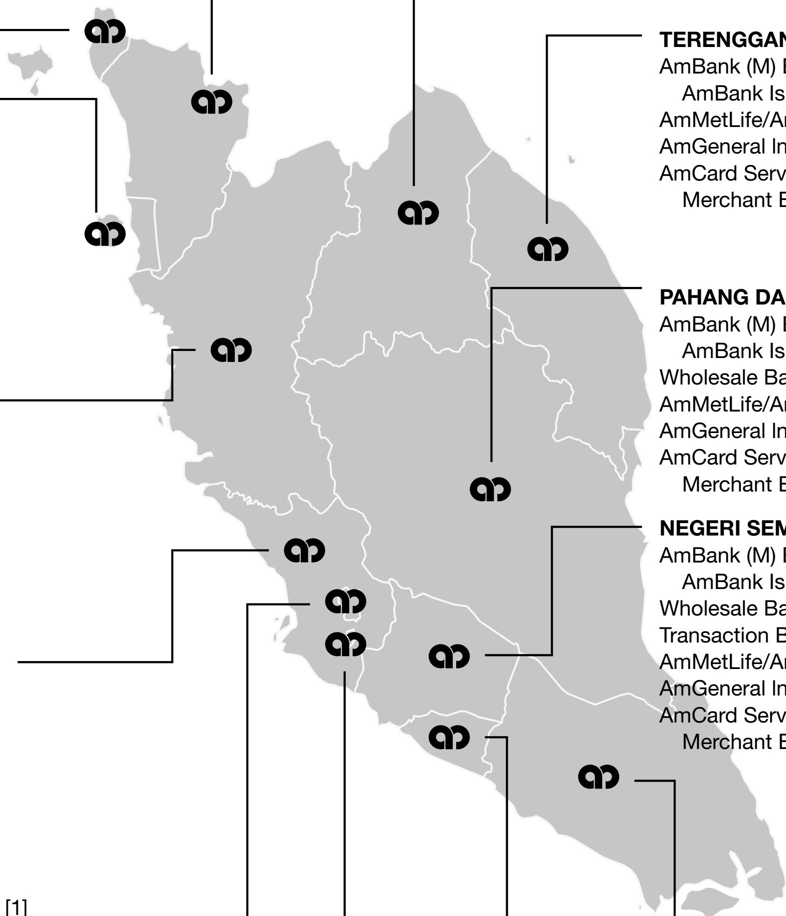
Miri
Tel: 085-415 526
Fax: 085-423 097

GROUP BRANCH NETWORK

PERLIS INDERA KAYANGAN
AmBank (M) Berhad/
AmBank Islamic Berhad [1]
AmGeneral Insurance Berhad [1]*

KEDAH DARUL AMAN
AmBank (M) Berhad/
AmBank Islamic Berhad [6]
AmMetLife/AmMetLife Takaful [2]
AmGeneral Insurance Berhad [2]*
AmCard Services Berhad -
Merchant Business Centre [3]

KELANTAN DARUL NAIM
AmBank (M) Berhad/
AmBank Islamic Berhad [2]
AmMetLife/AmMetLife Takaful [1]
AmGeneral Insurance Berhad [1]*
AmCard Services Berhad - Merchant
Business Centre [1]



PULAU PINANG
AmBank (M) Berhad/
AmBank Islamic Berhad [14]
Wholesale Banking Coverage [2]
Transaction Banking [2]
AmInvestment Bank Berhad [2]
AmMetLife/AmMetLife Takaful [1]
AmGeneral Insurance Berhad [2]*
AmCard Services Berhad -
Merchant Business Centre [2]

PERAK DARUL RIDZUAN
AmBank (M) Berhad/
AmBank Islamic Berhad [19]
Wholesale Banking Coverage [1]
Transaction Banking [1]
AmMetLife/AmMetLife Takaful [1]
AmGeneral Insurance Berhad [3]*
AmCard Services Berhad -
Merchant Business Centre [2]

