

AmBank (M) Berhad
(Incorporated in Malaysia)
And Its Subsidiaries

Interim Financial Statements
For the Financial Period
1 April 2014 to
31 December 2014
(In Ringgit Malaysia)

AmBank (M) Berhad
(Incorporated in Malaysia)
And Its Subsidiaries

UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	Group		Bank	
		31 December 2014 RM'000	31 March 2014 (Restated) RM'000	31 December 2014 RM'000	31 March 2014 (Restated) RM'000
ASSETS					
Cash and short-term funds		6,415,246	7,129,900	6,188,515	6,675,659
Securities purchased under resale agreements		186,653	-	186,653	-
Deposits and placements with banks and other financial institutions		4,011,363	1,922,311	4,011,363	1,922,311
Derivative financial assets		1,215,574	528,830	1,215,574	528,830
Financial assets held-for-trading	A8	2,005,169	2,200,378	2,005,169	2,200,378
Financial investments available-for-sale	A9	6,162,124	6,473,868	6,262,273	6,595,768
Financial investments held-to-maturity	A10	2,015,138	2,487,409	2,015,138	2,487,409
Loans and advances	A11	60,158,466	61,588,639	60,033,596	61,410,763
Receivables: Investments not quoted in active markets		62,181	62,181	62,181	62,181
Statutory deposit with Bank Malaysia Negara		2,188,830	2,211,321	2,188,830	2,211,321
Deferred tax assets		58,813	90,488	45,850	51,825
Investment in subsidiaries and other investment		-	-	104,277	404,277
Investment in associates		1,837	3,063	122	122
Other assets	A12	2,260,641	1,790,786	2,218,132	1,784,839
Property and equipment		150,299	151,830	115,958	118,304
Intangible assets		329,117	334,857	321,565	330,672
TOTAL ASSETS		87,221,451	86,975,861	86,975,196	86,784,659
LIABILITIES AND EQUITY					
Deposits and placements of banks and other financial institutions	A13	2,719,080	2,667,973	2,769,875	2,673,947
Recourse obligation on loans sold to Cagamas Berhad		1,287,979	1,249,926	1,287,979	1,249,926
Derivative financial liabilities		1,029,923	541,259	1,029,923	541,259
Deposits from customers	A14	63,407,328	64,945,257	63,465,534	65,005,768
Term funding		5,052,968	4,188,566	5,052,968	4,188,566
Debt capital		3,572,485	3,640,204	3,572,485	3,640,204
Other liabilities	A15	2,472,554	2,356,814	2,457,800	2,356,552
TOTAL LIABILITIES		79,542,317	79,589,999	79,636,564	79,656,222
Share capital		820,364	820,364	820,364	820,364
Reserves		6,858,709	6,565,438	6,518,268	6,308,073
Equity attributable to equity holder of the Bank		7,679,073	7,385,802	7,338,632	7,128,437
Non-controlling interests		61	60	-	-
TOTAL EQUITY		7,679,134	7,385,862	7,338,632	7,128,437
TOTAL LIABILITIES AND EQUITY		87,221,451	86,975,861	86,975,196	86,784,659
COMMITMENTS AND CONTINGENCIES	A29	110,660,356	96,090,249	110,701,361	96,128,842
NET ASSETS PER SHARE (RM)		9.36	9.00	8.95	8.69

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2014.

AmBank (M) Berhad
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**UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

Group	Note	Individual Quarter		Cumulative Quarter	
		31 December 2014 RM'000	31 December 2013 (Restated) RM'000	31 December 2014 RM'000	31 December 2013 (Restated) RM'000
Operating revenue		1,189,344	1,348,889	3,604,071	3,918,947
Interest income	A16	1,046,479	1,136,772	3,158,262	3,363,228
Interest expense	A17	(583,303)	(591,836)	(1,716,045)	(1,762,705)
Net interest income		463,176	544,936	1,442,217	1,600,523
Net income from Islamic banking business	A34	-	12	1	34
Other operating income	A18	142,865	212,105	445,808	555,685
Share in results of associates		193	400	774	809
Net income		606,234	757,453	1,888,800	2,157,051
Other operating expenses	A19	(282,887)	(290,097)	(889,935)	(895,543)
Operating profit		323,347	467,356	998,865	1,261,508
Writeback of allowance for impairment on loans and advances	A20	75,738	34,348	78,379	147,817
Writeback of provision for commitments and contingencies		1,768	1,266	25,514	1,746
Impairment (loss)/writeback on:					
Doubtful sundry receivables, net		(345)	(247)	(3,318)	(1,135)
Financial investments	A21	-	(2,473)	(2,354)	343
Foreclosed properties		(63)	(210)	(5,697)	(6,685)
Other recoveries - net		176	7	1,130	1,117
Profit before taxation		400,621	500,047	1,092,519	1,404,711
Taxation		(92,744)	(166,511)	(259,633)	(302,103)
Profit for the period		307,877	333,536	832,886	1,102,608
Attributable to:					
Equity holder of the Bank		307,876	333,535	832,885	1,102,607
Non-controlling interests		1	1	1	1
Profit for the period		307,877	333,536	832,886	1,102,608
Earnings per share (sen)	A22				
Basic/Diluted		37.53	40.66	101.53	134.40

AmBank (M) Berhad
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**UNAUDITED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

	Individual Quarter		Cumulative Quarter	
	31 December 2014	31 December 2013 (Restated)	31 December 2014	31 December 2013 (Restated)
	RM'000	RM'000	RM'000	RM'000
Group				
Profit for the period	307,877	333,536	832,886	1,102,608
Other comprehensive income/(loss)				
Items that may be reclassified to the income statement				
Currency translation on:				
- foreign operations	14,831	1,058	16,265	7,390
- net investment hedge	7,576	577	8,085	6,370
Net gain/(loss) on financial investments available-for-sale	(19,638)	3,098	25,563	(57,066)
Net movement on cash flow hedge	3,071	10,779	8,053	17,139
Income tax relating to the components of other comprehensive income/(loss)	3,980	(3,471)	(8,977)	9,514
Other comprehensive income for the period, net of tax	9,820	12,041	48,989	(16,653)
Total comprehensive income for the period	317,697	345,577	881,875	1,085,955
Attributable to:				
Equity holder of the Bank	317,696	345,576	881,874	1,085,954
Non-controlling interests	1	1	1	1
	317,697	345,577	881,875	1,085,955

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2014.

AmBank (M) Berhad
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**UNAUDITED INCOME STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

	Note	Individual Quarter		Cumulative Quarter	
		31 December 2014 RM'000	31 December 2013 (Restated) RM'000	31 December 2014 RM'000	31 December 2013 (Restated) RM'000
Bank					
Operating revenue		1,184,726	1,340,785	3,583,641	3,900,753
Interest income	A16	1,043,806	1,134,524	3,145,081	3,356,572
Interest expense	A17	(583,937)	(592,531)	(1,717,748)	(1,764,235)
Net interest income		459,869	541,993	1,427,333	1,592,337
Other operating income	A18	140,920	206,261	438,560	544,181
Net income		600,789	748,254	1,865,893	2,136,518
Other operating expenses	A19	(307,330)	(319,325)	(975,187)	(955,156)
Operating profit		293,459	428,929	890,706	1,181,362
Writeback of allowance for impairment on loans and advances	A20	75,605	34,576	78,045	138,280
Writeback of provision for commitments and contingencies		1,767	1,246	25,511	1,728
Impairment (loss)/writeback on:					
Doubtful sundry receivables, net		(345)	(249)	(3,318)	(1,131)
Financial investments	A21	-	(2,473)	(2,354)	125
Foreclosed properties		(63)	(210)	(5,697)	(6,685)
Other recoveries - net		176	7	1,130	1,117
Profit before taxation		370,599	461,826	984,023	1,314,796
Taxation		(85,076)	(157,134)	(232,713)	(350,368)
Profit for the period		285,523	304,692	751,310	964,428
Earnings per share (sen)	A22				
Basic/Diluted		34.80	37.14	91.58	117.56

Company No. 8515-D

AmBank (M) Berhad
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**UNAUDITED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

	Individual Quarter		Cumulative Quarter	
	31 December 2014	31 December 2013 (Restated)	31 December 2014	31 December 2013 (Restated)
	RM'000	RM'000	RM'000	RM'000
Bank				
Profit for the period	285,523	304,692	751,310	964,428
Other comprehensive income/(loss)				
Items that may be reclassified to the income statement				
Currency translation on:				
- foreign operations	12,480	815	13,743	5,115
- net investment hedge	7,576	577	8,085	6,370
Net gain/(loss) on financial investments available-for-sale	(19,405)	3,607	26,897	(57,370)
Net movement on cash flow hedge	3,071	10,779	8,053	17,139
Income tax relating to the components of other comprehensive income/(loss)	3,920	(3,596)	(9,311)	9,593
Other comprehensive income for the period, net of tax	7,642	12,182	47,467	(19,153)
Total comprehensive income for the period	293,165	316,874	798,777	945,275

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2014.