SELANGOR DARUL EHSAN
AmBank (M) Berhad/
AmBank Islamic Berhad [38]
Wholesale Banking Coverage [3]
Transaction Banking [1]
AmInvestment Bank Berhad [1]
AmBank Islamic Berhad [2]
AmMetLife/AmMetLife Takaful [1]
AmGeneral Insurance Berhad [4]*
Am ARA REIT Managers Sdn Bhd [1]
AmTrustee Berhad [1]
AmCard Services Berhad -
Merchant Business Centre [1]

WILAYAH PERSEKUTUAN KUALA LUMPUR
AmBank (M) Berhad/
AmBank Islamic Berhad [24]
Wholesale Banking Coverage [1]
Transaction Banking [2]
AmInvestment Bank Berhad [1]
Markets [1]
AmFutures Sdn Bhd [1]
AmMetLife/AmMetLife Takaful [1]
AmGeneral Insurance Berhad [3]*
AmInvestment Management Sdn Bhd [1]
AmIslamic Funds Management Sdn Bhd [1]
AmResearch Sdn Bhd [1]
AmCard Services Berhad -
Merchant Business Centre [1]

WILAYAH PERSEKUTUAN PUTRAJAYA
AmBank Islamic Berhad [1]

MELAKA
AmBank (M) Berhad/
AmBank Islamic Berhad [6]
Wholesale Banking Coverage [1]
Transaction Banking [1]
AmMetLife/AmMetLife Takaful [1]
AmGeneral Insurance Berhad [1]*
AmCard Services Berhad -
Merchant Business Centre [1]

TERENGGANU DARUL IMAN
AmBank (M) Berhad/
AmBank Islamic Berhad [4]
AmMetLife/AmMetLife Takaful [1]
AmGeneral Insurance Berhad [1]*
AmCard Services Berhad -
Merchant Business Centre [1]

PAHANG DARUL MAKMUR
AmBank (M) Berhad/
AmBank Islamic Berhad [9]
Wholesale Banking Coverage [1]
AmMetLife/AmMetLife Takaful [1]
AmGeneral Insurance Berhad [2]*
AmCard Services Berhad -
Merchant Business Centre [1]