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2014

Group	Attributable to equity holder of the Bank							Distributable		Non-controlling interests RM'000	Total equity RM'000
	Non-distributable							Retained earnings RM'000	Total RM'000		
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Merger reserve RM'000	Available-for-sale reserve RM'000	Cash flow hedging reserve RM'000	Foreign currency translation reserve RM'000				
At 1 April 2013	820,364	942,844	980,969	570,473	(9,174)	(12,644)	(14,760)	3,543,813	6,821,885	59	6,821,944
Effect arising from the pooling of interests	-	-	-	(466,324)	-	-	-	(25,074)	(491,398)	-	(491,398)
Profit for the period	-	-	-	-	-	-	-	1,102,607	1,102,607	1	1,102,608
Other comprehensive income	-	-	-	-	(43,267)	12,854	13,760	-	(16,653)	-	(16,653)
Total comprehensive income/(loss)	-	-	-	(466,324)	(43,267)	12,854	13,760	1,077,533	594,556	1	594,557
Transfer of AMMB Holdings Berhad ("AMMB") Executives' Share Scheme ("ESS") shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	-	(2,401)	(2,401)	-	(2,401)
Dividend on ordinary shares: - final, financial year ended 31 March 2013	-	-	-	-	-	-	-	(400,338)	(400,338)	-	(400,338)
Transactions with owner and other equity movements	-	-	-	-	-	-	-	(402,739)	(402,739)	-	(402,739)
At 31 December 2013	820,364	942,844	980,969	104,149	(52,441)	210	(1,000)	4,218,607	7,013,702	60	7,013,762
At 1 April 2014	820,364	942,844	980,969	104,149	(71,094)	3,029	(1,990)	4,607,531	7,385,802	60	7,385,862
Profit for the period	-	-	-	-	-	-	-	832,885	832,885	1	832,886
Other comprehensive income	-	-	-	-	18,479	6,160	24,350	-	48,989	-	48,989
Total comprehensive income	-	-	-	-	18,479	6,160	24,350	832,885	881,874	1	881,875
Transfer of AMMB ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	-	(2,863)	(2,863)	-	(2,863)
Dividend on ordinary shares: - final, financial year ended 31 March 2014 - interim, financial year ending 31 March 2015	-	-	-	-	-	-	-	(216,576) (369,164)	(216,576) (369,164)	-	(216,576) (369,164)
Transactions with owner and other equity movements	-	-	-	-	-	-	-	(588,603)	(588,603)	-	(588,603)
At 31 December 2014	820,364	942,844	980,969	104,149	(52,615)	9,189	22,360	4,851,813	7,679,073	61	7,679,134

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2014.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

Bank	Attributable to equity holder of the Bank							Retained earnings RM'000	Total equity RM'000
	Non-distributable					Distributable			
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Merger reserve RM'000	Available-for-sale reserve RM'000	Cash flow hedging reserve RM'000	Foreign currency translation reserve RM'000		
At 1 April 2013	820,364	942,844	980,969	458,501	(8,398)	(12,644)	(7,696)	3,541,122	6,715,062
Effect arising from the pooling of interests	-	-	-	(458,501)	-	-	-	(24,420)	(482,921)
Profit for the period	-	-	-	-	-	-	-	964,428	964,428
Other comprehensive income	-	-	-	-	(43,492)	12,854	11,485	-	(19,153)
Total comprehensive income/(loss)	-	-	-	(458,501)	(43,492)	12,854	11,485	940,008	462,354
Transfer of AMMB ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	-	(2,390)	(2,390)
Dividend on ordinary shares: - final, financial year ended 31 March 2013	-	-	-	-	-	-	-	(400,338)	(400,338)
Transactions with owner and other equity movements	-	-	-	-	-	-	-	(402,728)	(402,728)
At 31 December 2013	820,364	942,844	980,969	-	(51,890)	210	3,789	4,078,402	6,774,688
At 1 April 2014	820,364	942,844	980,969	-	(72,233)	3,029	2,785	4,450,679	7,128,437
Profit for the period	-	-	-	-	-	-	-	751,310	751,310
Other comprehensive income	-	-	-	-	19,479	6,160	21,828	-	47,467
Total comprehensive income	-	-	-	-	19,479	6,160	21,828	751,310	798,777
Transfer of AMMB ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	-	(2,842)	(2,842)
Dividend on ordinary shares: - final, financial year ended 31 March 2014	-	-	-	-	-	-	-	(216,576)	(216,576)
- interim, financial year ending 31 March 2015	-	-	-	-	-	-	-	(369,164)	(369,164)
Transactions with owner and other equity movements	-	-	-	-	-	-	-	(588,582)	(588,582)
At 31 December 2014	820,364	942,844	980,969	-	(52,754)	9,189	24,613	4,613,407	7,338,632

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2014.

AmBank (M) Berhad
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**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

	Group		Bank	
	31 December 2014 RM'000	31 December 2013 RM'000	31 December 2014 RM'000	31 December 2013 RM'000
Profit before taxation	1,092,519	1,404,711	984,023	1,314,796
Adjustments for non-operating and non-cash items	368,888	506,500	359,688	503,742
Operating profit before working capital changes	1,461,407	1,911,211	1,343,711	1,818,538
Changes in working capital:				
Net change in operating assets	(1,412,757)	(2,189,742)	(1,429,212)	(2,248,886)
Net change in operating liabilities	(594,884)	2,305,730	(569,961)	2,399,903
Tax paid	(261,536)	(289,803)	(259,676)	(288,153)
Net cash (used in)/generated from operating activities	(807,770)	1,737,396	(915,138)	1,681,402
Net cash generated from/(used in) investing activities	776,224	(286,231)	1,111,398	(342,414)
Net cash used in financing activities	(683,540)	(338)	(683,540)	(338)
Net increase/(decrease) in cash and cash equivalents	(715,086)	1,450,827	(487,280)	1,338,650
Cash and cash equivalents at beginning of financial year	7,129,900	7,336,774	6,675,659	7,255,748
Effect of exchange rate changes	432	5,630	136	103
Cash and cash equivalents at end of financial period	6,415,246	8,793,231	6,188,515	8,594,501

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

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2014.

EXPLANATORY NOTES

A1. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and complies with the International Accounting Standard ("IAS") 34, Interim Financial Reporting. The financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Group and the Bank for the financial year ended 31 March 2014.

The significant accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2014 except for the adoption of the following financial reporting standards, which became effective for the Group and the Bank on 1 April 2014 and were approved by the BOD to be adopted in the half year financial results. The adoption of these financial reporting standards did not have any significant impact on the financial statements of the Group and the Bank.

1.1 Standards effective for financial year ending 31 March 2015:

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

The nature of the new standards is described below:

1.1.1 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. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss.

1.1.2 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 the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting.

1.1.3 Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets

These amendments remove the unintended consequences of MFRS 13, Fair Value Measurement on the disclosures required under MFRS 136, Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units for which an impairment loss has been recognised or reversed during the period.

1.1.4 Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The Group and the Bank have not novated their derivatives during the current period. However, these amendments would be considered for future novation.

1.2 Standards issued but not yet effective

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

EXPLANATORY NOTES (CONTD.)

A1. BASIS OF PREPARATION (CONTD.)

1.2 Standards issued but not yet effective (contd.)

1.2.1 Standards effective for financial periods beginning on or after 1 July 2014:

- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 127 Equity Method in Separate Financial Statements
- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2010-2012 Cycle"
- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2011-2013 Cycle"
- Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2012-2014 Cycle"
- MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)
- MFRS 15 Revenue from Contracts with Customers

1.2.2 Effect of adoption of standards issued but not yet effective

The nature of the MFRSs that have been issued but not yet effective is described below. The Group and the Bank are assessing the financial effects of their adoption.

(a) Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

(b) Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to MFRS 116 clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. This is because such methods reflect a pattern of generation of economic benefits that arise from the operation of the business of which an asset is part, rather than the pattern of consumption of an asset's expected future economic benefits.

The amendments to MFRS 138 introduce a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate for the same reasons as in MFRS 116. However, the IASB states that there are limited circumstances when the presumption can be overcome:

- the intangible asset is expressed as a measure of revenue (the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold); and
- it can be demonstrated that revenue and the consumption of economic benefits of the intangible asset are highly correlated (the consumption of the intangible asset is directly linked to the revenue generated from using the asset).

EXPLANATORY NOTES (CONTD.)

A1. BASIS OF PREPARATION (CONTD.)

1.2 Standards issued but not yet effective (contd.)

1.2.2 Effect of adoption of standards issued but not yet effective (contd.)

(c) Amendments to MFRS 127 Equity Method in Separate Financial Statements

The amendments allow a parent and investors to use the equity method in its separate financial statement to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

(d) Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2010-2012 Cycle"

The Annual Improvements to MFRSs 2010-2012 Cycle consist of the following amendments:

(i) MFRS 2 Share-based Payment

The amendment clarifies the definition of "vesting conditions" by separately defining "performance condition" and "service condition" to ensure consistent classification of conditions attached to a share-based payment.

(ii) MFRS 3, Business Combinations

The amendment clarifies when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132. In addition, contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in the statement of profit or loss.

(iii) MFRS 8, Operating Segments

The amendment requires the disclosure of judgements made in applying the aggregation criteria to operating segments. This includes a brief description of the operating segment and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. In addition, a reconciliation of the total reportable segments' assets to the entity's assets is required if that amount is regularly provided to the chief operating decision maker.

(iv) MFRS 13, Fair Value Measurement

The amendment relates to the IASB's Basis for Conclusions which clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

(v) MFRS 116, Property, Plant and Equipment and MFRS 138, Intangible Assets

The amendment clarifies the accounting for accumulated depreciation or amortisation when an asset is revalued.

(vi) MFRS 124, Related Party Disclosures

The amendment extends the definition of "related party" to include an entity, or any member of a group of which it is a party, that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

EXPLANATORY NOTES (CONTD.)

A1. BASIS OF PREPARATION (CONTD.)

1.2 Standards issued but not yet effective (contd.)

1.2.2 Effect of adoption of standards issued but not yet effective (contd.)

(e) Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2011-2013 Cycle"

The Annual Improvements to MFRSs 2011-2013 Cycle consist of the following amendments:

(i) MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

The amendment relates to the IASB's Basis for Conclusions which clarifies that a first-time adopter is permitted but not required to apply a new or revised Standard that is not yet mandatory but is available for early application.

(ii) MFRS 3, Business Combinations

The amendment clarifies that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11) in the financial statements of the joint arrangement itself, but not to the parties to the joint arrangements for their interests in the joint arrangement.

(iii) MFRS 13, Fair Value Measurement

The amendments clarifies that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 or MFRS 9 or regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132.

(iv) MFRS 140 Investment Property

The amendment clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in MFRS 3 and investment property as defined in MFRS 140 requires the separate application of both standards independently of each other.

(f) Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2012-2014 Cycle"

The Annual Improvements to MFRSs 2012 – 2014 Cycle consist of the following amendments:

(i) Amendments to MFRS 5

The amendments introduce specific guidance in MFRS 5 when an entity reclassifies an asset (or disposal group) from held-for-sale to held-for-distribution to owners (or vice versa), or when held-for-distribution is discontinued.

(ii) Amendments to MFRS 7

The amendments provide additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of MFRS 7.

The amendments also clarify the applicability of Disclosure–Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7) to condensed interim financial statements.

A1. BASIS OF PREPARATION (CONTD.)

1.2 Standards issued but not yet effective (contd.)

1.2.2 Effect of adoption of standards issued but not yet effective (contd.)

(f) Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRSs 2012-2014 Cycle” (contd.)

(iii) Amendment to MFRS 119

The amendment clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. The amendment also clarifies that the depth of the market for high quality corporate bonds should be assessed at a currency level.

(iv) Amendment to MFRS 134

The amendment clarifies the meaning of disclosure of information “elsewhere in the interim financial report” as used in MFRS 134. The amendment requires such disclosures to be given either in the interim financial statements or incorporated by cross-reference from the interim financial statements to some other statement that is available to users of the financial statements on the same terms as the interim financial statements and at the same time.

(g) MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

MFRS 9 is equivalent to IFRS 9 Financial Instruments issued by the IASB in July 2014. MFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from MFRS 139.

(h) MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised.

A2. AUDIT QUALIFICATION

The auditors’ report on the audited annual financial statements for the financial year ended 31 March 2014 was not qualified.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The operations of the Group and the Bank are not subject to seasonal or cyclical fluctuation in the current financial quarter and period.

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

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

A5. CHANGES IN ESTIMATES

There was no material change in estimates of amounts reported in prior financial years that have a material effect on the financial quarter and period ended 31 December 2014.

EXPLANATORY NOTES (CONTD.)

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

(a) Senior Notes Programme

During the financial period, the Bank repaid Senior Notes totalling RM775.0 million upon maturity on 28 April 2014. On 21 May 2014, the Bank had issued Tranche 5 of Senior Notes amounting to RM400.0 million under the Senior Notes Programme of up to RM7.0 billion in nominal value. The notes bear a coupon of 4.40% per annum and is payable semi annually and is for a tenor of 4 years.

(b) Euro Medium Term Notes

On 3 July 2014, the Bank issued USD400 million Senior Notes under its USD 2.0 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 under its deemed approval process.

The net proceeds from the Programme will be utilised by the Bank for its working capital, general funding requirements and other corporate purposes. The notes with a tenor of five (5) years, will mature 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 is payable semi annually.

(c) Medium Term Notes ("MTN")

The Bank had redeemed and cancelled RM97.8 million nominal value of its MTN under Tranche 7 on its first call date of 10 December 2014. This tranche was issued on 10 December 2009 is for a tenor of 10 years Non-Callable 5 years.

Save as disclosed above, there were no share buy-backs, share cancellations, shares held as treasury shares, resale of treasury shares and repayment of debt and equity securities by the Bank during the financial quarter and period.

A7. DIVIDENDS

During the financial period:

- (i) the final single-tier cash dividend of 26.40 sen per ordinary share on 820,363,762 ordinary shares amounting to approximately RM216,576,033 in respect of the financial year ended 31 March 2014 was paid on 26 August 2014;
- (ii) the interim single-tier cash dividend of 45.00 sen per ordinary share on 820,363,762 ordinary shares amounting to approximately RM369,163,693 in respect of the current financial year was paid on 8 December 2014.

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A8. FINANCIAL ASSETS HELD-FOR-TRADING

	Group and Bank	
	31 December	31 March
	2014	2014
	RM'000	RM'000
At fair value		
Money Market Instruments:		
Bank Negara Monetary Notes	36,389	-
Government Investment Issues	10,038	132,086
Malaysian Government Securities	259,344	532,163
Malaysian Treasury Bills	9,676	9,980
	<u>315,447</u>	<u>674,229</u>
Quoted Securities:		
<i>In Malaysia:</i>		
Shares	70,459	172,164
Unit trusts	2,503	16,315
Warrants	-	6,067
Private debt securities	39,330	23,799
	<u>112,292</u>	<u>218,345</u>
<i>Outside Malaysia:</i>		
Shares	92,227	-
	<u>92,227</u>	<u>-</u>
Unquoted Securities:		
<i>In Malaysia:</i>		
Private debt securities	1,313,879	1,198,925
	<u>1,313,879</u>	<u>1,198,925</u>
<i>Outside Malaysia:</i>		
Private debt securities	171,324	108,879
	<u>171,324</u>	<u>108,879</u>
	<u>2,005,169</u>	<u>2,200,378</u>

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A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
At fair value				
Money Market Instruments:				
Bank Negara Monetary Notes	398,386	1,623,934	398,386	1,623,934
Government Investment Issues	475,236	506,613	475,236	506,613
Islamic negotiable instruments of deposit	-	249,675	-	249,675
Malaysian Government Securities	418,957	390,806	418,957	390,806
Malaysian Treasury Bills	-	6,575	-	6,575
Negotiable instruments of deposit	980,093	500,000	980,093	500,000
	<u>2,272,672</u>	<u>3,277,603</u>	<u>2,272,672</u>	<u>3,277,603</u>
Quoted Securities:				
<i>In Malaysia:</i>				
Shares	5,386	9,332	5,383	9,332
Unit trusts	166,975	178,902	166,975	178,902
	<u>172,361</u>	<u>188,234</u>	<u>172,358</u>	<u>188,234</u>
<i>Outside Malaysia:</i>				
Shares	150	54	115	17
	<u>150</u>	<u>54</u>	<u>115</u>	<u>17</u>
Unquoted securities:				
<i>In Malaysia:</i>				
Private debt securities	3,356,624	2,658,203	3,457,839	2,781,103
	<u>3,356,624</u>	<u>2,658,203</u>	<u>3,457,839</u>	<u>2,781,103</u>
<i>Outside Malaysia:</i>				
Private debt securities	271,792	261,304	271,792	261,304
	<u>271,792</u>	<u>261,304</u>	<u>271,792</u>	<u>261,304</u>
At cost				
Unquoted securities:				
<i>In Malaysia:</i>				
Shares	87,375	87,375	87,330	87,330
	<u>87,375</u>	<u>87,375</u>	<u>87,330</u>	<u>87,330</u>
<i>Outside Malaysia:</i>				
Shares	1,150	1,095	167	177
	<u>1,150</u>	<u>1,095</u>	<u>167</u>	<u>177</u>
	<u>6,162,124</u>	<u>6,473,868</u>	<u>6,262,273</u>	<u>6,595,768</u>

In the previous financial year, the Bank reclassified securities out of the available-for-sale category to the loans and receivables category as the Bank has the intention to hold the securities until maturity.

As at 31 December 2014, the fair value gain that would have been recognised in other comprehensive income for the current period if the securities had not been reclassified amounted to RM2,886,000 (31 March 2014: RM2,133,000).

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A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
At amortised cost				
Money Market Instruments:				
Foreign Treasury Bills	-	522,405	-	522,405
Unquoted:				
<i>In Malaysia:</i>				
Private debt securities	2,021,335	1,968,648	2,021,335	1,968,648
Less: Accumulated impairment losses	(6,197)	(3,644)	(6,197)	(3,644)
	<u>2,015,138</u>	<u>2,487,409</u>	<u>2,015,138</u>	<u>2,487,409</u>

A11. LOANS AND ADVANCES

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
At amortised cost:				
Overdraft	2,291,695	2,368,259	2,291,695	2,368,259
Term loans	18,639,613	19,554,168	18,639,613	19,554,168
Housing loan receivables	13,868,412	13,336,160	13,663,580	13,108,191
Hire purchase receivables	13,720,223	16,070,755	13,720,223	16,070,755
Bills receivables	699,747	751,522	699,747	751,522
Trust receipts	1,168,236	1,039,791	1,168,236	1,039,791
Claims on customers under acceptance credits	2,445,277	2,658,336	2,445,277	2,658,336
Staff loans	120,866	124,812	120,866	124,812
Card receivables	1,493,586	1,715,671	1,493,586	1,715,671
Revolving credits	6,741,720	5,280,502	6,821,470	5,329,950
Others	181,999	233,637	181,999	233,637
Gross loans and advances	<u>61,371,374</u>	<u>63,133,613</u>	<u>61,246,292</u>	<u>62,955,092</u>
Allowance for impairment on loans and advances:				
- Collective allowance	(1,054,655)	(1,411,219)	(1,054,443)	(1,410,574)
- Individual allowance	(158,253)	(133,755)	(158,253)	(133,755)
Net loans and advances	<u>60,158,466</u>	<u>61,588,639</u>	<u>60,033,596</u>	<u>61,410,763</u>

Note:

During the financial year ended 31 March 2013, the Bank had entered into a Restricted Profit Sharing Investment Account ("RPSIA") arrangement with Amlslamic Bank Berhad ("Amlslamic"). Under the RPSIA contract, the Bank records the amount it provides as financing under the arrangement as deposits and placements with banks and other financial institutions. The financing to external parties made by Amlslamic is recorded by Amlslamic as financing and advances. As losses from the business venture is borne solely by the Bank, the related collective allowance is recorded by the Bank. The contract had expired on 2 May 2014.