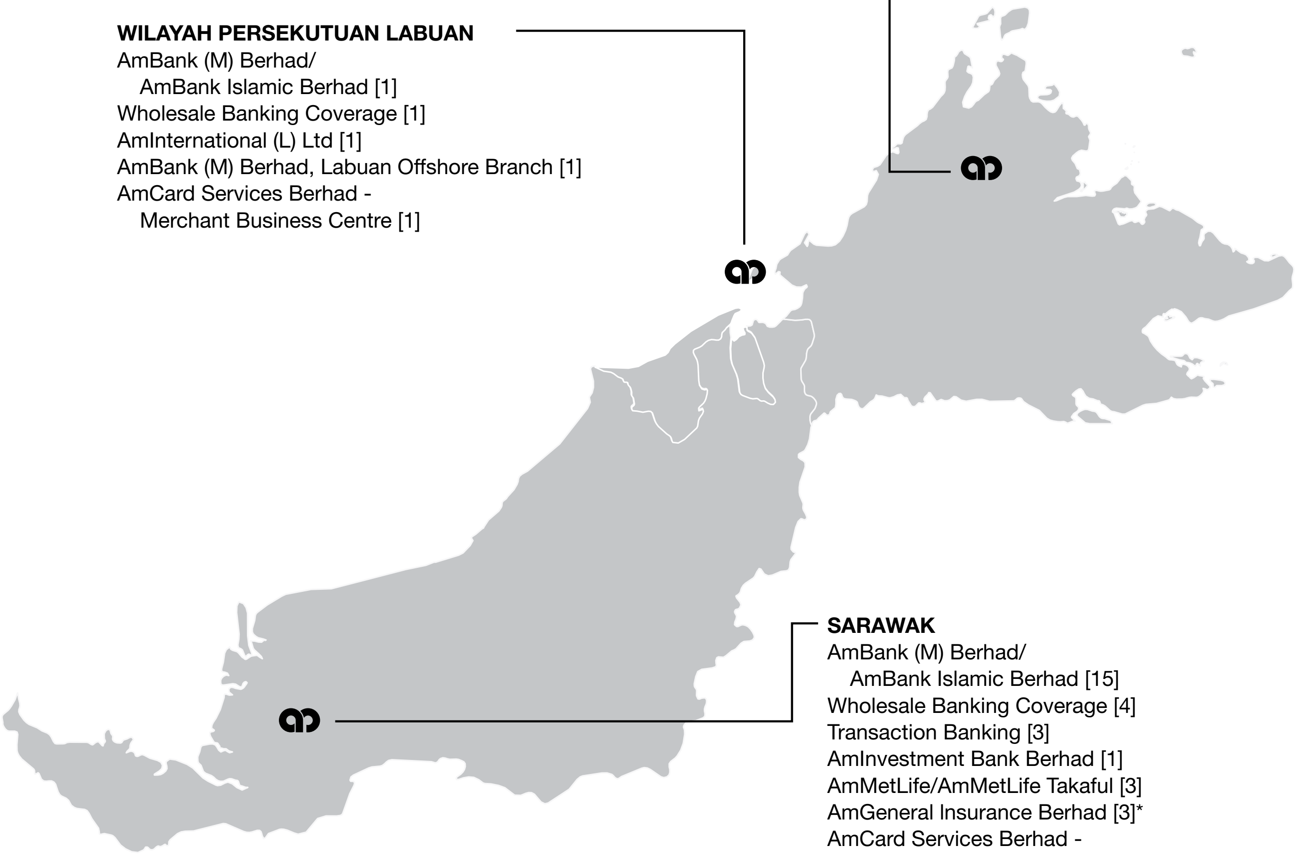
NEGERI SEMBILAN DARUL KHUSUS
AmBank (M) Berhad/
AmBank Islamic Berhad [7]
Wholesale Banking Coverage [1]
Transaction Banking [1]
AmMetLife/AmMetLife Takaful [1]
AmGeneral Insurance Berhad [1]*
AmCard Services Berhad -
Merchant Business Centre [1]

JOHOR DARUL TAKZIM
AmBank (M) Berhad/
AmBank Islamic Berhad [21]
Wholesale Banking Coverage [5]
Transaction Banking [3]
AmInvestment Bank Berhad [2]
AmMetLife/AmMetLife Takaful [2]
AmGeneral Insurance Berhad [3]*
AmCard Services Berhad -
Merchant Business Centre [4]

* AmGeneral Insurance Berhad branches operate under the brand names of AmAssurance/Kurnia Insurans

SABAH
AmBank (M) Berhad/
AmBank Islamic Berhad [9]
Wholesale Banking Coverage [1]
Transaction Banking [1]
AmInvestment Bank Berhad [1]
AmMetLife/AmMetLife Takaful [2]
AmGeneral Insurance Berhad [2]*
AmCard Services Berhad -
Merchant Business Centre [3]

WILAYAH PERSEKUTUAN LABUAN
AmBank (M) Berhad/
AmBank Islamic Berhad [1]
Wholesale Banking Coverage [1]
AmInternational (L) Ltd [1]
AmBank (M) Berhad, Labuan Offshore Branch [1]
AmCard Services Berhad -
Merchant Business Centre [1]



SARAWAK
AmBank (M) Berhad/
AmBank Islamic Berhad [15]
Wholesale Banking Coverage [4]
Transaction Banking [3]
AmInvestment Bank Berhad [1]
AmMetLife/AmMetLife Takaful [3]
AmGeneral Insurance Berhad [3]*
AmCard Services Berhad -
Merchant Business Centre [4]

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AmBank Group
AMMB Holdings Berhad
(223035-V) (Incorporated in Malaysia)

Form of Proxy

CDS ACCOUNT NO. OF AUTHORISED NOMINEE *____________________

I/We ____ (full name in capital letters)