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A11. LOANS AND ADVANCES (CONTD.)

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

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
Domestic banking institutions	9,993	19,029	9,993	19,029
Domestic non-bank financial institutions	1,910,929	1,694,253	1,990,679	1,776,402
Domestic business enterprises				
- Small medium enterprises	7,467,505	8,151,410	7,467,505	8,151,410
- Others	19,489,473	19,792,698	19,489,473	19,792,698
Government and statutory bodies	72,134	67,091	72,134	67,091
Individuals	31,233,401	32,148,472	31,028,569	31,920,505
Other domestic entities	142,479	168,106	142,479	168,106
Foreign individuals and entities	1,045,460	1,092,554	1,045,460	1,059,851
	<u>61,371,374</u>	<u>63,133,613</u>	<u>61,246,292</u>	<u>62,955,092</u>

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

	Group		Bank	
	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
In Malaysia	60,438,721	61,914,997	60,313,639	61,769,178
Outside Malaysia	932,653	1,218,616	932,653	1,185,914
	<u>61,371,374</u>	<u>63,133,613</u>	<u>61,246,292</u>	<u>62,955,092</u>

(c) Gross loans and advances analysed by interest rate sensitivity are as follows:

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
Fixed rate				
- Housing loans	353,308	229,044	148,476	1,076
- Hire purchase receivables	12,578,727	14,664,530	12,578,727	14,664,530
- Other fixed rate loans	5,753,568	6,266,098	5,753,568	6,266,098
Variable rate				
- Base lending rate plus	24,097,809	24,838,062	24,097,809	24,838,062
- Cost plus	17,662,516	15,487,414	17,742,266	15,536,861
- Other variable rates	925,446	1,648,465	925,446	1,648,465
	<u>61,371,374</u>	<u>63,133,613</u>	<u>61,246,292</u>	<u>62,955,092</u>

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A11. LOANS AND ADVANCES (CONTD.)

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

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
Agriculture	2,837,157	2,867,200	2,837,157	2,867,200
Mining and quarrying	1,531,175	2,275,338	1,531,175	2,275,338
Manufacturing	5,825,590	5,974,300	5,825,590	5,974,300
Electricity, gas and water	1,112,750	1,112,551	1,112,750	1,112,551
Construction	2,383,152	2,638,359	2,383,152	2,638,359
Wholesale and retail trade and hotel and restaurants	3,518,674	3,732,693	3,518,674	3,732,693
Transport, storage and communication	1,387,778	1,623,311	1,387,778	1,623,311
Finance and insurance	1,920,922	1,823,936	2,000,672	1,873,383
Real estate	5,753,962	5,216,188	5,753,962	5,216,188
Business activities	1,003,196	1,052,997	1,003,196	1,052,997
Education and health	720,774	753,746	720,774	753,746
Household of which:	31,709,581	32,545,123	31,504,749	32,317,155
- purchase of residential properties	13,749,039	13,261,547	13,544,207	13,033,579
- purchase of transport vehicles	12,817,156	14,899,075	12,817,156	14,899,075
- others	5,143,386	4,384,501	5,143,386	4,384,501
Others	1,666,663	1,517,871	1,666,663	1,517,871
	<u>61,371,374</u>	<u>63,133,613</u>	<u>61,246,292</u>	<u>62,955,092</u>

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

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
Maturing within one year	10,716,214	11,213,505	10,794,157	11,261,144
Over one year to three years	8,713,597	8,003,411	8,703,678	7,993,492
Over three years to five years	8,474,745	9,931,764	8,462,488	9,919,507
Over five years	33,466,818	33,984,933	33,285,969	33,780,949
	<u>61,371,374</u>	<u>63,133,613</u>	<u>61,246,292</u>	<u>62,955,092</u>

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

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
Balance at beginning of financial year	1,298,511	1,408,172	1,296,626	1,407,195
Impaired during the year/period	973,814	1,250,544	972,769	1,248,860
Reclassified as non-impaired	(196,553)	(263,972)	(196,543)	(263,751)
Recoveries	(475,953)	(501,403)	(473,901)	(500,848)
Amount written off	(583,685)	(594,830)	(583,685)	(594,830)
Balance at end of financial year/period	<u>1,016,134</u>	<u>1,298,511</u>	<u>1,015,266</u>	<u>1,296,626</u>
Gross impaired loans and advances as % of gross loans and advances	<u>1.7%</u>	<u>2.1%</u>	<u>1.7%</u>	<u>2.1%</u>
Loan loss coverage (excluding collateral values)	<u>119.4%</u>	<u>119.0%</u>	<u>119.4%</u>	<u>119.1%</u>

(g) All impaired loans and advances reside in Malaysia.

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A11. LOANS AND ADVANCES (CONTD.)

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

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
Agriculture	11,377	5,990	11,377	5,990
Mining and quarrying	7,304	4,005	7,304	4,005
Manufacturing	161,290	194,861	161,290	194,861
Electricity, gas and water	659	24,193	659	24,193
Construction	13,542	24,022	13,542	24,022
Wholesale and retail trade and hotel and restaurants	42,435	33,832	42,435	33,832
Transport, storage and communication	10,000	57,136	10,000	57,136
Finance and insurance	641	1,155	641	1,155
Real estate	77,000	4,680	77,000	4,680
Business activities	8,721	15,042	8,721	15,042
Education and health	7,330	9,082	7,330	9,082
Household of which:	662,499	922,846	661,631	920,961
- purchase of residential properties	344,171	458,010	343,303	456,125
- purchase of transport vehicles	271,828	383,696	271,828	383,696
- others	46,500	81,140	46,500	81,140
Others	13,336	1,667	13,336	1,667
	<u>1,016,134</u>	<u>1,298,511</u>	<u>1,015,266</u>	<u>1,296,626</u>

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

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
Collective allowance				
Balance at beginning of financial year	1,411,219	1,492,899	1,410,574	1,492,584
Charge to income statement, net	238,990	360,079	239,324	359,753
Amount transferred to Amlslamic*	(2,463)	-	(2,463)	-
Amount written-off and others	(593,973)	(443,170)	(593,973)	(443,170)
Foreign exchange differences	882	1,411	981	1,407
Balance at end of financial year/period	<u>1,054,655</u>	<u>1,411,219</u>	<u>1,054,443</u>	<u>1,410,574</u>
Collective allowance as % of gross loans and advances less individual allowance	<u>1.7%</u>	<u>2.2%</u>	<u>1.7%</u>	<u>2.2%</u>
Individual allowance				
Balance at beginning of financial year	133,755	168,840	133,755	168,840
Charge to income statement, net	32,752	151,832	32,752	151,832
Amount written-off	(8,254)	(186,917)	(8,254)	(186,917)
Balance at end of financial year/period	<u>158,253</u>	<u>133,755</u>	<u>158,253</u>	<u>133,755</u>

* Upon expiry of the RPSIA contract on 2 May 2014, the Bank derecognised the collective allowance. Accordingly, Amlslamic now accounts for the collective allowance in its financial statements. The gross exposure and collective allowance relating to the RPSIA financing as at 31 March 2014 for the Group and the Bank was RM450.1 million and RM2.5 million respectively.

There was no individual allowance provided for the RPSIA financing up to the expiry of the RPSIA contract.

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A12. OTHER ASSETS

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 (Restated) RM'000	31 December 2014 RM'000	31 March 2014 (Restated) RM'000
Other receivables, deposits and prepayments, net of allowance for impairment	1,647,512	1,163,013	1,605,137	1,156,670
Interest receivable, net of allowance for impairment	180,187	199,946	180,203	200,492
Amount due from originators	282,745	243,396	282,745	243,396
Foreclosed properties, net of allowance for impairment	61,645	66,805	61,495	66,655
Deferred charges	88,552	117,626	88,552	117,626
	<u>2,260,641</u>	<u>1,790,786</u>	<u>2,218,132</u>	<u>1,784,839</u>

A13. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
Licensed banks	1,187,504	1,730,070	1,187,903	1,730,349
Licensed investment banks	809,673	248,233	809,673	248,233
Other financial Institutions	661,574	627,182	711,970	632,877
Bank Negara Malaysia	60,329	62,488	60,329	62,488
	<u>2,719,080</u>	<u>2,667,973</u>	<u>2,769,875</u>	<u>2,673,947</u>

A14. DEPOSIT FROM CUSTOMERS

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
Demand deposits	9,757,935	10,079,582	9,759,139	10,080,927
Savings deposits	3,305,680	3,442,455	3,305,680	3,442,455
Term/Investment deposits	50,327,630	51,389,354	50,384,632	51,448,520
Negotiable instruments of deposits	16,083	33,866	16,083	33,866
	<u>63,407,328</u>	<u>64,945,257</u>	<u>63,465,534</u>	<u>65,005,768</u>

(i) The deposits are sourced from the following type of customers:

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
Government and other statutory bodies	4,848,549	4,087,314	4,848,549	4,087,314
Business enterprises	27,161,992	29,047,271	27,220,198	29,107,782
Individuals	29,433,500	30,135,536	29,433,500	30,135,536
Others	1,963,287	1,675,136	1,963,287	1,675,136
	<u>63,407,328</u>	<u>64,945,257</u>	<u>63,465,534</u>	<u>65,005,768</u>

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A14. DEPOSIT FROM CUSTOMERS (CONTD.)

(ii) The maturity structure of term/investment deposits and negotiable instruments of deposits is as follows:

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
Due within six months	37,042,267	35,864,748	37,099,269	35,923,914
Over six months to one year	10,175,431	12,071,672	10,175,431	12,071,672
Over one year to three years	2,526,382	2,799,883	2,526,382	2,799,883
Over three years to five years	599,633	686,917	599,633	686,917
	<u>50,343,713</u>	<u>51,423,220</u>	<u>50,400,715</u>	<u>51,482,386</u>

A15. OTHER LIABILITIES

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
Other payables and accruals	1,822,526	1,634,280	1,807,982	1,635,104
Interest payable	539,594	565,955	539,618	565,994
Advance rentals	9,830	13,524	9,830	13,519
Provision for commitments and contingencies	100,305	125,550	100,335	125,577
Provision for taxation	299	17,505	35	16,358
	<u>2,472,554</u>	<u>2,356,814</u>	<u>2,457,800</u>	<u>2,356,552</u>

A16. INTEREST INCOME

	Individual Quarter		Cumulative Quarter	
	31 December 2014 RM'000	31 December 2013 (Restated) RM'000	31 December 2014 RM'000	31 December 2013 (Restated) RM'000
Group				
Short-term funds and deposits with financial institutions	49,080	81,553	142,045	202,424
Financial assets held-for-trading	18,755	21,219	55,683	92,245
Financial investments available-for-sale	61,696	44,445	179,375	122,604
Financial investments held-to-maturity	20,206	23,774	59,671	85,560
Loans and advances	886,555	960,849	2,699,486	2,848,687
Impaired loans and advances	1,663	2,173	5,553	3,770
Others	8,524	2,759	16,449	7,938
	<u>1,046,479</u>	<u>1,136,772</u>	<u>3,158,262</u>	<u>3,363,228</u>
Bank				
Short-term funds and deposits with financial institutions	47,959	81,068	133,696	201,099
Financial assets held-for-trading	18,755	21,219	55,683	92,245
Financial investments available-for-sale	63,052	46,222	183,729	128,238
Financial investments held-to-maturity	20,206	23,755	59,671	85,519
Loans and advances	883,647	957,328	2,690,300	2,837,763
Impaired loans and advances	1,663	2,173	5,553	3,770
Others	8,524	2,759	16,449	7,938
	<u>1,043,806</u>	<u>1,134,524</u>	<u>3,145,081</u>	<u>3,356,572</u>

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A17. INTEREST EXPENSE

	Individual Quarter		Cumulative Quarter	
	31 December 2014 RM'000	31 December 2013 (Restated) RM'000	31 December 2014 RM'000	31 December 2013 (Restated) RM'000
Group				
Deposits from customers	463,006	466,967	1,355,884	1,395,769
Deposits and placements of banks and other financial institutions	12,238	20,479	36,767	49,450
Recourse obligation of loans sold to Cagamas Berhad	10,293	10,309	30,695	30,741
Term funding	45,607	39,726	125,116	121,979
Debt capital	52,357	47,459	156,904	141,560
Others	(198)	6,896	10,679	23,206
	<u>583,303</u>	<u>591,836</u>	<u>1,716,045</u>	<u>1,762,705</u>
Bank				
Deposits from customers	463,640	467,677	1,357,577	1,397,251
Deposits and placements of banks and other financial institutions	12,241	20,466	36,777	49,510
Recourse obligation of loans sold to Cagamas Berhad	10,293	10,309	30,695	30,741
Term funding	45,607	39,726	125,116	121,979
Debt capital	52,355	47,448	156,905	141,549
Others	(199)	6,905	10,678	23,205
	<u>583,937</u>	<u>592,531</u>	<u>1,717,748</u>	<u>1,764,235</u>

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A18. OTHER OPERATING INCOME

	Individual Quarter		Cumulative Quarter	
	31 December 2014	31 December 2013 (Restated)	31 December 2014	31 December 2013 (Restated)
Group	RM'000	RM'000	RM'000	RM'000
Fee and commission income:				
Bancassurance commission	6,961	6,641	21,752	24,319
Brokerage fees, commission and rebates	440	451	1,512	1,329
Fees on loans, advances and securities	51,654	64,814	165,949	197,818
Guarantee fees	15,902	12,457	43,735	37,043
Underwriting fees	-	-	397	-
Remittances	6,186	5,126	17,008	15,718
Service charges and fees	3,649	4,816	10,988	13,725
Other fee and commission	7,857	9,815	30,200	29,719
	<u>92,649</u>	<u>104,120</u>	<u>291,541</u>	<u>319,671</u>
Investment and trading income:				
Foreign exchange *	20,273	36,997	52,481	89,777
Gross dividend income from:				
Financial assets held-for-trading	3,670	2,286	6,713	6,143
Financial investments available-for-sale	347	6,983	9,328	17,331
Net (loss)/gain on sale/redemption of:				
Financial assets held-for-trading	(17,536)	(10,730)	(24,044)	(37,149)
Financial investments available-for-sale	504	43,905	4,467	67,760
Financial investments held-to-maturity	-	416	-	6,421
Net gain/(loss) on revaluation of financial assets held-for-trading	(15,776)	10,401	(2,378)	(11,274)
Net gain on derivatives	44,110	6,897	66,870	64,133
Others	(27)	20	1,137	50
	<u>35,565</u>	<u>97,175</u>	<u>114,574</u>	<u>203,192</u>
Other income:				
Net gain on disposal of property and equipment	(75)	26	39	134
Net non trading foreign exchange gain	8,030	1,097	12,107	1,342
Profit from sale of goods and services	4,034	7,707	21,016	22,504
Rental income	880	773	2,783	3,203
Others	1,782	1,207	3,748	5,639
	<u>14,651</u>	<u>10,810</u>	<u>39,693</u>	<u>32,822</u>
	<u>142,865</u>	<u>212,105</u>	<u>445,808</u>	<u>555,685</u>

* Foreign exchange income includes gains and losses from spot and forward contracts and other currency derivatives.

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A18. OTHER OPERATING INCOME (CONTD.)

	Individual Quarter		Cumulative Quarter	
	31 December 2014 RM'000	31 December 2013 (Restated) RM'000	31 December 2014 RM'000	31 December 2013 (Restated) RM'000
Bank				
Fee and commission income:				
Bancassurance commission	6,955	6,628	21,731	24,285
Brokerage fees, commission and rebates	440	451	1,512	1,329
Fees on loans, advances and securities	46,149	58,595	149,443	185,289
Guarantee fees	15,902	12,457	43,735	36,998
Underwriting fees	-	-	397	-
Remittances	6,186	5,126	17,008	15,718
Service charges and fees	3,825	5,064	11,562	14,491
Other fee and commission	7,831	9,781	30,167	29,634
	<u>87,288</u>	<u>98,102</u>	<u>275,555</u>	<u>307,744</u>
Investment and trading income:				
Foreign exchange *	20,273	36,997	52,481	89,777
Gross dividend income from:				
Associate	-	-	1,000	-
Financial assets held-for-trading	3,670	2,286	6,713	6,143
Financial investments available-for-sale	347	6,983	9,328	17,331
Subsidiaries	3,640	-	3,640	667
Net (loss)/gain on sale/redemption of:				
Financial assets held-for-trading	(17,536)	(10,730)	(24,044)	(37,149)
Financial investments available-for-sale	504	43,905	4,467	67,760
Financial investments held-to-maturity	-	416	-	6,421
Net gain/(loss) on revaluation of financial assets held-for-trading	(15,776)	10,401	(2,378)	(11,274)
Net gain on derivatives	44,110	6,897	66,870	64,133
Others	(5,755)	248	185	716
	<u>33,477</u>	<u>97,403</u>	<u>118,262</u>	<u>204,525</u>
Other income:				
Net loss on disposal of property and equipment	(66)	27	(73)	137
Net non trading foreign exchange gain	8,053	1,097	12,145	1,292
Profit from sale of goods and services	4,034	7,707	21,016	22,504
Rental income	710	821	2,277	2,662
Others	7,424	1,104	9,378	5,317
	<u>20,155</u>	<u>10,756</u>	<u>44,743</u>	<u>31,912</u>
	<u>140,920</u>	<u>206,261</u>	<u>438,560</u>	<u>544,181</u>

* Foreign exchange income includes gains and losses from spot and forward contracts and other currency derivatives.

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A19. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	31 December 2014 RM'000	31 December 2013 (Restated) RM'000	31 December 2014 RM'000	31 December 2013 (Restated) RM'000
Personnel costs:				
Pension costs - defined contribution plan	23,849	26,868	82,273	80,751
Salaries, allowances and bonuses	147,634	182,665	504,241	543,480
Shares and options granted under ESS	5,771	5,785	15,643	19,801
Social security costs	1,268	1,326	3,831	3,976
Others	23,457	18,137	49,178	59,983
	<u>201,979</u>	<u>234,781</u>	<u>655,166</u>	<u>707,991</u>
Establishment costs:				
Amortisation of intangible assets	17,024	15,765	50,837	39,990
Cleaning, maintenance and security	8,465	3,479	18,910	14,904
Computerisation cost	46,409	37,346	131,374	120,412
Depreciation of property and equipment	11,051	11,485	33,306	33,871
Rental of premises	20,649	19,221	61,162	58,077
Others	9,889	10,441	28,833	28,884
	<u>113,487</u>	<u>97,737</u>	<u>324,422</u>	<u>296,138</u>
Marketing and communication expenses:				
Advertising and marketing	7,404	11,419	19,449	27,898
Commission	2,504	2,451	7,124	6,382
Communication	9,874	6,920	31,585	31,797
Others	1,996	2,640	6,030	7,961
	<u>21,778</u>	<u>23,430</u>	<u>64,188</u>	<u>74,038</u>
Administration and general expenses:				
Professional services	22,244	19,991	59,308	62,996
Others	8,713	13,710	25,382	34,879
	<u>30,957</u>	<u>33,701</u>	<u>84,690</u>	<u>97,875</u>
Service transfer pricing recovery - net	(92,682)	(82,150)	(259,757)	(250,139)
Expenses capitalised	(3,469)	(17,922)	(10,365)	(36,364)
Acquisition and business efficiency costs	10,837	520	31,591	6,004
	<u>282,887</u>	<u>290,097</u>	<u>889,935</u>	<u>895,543</u>

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A19. OTHER OPERATING EXPENSES (CONTD.)