NRIC No./Company No. ______________________________(New)________________________________ (Old)

of ____ (full address)

being a member of AMMB Holdings Berhad, hereby appoint ____

NRIC No.____________________________________(New)________________________________(Old)

or failing him/her____

NRIC No.____________________________________(New)________________________________(Old)

or failing him/her, THE CHAIRMAN OF THE MEETING, as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Fourth Annual General Meeting of the Company to be held at Manhattan II, Level 14, Berjaya Times Square Hotel Kuala Lumpur, No. 1 Jalan Imbi, 55100 Kuala Lumpur on Thursday, 20 August 2015 at 10.00 a.m. or at any adjournment thereof, as indicated below:

No.	Resolution	For	Against
1.	**Ordinary Business** Approve a final single tier dividend of 15.3% for the financial year ended 31 March 2015.		
2.	Approve the payment of Directors' fees of RM2,150,411.00 for the financial year ended 31 March 2015.		
3.	Re-elect Y Bhg Dato' Rohana binti Mahmood as Director under Article 89.		
4.	Re-elect Mr Shayne Cary Elliott as Director under Article 89.		
5.	Re-elect Y Bhg Dato' Seri Ahmad Johan bin Mohammad Raslan as Director under Article 97.		
6.	Re-elect Mr Chin Yuen Yin as Director under Article 97.		
7.	Re-elect Ms Suzette Margaret Corr as Director under Article 97.		
8.	Re-elect Mr Voon Seng Chuan as Director under Article 97.		
9.	Re-appoint Y Bhg Tan Sri Azman Hashim pursuant to Section 129 of the Companies Act, 1965.		
10.	Re-appoint Y A Bhg Tun Mohammed Hanif bin Omar pursuant to Section 129 of the Companies Act, 1965.		
11.	Re-appoint Messrs Ernst & Young, the retiring Auditors, and authorise the Directors to determine their remuneration.		
12.	**Special Business** Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company, Pursuant to the Company's Executives' Share Scheme.		
13.	Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company, for the Purpose of the Company's Dividend Reinvestment Plan.		
14.	Authorise the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		

Please indicate with an "X" in the spaces above how you wish your vote to be cast. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Dated this ________ day of ________________ 2015.

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	NO. OF SHARES	PERCENTAGE
PROXY 1		
PROXY 2		
TOTAL		100%

____
Signature of Member/Common Seal

No. of Shares Held __________________________

Tel: _________________ (O/H) ________________ (H/P)

Notes:

(1) A member of the Company entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint not more than two (2) proxies to attend and vote instead of him. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

(2) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the AGM shall have the same rights as the member to speak at the AGM.

(3) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account. The appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy are specified in the instrument appointing the proxies.

(4) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA. The appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy are specified in the instrument appointing the proxies.

(5) The instrument appointing a proxy in the case of an individual shall be signed by the appointor or of his attorney duly authorised in writing or, in the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.

(6) The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Symphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.

(7) Only Members whose names appear on the Record of Depositors of the Company as at 13 August 2015 shall be eligible to attend the AGM.

* Applicable to shares held through a nominee account.

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AFFIX
STAMP

The Share Registrar for AMMB Holdings Berhad
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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biz solutions
Innovate your business with our solutions
Introducing BizSolutions from AmBank Islamic, the all-in-one banking facility that gives you all the financial means necessary to take your business to the next level and beyond.
For a comprehensive range of integrated services that are efficient, hassle-free and customised to meet your business needs, visit your nearest AmBank or AmBank Islamic branch.
AmBank (M) Berhad (8515-D) | AmBank Islamic Berhad (295576-U)
PERBANKAN ISLAM
AmBank Islamic
AmBank
+603 2026 3939
A PIDM member
Your Bank. Malaysia's Bank. AmBank.™

AMMB Holdings Berhad
(223035-V) (Incorporated in Malaysia)

22nd Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur, Malaysia
Tel : 603-2036 2633
Fax : 603-2032 1914

ambankgroup.com