	Individual Quarter		Cumulative Quarter	
	31 December 2014	31 December 2013 (Restated)	31 December 2014	31 December 2013 (Restated)
	RM'000	RM'000	RM'000	RM'000
Bank				
Personnel costs:				
Pension costs - defined contribution plan	22,248	25,733	77,359	78,275
Salaries, allowances and bonuses	138,192	174,872	475,142	526,453
Shares and options granted under ESS	5,651	5,782	15,250	19,791
Social security costs	1,178	1,240	3,554	3,786
Others	22,639	18,008	47,316	59,224
	<u>189,908</u>	<u>225,635</u>	<u>618,621</u>	<u>687,529</u>
Establishment costs:				
Amortisation of intangible assets	16,406	15,426	49,417	39,166
Cleaning, maintenance and security	8,295	3,066	18,009	14,057
Computerisation cost	46,391	38,086	131,134	121,146
Depreciation of property and equipment	9,701	11,299	29,370	32,389
Rental of premises	19,736	18,298	58,211	56,151
Others	9,658	8,582	27,964	26,506
	<u>110,187</u>	<u>94,757</u>	<u>314,105</u>	<u>289,415</u>
Marketing and communication expenses:				
Advertising and marketing	7,398	11,418	19,431	27,897
Commission	2,502	2,444	7,120	6,358
Communication	9,122	6,798	29,495	31,076
Others	1,667	2,327	4,972	7,328
	<u>20,689</u>	<u>22,987</u>	<u>61,018</u>	<u>72,659</u>
Administration and general expenses:				
Card operation charges	48,369	53,196	158,256	106,666
Professional services	22,102	19,961	58,947	62,819
Others	8,305	13,460	24,194	34,140
	<u>78,776</u>	<u>86,617</u>	<u>241,397</u>	<u>203,625</u>
Service transfer pricing recovery - net	(99,598)	(93,269)	(281,180)	(267,712)
Expenses capitalised	(3,469)	(17,922)	(10,365)	(36,364)
Acquisition and business efficiency costs	10,837	520	31,591	6,004
	<u>307,330</u>	<u>319,325</u>	<u>975,187</u>	<u>955,156</u>

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A20. ALLOWANCE/(WRITEBACK OF ALLOWANCE) FOR IMPAIRMENT ON LOANS AND ADVANCES

	Individual Quarter		Cumulative Quarter	
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Group				
Allowance for impaired loans and advances:				
Individual allowance	9,466	25,081	32,752	143,677
Collective allowance	88,771	53,320	238,990	214,788
Impaired loans and advances recovered, net	(172,243)	(109,799)	(348,389)	(503,332)
Recovery from loans sold to Danaharta	(1,732)	(2,950)	(1,732)	(2,950)
	<u>(75,738)</u>	<u>(34,348)</u>	<u>(78,379)</u>	<u>(147,817)</u>
Bank				
Allowance for impaired loans and advances:				
Individual allowance	9,466	25,081	32,752	143,677
Collective allowance	88,904	53,090	239,324	214,488
Impaired loans and advances recovered, net	(172,243)	(109,797)	(348,389)	(493,495)
Recovery from loans sold to Danaharta	(1,732)	(2,950)	(1,732)	(2,950)
	<u>(75,605)</u>	<u>(34,576)</u>	<u>(78,045)</u>	<u>(138,280)</u>

A21. IMPAIRMENT LOSS/(WRITEBACK) ON FINANCIAL INVESTMENTS

	Individual Quarter		Cumulative Quarter	
	31 December	31 December	31 December	31 December
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Group				
Financial investments available-for-sale	-	2,473	-	763
Financial investments held-to-maturity	-	-	2,354	(1,106)
	<u>-</u>	<u>2,473</u>	<u>2,354</u>	<u>(343)</u>
Bank				
Financial investments available-for-sale	-	2,473	-	763
Financial investments held-to-maturity	-	-	2,354	(888)
	<u>-</u>	<u>2,473</u>	<u>2,354</u>	<u>(125)</u>

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A22. EARNINGS PER SHARE ("EPS")

(a) Basic/Diluted

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

Diluted earnings per share is calculated by dividing the net profit attributable to the equity holder of the Bank by the adjusted weighted average number of ordinary shares in issue and issuable during the financial period. The Bank does not have any dilutive potential ordinary shares.

	Individual Quarter		Cumulative Quarter	
	31 December 2014	31 December 2013 (Restated)	31 December 2014	31 December 2013 (Restated)
Group				
Net profit attributable to shareholder of the Bank (RM'000)	307,876	333,535	832,885	1,102,607
Number of ordinary shares at beginning of financial year and end of period representing weighted average number of ordinary shares in issue ('000)	820,364	820,364	820,364	820,364
Basic/Diluted earnings per share (sen)	<u>37.53</u>	<u>40.66</u>	<u>101.53</u>	<u>134.40</u>
	31 December 2014	31 December 2013 (Restated)	31 December 2014	31 December 2013 (Restated)
Bank				
Net profit attributable to shareholder of the Bank (RM'000)	285,523	304,692	751,310	964,428
Number of ordinary shares at beginning of financial year and end of period representing weighted average number of ordinary shares in issue ('000)	820,364	820,364	820,364	820,364
Basic/Diluted earnings per share (sen)	<u>34.80</u>	<u>37.14</u>	<u>91.58</u>	<u>117.56</u>

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A23. BUSINESS SEGMENT ANALYSIS

Group For the financial period ended 31 December 2014	Wholesale banking	Retail banking	Operating Segments	Total
	RM'000	RM'000	RM'000	RM'000
External revenue	2,822,887	1,600,108	(818,924)	3,604,071
Revenue from other segments	(38,583)	86,643	(48,060)	-
Total operating revenue	<u>2,784,304</u>	<u>1,686,751</u>	<u>(866,984)</u>	<u>3,604,071</u>
Net interest Income	535,486	788,731	118,001	1,442,218
Other operating income	235,295	195,135	15,378	445,808
Share in results of associates	-	-	774	774
Other operating expenses	(218,808)	(492,198)	(178,929)	(889,935)
<i>of which:</i>				
<i>Depreciation of Property and Equipment</i>	(2,691)	(18,677)	(11,971)	(33,339)
<i>Amortisation of Intangible Assets</i>	(6,094)	(5,975)	(38,906)	(50,975)
Profit/(Loss) before provisions	<u>551,973</u>	<u>491,668</u>	<u>(44,776)</u>	<u>998,865</u>
Provisions - net	126,759	(99,198)	66,093	93,654
Profit before taxation	<u>678,732</u>	<u>392,470</u>	<u>21,317</u>	<u>1,092,519</u>
Taxation	(158,158)	(98,046)	(3,429)	(259,633)
Profit/(Loss) for the period	<u>520,574</u>	<u>294,424</u>	<u>17,888</u>	<u>832,886</u>
Other information				
Total segment assets	37,172,943	32,689,038	17,359,470	87,221,451
Total segment liabilities	36,085,791	33,392,434	10,064,092	79,542,317
Cost to income ratio	28.4%	50.0%	134.2%	47.1%
Gross loans and advances	29,170,110	32,217,989	(16,725)	61,371,374
Net loans and advances	28,815,739	31,691,850	(349,123)	60,158,466
Impaired loans and advances	239,503	776,631	-	1,016,134
Deposits	31,607,408	32,720,274	1,798,726	66,126,408
Additions to:				
Property and equipment	477	17,525	14,619	32,621
Intangible assets	6,060	7,960	39,643	53,663

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A23. BUSINESS SEGMENT ANALYSIS (CONTD.)

Group For the financial period ended 31 December 2013 (Restated)	Wholesale banking	Retail banking	Operating Segments	Total
	RM'000	RM'000	RM'000	RM'000
External revenue	1,554,322	1,807,722	556,903	3,918,947
Revenue from other segments	103,623	(17,542)	(86,081)	-
Total operating revenue	<u>1,657,945</u>	<u>1,790,180</u>	<u>470,822</u>	<u>3,918,947</u>
Net interest Income	597,921	901,639	100,997	1,600,557
Other operating income	309,536	209,820	36,329	555,685
Share in results of associates	-	-	809	809
Other operating expenses	(218,518)	(518,803)	(158,222)	(895,543)
<i>of which:</i>				
<i>Depreciation of Property and Equipment</i>	(3,170)	(20,013)	(11,741)	(34,924)
<i>Amortisation of Intangible Assets</i>	(7,395)	(6,050)	(26,632)	(40,077)
Profit/(Loss) before provisions	688,939	592,656	(20,087)	1,261,508
Provisions - net	133,785	(38,535)	47,953	143,203
Profit before taxation	<u>822,724</u>	<u>554,121</u>	<u>27,866</u>	<u>1,404,711</u>
Taxation	(189,104)	(138,880)	25,881	(302,103)
Profit for the period	<u>633,620</u>	<u>415,241</u>	<u>53,747</u>	<u>1,102,608</u>

Other information

Total segment assets	34,728,010	34,650,156	18,652,801	88,030,967
Total segment liabilities	39,315,932	33,889,457	7,811,816	81,017,205
Cost to income ratio	24.1%	46.7%	115.2%	41.5%
Gross loans and advances	27,350,691	34,530,917	(64,973)	61,816,635
Net loans and advances	26,983,816	33,801,576	(472,335)	60,313,057
Impaired loans and advances	272,146	1,064,796	-	1,336,942
Deposits	32,819,502	33,311,677	2,897,683	69,028,862
Additions to:				
Property and equipment	2,248	22,313	13,615	38,176
Intangible assets	8,079	3,218	116,264	127,561

Note:

- The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia.
- During the current financial period, the Group had restructured non-retail business divisions to Wholesale Banking to improve client centricity, efficiency and productivity. Wholesale Banking Division for the current financial period is a consolidation of five (5) divisions; main divisions presented separately previously for the Group were Business Banking, Corporate and Institutional Banking and Markets Divisions. As a result of this internal organisation, there is a change in business segment reporting for the comparative period.
- The comparative figures for Total segment assets and liabilities and Deposits were restated arising from the adoption of MFRS 10, Consolidated Financial Statements as disclosed in the financial statements for the year ended 31 March 2014.

A24. PERFORMANCE REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2014

The Group registered a profit before taxation ("pre-tax profit") of RM1,092.5 million representing a 22.2% decrease compared to the pre-tax profit for the corresponding period last year mainly due to lower income.

For the current financial period, the decrease in pre-tax profit was attributable to lower net interest income, other operating income and lower writeback on loan loss allowances. Net interest income decreased by RM158.3 million or 9.9% mainly due to lower interest on loans and advances. Other operating income decreased by RM109.9 million or 19.8% due to lower fee income from loan and advances and lower net gains on trading activities from securities and foreign exchange transactions. For the current period, despite lower loan loss allowances of RM86.7 million, recoveries from impaired loans written off which decreased by RM154.9 million had resulted in lower writeback on loan loss allowances.

The decrease in pre-tax profit was slightly mitigated by higher writeback on provision for commitments and contingencies by RM23.8 million.

Gross loans and advances decreased due to tighter credit appetite. Impaired loans ratio of the Group improved to 1.7% as at 31 December 2014 from 2.1% as at last financial year end.

The Group and the Bank remained well capitalised with Risk Weighted capital adequacy ratios of 15.9% and 15.4% respectively.

In the opinion of the Directors, the results of operations of the Group and the Bank for the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

A25. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2015

The Group maintains its forecast of a 5.9% increase for Malaysia's gross domestic product for the full calendar year 2014, with 4Q2014 expected to soften from a 6.1% year-on-year growth for the first nine months of the year due to slower trade and domestic consumption. Massive floods, which occurred mainly in the rural areas of Peninsular Malaysia toward the end of 2014, are not expected to significantly affect our GDP expectations.

For 2015, the Group expects economic growth to moderate to 4.7% - 5.0% due to the declining global crude oil price, slower increase in government spending and dampened exports contribution. Domestic consumption in the near term is expected to be soft, weighed down by high household debt levels amidst rising cost of living.

The implementation of the Goods and Services tax on 1 April 2015 is expected to drive inflation from an estimated 3.1% in 2014 to 3.6% - 3.8% in 2015, partially offset by lower crude oil price. For 1H2015, we expect Malaysia's overnight policy rate to remain steady at 3.25% with possibilities of a small rate hike in 2H2015 pending the outcome of the US Federal Reserves' decision on whether to tighten monetary measures.

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

At AmBank Group, we remain proactive and responsive with key measures in place to drive growth, supported by ongoing investments to improve our capabilities and customer experience. We remain focused on 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.

A26. VALUATION OF PROPERTY AND EQUIPMENT

The Group's and the Bank's property and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

A27. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial period and the date of this report any items, 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 for the current period.

A28. CHANGES IN THE COMPOSITION OF THE GROUP

There were no significant changes in the composition of the Group for the financial period ended 31 December 2014 other than as follows:

- (i) The following wholly owned subsidiaries of the Bank had been dissolved by way of member's voluntary winding-up ("MVWU") pursuant to Section 254(1)(b) of the Companies Act, 1965 on 27 September 2014:
 - 1) AmCredit & Leasing Sdn Bhd
 - 2) AmCapital (L) Inc (Incorporated under the Labuan Acts 1990)
 - 3) AMMB Factors Sdn Bhd

- (ii) Economical Enterprises Sendirian Berhad, a wholly owned subsidiary of the Bank had commenced MVWU on 25 September 2014.

The winding up of the above subsidiary did not have any material effect on the Group's performance for the current financial period.

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A29. COMMITMENTS AND CONTINGENCIES

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

The notional amounts of the commitments and contingencies of the Group and the Bank are as follows:

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
Contingent Liabilities				
Direct credit substitutes	1,174,780	1,092,935	1,174,780	1,092,935
Transaction related contingent items	5,012,211	4,663,740	5,012,211	4,663,740
Short term self liquidating trade related contingencies	639,304	616,860	639,274	616,831
Obligations under on-going underwriting agreements	250,000	250,000	250,000	250,000
	<u>7,076,295</u>	<u>6,623,535</u>	<u>7,076,265</u>	<u>6,623,506</u>
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	14,024,182	13,898,239	14,065,267	13,936,911
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	4,034,691	5,145,833	4,034,691	5,145,833
Unutilised credit card lines	3,511,826	3,622,016	3,511,826	3,622,016
Forward asset purchase	83,043	105,872	83,043	105,872
Unpaid portion of partly paid-up ordinary shares	200	200	150	150
	<u>21,653,942</u>	<u>22,772,160</u>	<u>21,694,977</u>	<u>22,810,782</u>
Derivative Financial Instruments				
Foreign exchange related contracts				
- One year or less	30,352,027	22,196,436	30,352,027	22,196,436
- Over one year to five years	2,722,344	3,018,618	2,722,344	3,018,618
- Over five years	1,851,596	895,569	1,851,596	895,569
Interest rate related contracts				
- One year or less	5,968,190	4,377,755	5,968,190	4,377,755
- Over one year to five years	32,293,260	28,591,959	32,293,260	28,591,959
- Over five years	7,430,609	6,250,838	7,430,609	6,250,838
Credit related contracts				
- Over one year to five years	317,591	306,519	317,591	306,519
- Over five years	316,999	305,967	316,999	305,967
Equity and commodity related contracts				
- One year or less	611,576	419,790	611,576	419,790
- Over one year to five years	65,927	331,103	65,927	331,103
	<u>81,930,119</u>	<u>66,694,554</u>	<u>81,930,119</u>	<u>66,694,554</u>
Total	<u>110,660,356</u>	<u>96,090,249</u>	<u>110,701,361</u>	<u>96,128,842</u>

Note:

The Bank had given a continuing guarantee to Labuan Financial Services Authority ("LFSA") to meet all the liabilities and financial obligations of its subsidiary, AmInternational (L) Ltd ("AMIL") as at 31 March 2014.

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A29. COMMITMENTS AND CONTINGENCIES (CONTD.)

- (b) As at the reporting date, the associate of the Group has the following contingent liability:

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 approximately RM27.6 million 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 approximately RM19.6 million together with interest and costs ("MAA Suit").

AmTrustee was also served 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's application to strike out the Third Party Notice was allowed by the court. Meridian's appeal against this decision to the Court of Appeal was dismissed. Decision was handed down by the High Court against Meridian in KWAP's claim for a sum of approximately RM7.3 million with interest 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.

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.

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 related company of AMMB Group, namely AmInvestment Bank Berhad as Co-Defendant and to increase the alleged loss and damage from approximately RM27.6 million to RM37.0 million.

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 to approximately RM37.0 million. 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.

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A29. COMMITMENTS AND CONTINGENCIES (CONTD.)

(c) As at the reporting date, the associate of the Group has the following contingent liability (contd.):

On 11 April 2013, the court decided as follows ("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 was found to be fully liable to MAA and ordered to pay the sum of approximately RM19.6 million with interest from the date of filing of the writ to the date of realization and costs of RM100,000.00 with interest at 5% on the cost from the date of the decision to the date of settlement.

In the Meridian Suit:

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

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

Both Meridian and MAA have filed their appeals and AmTrustee has also filed its cross appeals against Meridian's and MAA's appeals.

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.

The Court of Appeal had 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 19 May 2014.

On 19 May 2014, the Court of Appeal heard the appeals by all parties and subsequently, gave its decisions as follows ("**Court of Appeal Decision**"):

In the 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-appeals against MAA's and Meridian's appeals were dismissed

In the Meridian Suit:

- Meridian's appeal against the High Court Decision was dismissed;
- AmTrustee's appeal against Meridian's appeal was dismissed

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"). As at the end of the reporting period, AmTrustee had 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.

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A30. FAIR VALUES OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

The Group and the Bank measure fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised on a recurring basis, the Group and the Bank determines 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 periods.

Financial assets and liabilities measured using valuation techniques 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 and the Bank. Therefore, unobservable inputs reflect the Group's and the Bank'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 Bank's own data.

About 1.3% (31 March 2014 : 1.3%) of the Bank's total financial assets recorded at fair value, 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.

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A30. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTD.)

(a) The following tables show the Group's and the Bank's financial instruments that are measured at fair value at the reporting date analysed by levels within the fair value hierarchy.

	Group				Bank			
	Valuation techniques			Total RM'000	Valuation techniques			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
31 December 2014								
Assets measured at fair value								
Derivative financial assets	319	1,215,255	-	1,215,574	319	1,215,255	-	1,215,574
Financial assets held-for-trading								
- Money market securities	-	315,447	-	315,447	-	315,447	-	315,447
- Equities	165,189	-	-	165,189	165,189	-	-	165,189
- Quoted private debt securities	39,330	-	-	39,330	39,330	-	-	39,330
- Unquoted private debt securities	-	1,485,203	-	1,485,203	-	1,485,203	-	1,485,203
Financial investments available-for-sale								
- Money market securities	-	2,272,672	-	2,272,672	-	2,272,672	-	2,272,672
- Equities	172,511	-	-	172,511	172,473	-	-	172,473
- Unquoted private debt securities	-	3,628,416	-	3,628,416	-	3,628,416	101,215	3,729,631
	<u>377,349</u>	<u>8,916,993</u>	<u>-</u>	<u>9,294,342</u>	<u>377,311</u>	<u>8,916,993</u>	<u>101,215</u>	<u>9,395,519</u>
Liabilities measured at fair value								
Derivative financial liabilities	2,147	1,027,776	-	1,029,923	2,147	1,027,776	-	1,029,923
	<u>2,147</u>	<u>1,027,776</u>	<u>-</u>	<u>1,029,923</u>	<u>2,147</u>	<u>1,027,776</u>	<u>-</u>	<u>1,029,923</u>

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A30. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTD.)

(b) The following tables show the Group's and the Bank's financial instruments that are measured at fair value at the reporting date analysed by levels within the fair value hierarchy (contd.).

	Group				Bank			
	Valuation techniques			Total RM'000	Valuation techniques			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
31 March 2014								
Assets measured at fair value								
Derivative financial assets	752	528,078	-	528,830	752	528,078	-	528,830
Financial assets held-for-trading								
- Money market securities	-	674,229	-	674,229	-	674,229	-	674,229
- Equities	194,546	-	-	194,546	194,546	-	-	194,546
- Quoted private debt securities	23,799	-	-	23,799	23,799	-	-	23,799
- Unquoted private debt securities	-	1,307,804	-	1,307,804	-	1,307,804	-	1,307,804
Financial investments available-for-sale								
- Money market securities	-	3,277,603	-	3,277,603	-	3,277,603	-	3,277,603
- Equities	188,288	-	-	188,288	188,251	-	-	188,251
- Unquoted private debt securities	-	2,919,090	417	2,919,507	-	2,919,090	123,317	3,042,407
	<u>407,385</u>	<u>8,706,804</u>	<u>417</u>	<u>9,114,606</u>	<u>407,348</u>	<u>8,706,804</u>	<u>123,317</u>	<u>9,237,469</u>
Liabilities measured at fair value								
Derivative financial liabilities	33,165	508,094	-	541,259	33,165	508,094	-	541,259
	<u>33,165</u>	<u>508,094</u>	<u>-</u>	<u>541,259</u>	<u>33,165</u>	<u>508,094</u>	<u>-</u>	<u>541,259</u>

There were no transfers between Level 1 and Level 2 during the current financial period and previous financial year for the Group and the Bank.

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A30. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTD.)

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 which are recorded at fair value:

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
Financial investments available-for-sale:				
Balance at beginning of financial year	417	435	123,317	159,732
Total gains/(losses) recognised in:				
- income statement:				
- other operating income	-	1,856	-	1,856
- impairment loss/(writeback)	310	(18)	310	(18)
- other comprehensive income	-	-	1,333	(2,558)
Settlements	(727)	(1,856)	(23,745)	(35,695)
Balance at end of financial year/period	<u>-</u>	<u>417</u>	<u>101,215</u>	<u>123,317</u>

Total gains or losses included in the income statement and statement of comprehensive income for financial instruments held at the end of reporting period:

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
Financial investments available-for-sale:				
Total gains/(losses) included in:				
- impairment loss on financial investments	-	(18)	-	(18)
- other comprehensive income	-	-	1,333	(2,558)

There were no transfers between Level 2 and Level 3 during the current financial period and previous financial year for the Group and the Bank.

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.

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A31. CAPITAL ADEQUACY

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

	Group		Bank	
	31 December 2014	31 March 2014	31 December 2014	31 March 2014
Before deducting proposed dividends				
Common Equity Tier 1 Capital Ratio	10.054%	9.864%	9.685%	9.453%
Tier 1 Capital Ratio	12.072%	11.832%	11.703%	11.418%
Total Capital Ratio	15.877%	15.711%	15.431%	14.916%
After deducting proposed dividends				
Common Equity Tier 1 Capital Ratio	10.054%	9.557%	9.685%	9.146%
Tier 1 Capital Ratio	12.072%	11.525%	11.703%	11.112%
Total Capital Ratio	15.877%	15.404%	15.431%	14.609%

The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk. With effect from 1 January 2013, the capital adequacy ratios are computed in accordance with BNM's guidelines on Capital Adequacy Framework (Capital Components) issued on 28 November 2012, which is based on the Basel III capital accord. The minimum regulatory capital adequacy ratios are set out as follows:

	Transitional arrangements		Calendar year 2015 onwards
	Calendar year 2013	Calendar year 2014	
Common Equity Tier 1 ("CET 1") 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%

The capital adequacy ratios of the Bank refers to the combined capital base as a ratio of the combined risk weighted assets ("RWA") of the Bank and its wholly-owned offshore banking subsidiary, AMIL. On 31 December 2014, AMIL had ceased to carry on Labuan banking business. Consequently, the capital adequacy ratios of the Bank as at 31 December 2014 refers to only the Bank's capital base as a ratio of RWA.

(b) The capital adequacy ratios of AMIL as at 31 March 2014 are as follows:

	31 March 2014
Core capital ratio	86.773%
Risk-weighted capital ratio	87.019%

The capital adequacy ratios of AMIL for capital compliance on a standalone basis as reported by the subsidiary were computed in accordance with the BNM guidelines of RWCAF based on the Basel II capital accord.

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A31. CAPITAL ADEQUACY (CONTD.)

(c) The components of CET 1, Additional Tier 1, Tier 2 and Total Capital of the Group and the Bank are as follows:

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
CET 1 Capital				
Ordinary shares	820,364	820,364	820,364	820,364
Share premium	942,844	942,844	942,844	942,844
Retained earnings	4,484,882	4,607,531	4,328,030	4,408,666
Available-for-sale reserve	(52,615)	(71,094)	(52,754)	(72,241)
Foreign currency translation reserve	22,360	(1,990)	24,613	(1,990)
Statutory reserve	980,969	980,969	980,969	980,969
Merger reserve	104,149	104,149	-	48,516
Cash flow hedging reserve	9,189	3,029	9,189	3,029
Less: Regulatory adjustments applied on CET1 Capital				
Intangible assets	(329,117)	(334,857)	(321,565)	(330,679)
Deferred tax assets	(58,813)	(90,488)	(45,850)	(51,825)
Cash flow hedging reserve	(9,189)	(3,029)	(9,189)	(3,029)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities	(367)	(613)	(14,326)	(67,722)
Total CET1 Capital	6,914,656	6,956,815	6,662,325	6,676,902
Additional Tier 1 Capital				
Additional Tier 1 Capital instruments (subject to gradual phase-out treatment)	1,388,080	1,388,080	1,388,080	1,388,080
Total Tier 1 Capital	8,302,736	8,344,895	8,050,405	8,064,982
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	400,000	400,000	400,000	400,000
Tier 2 Capital instruments (subject to gradual phase-out treatment)	1,460,000	1,557,800	1,460,000	1,557,800
Collective allowance and regulatory reserves	758,437	780,174	761,993	783,541
Less : Regulatory adjustments applied on Tier 2 Capital	(1,469)	(2,450)	(57,304)	(270,888)
Total Tier 2 capital	2,616,968	2,735,524	2,564,689	2,470,453
Total Capital	10,919,704	11,080,419	10,615,094	10,535,435

The breakdown of the RWA in various categories of risk is as follows:

	Group		Bank	
	31 December 2014 RM'000	31 March 2014 RM'000	31 December 2014 RM'000	31 March 2014 RM'000
Credit RWA	60,674,978	62,413,888	60,959,454	62,683,302
Market RWA	3,083,997	2,839,123	3,083,270	2,839,123
Operational RWA	5,016,460	5,128,626	4,747,483	4,965,805
Large exposure risk RWA for equity holdings	978	143,864	-	143,864
Total RWA	68,776,413	70,525,501	68,790,207	70,632,094

A32. CHANGES IN ACCOUNTING POLICIES AND RESTATEMENT OF COMPARATIVES

a) Adoption of MFRS 10, Consolidated Financial Statements ("MFRS 10")

Prior to the financial year ended 31 March 2014, the Bank had accounted for a collective investment scheme ("CIS"), AmCash Premium as financial investment available-for-sale in accordance with MFRS 139, Financial Instruments: Recognition and Measurement. At the date of initial application of MFRS 10 (1 April 2013), the Group and the Bank reassessed its investment based on the new requirements of MFRS 10 and have concluded that the Bank has control over the CIS.

Accordingly, the Group has consolidated the financial statements of the CIS for the financial year ended 31 March 2014. The assets, liabilities and equity of the collective investment scheme have also been retrospectively consolidated in the financial statements of the Group. Consequently, certain comparatives in the Income Statement for the financial period ended 31 December 2013 were restated.

b) During the financial quarter ended 30 September 2014, the Bank classified its investments that are not quoted in active markets as "Receivables: Investments not quoted in active markets". Consequently, certain comparative figures were restated to conform with current period's presentation. There was no significant impact to the financial performance and ratios in relation to the financial period ended 31 December 2013.

c) Certain comparatives were also restated to conform to the change in presentation during the last quarter of financial year ended 31 March 2014.

The financial effects arising from the above are as follows:

(i) Reconciliation of statements of financial position

	As previously reported RM'000	Effect of adoption of MFRS 10 RM'000	Other restatements RM'000	As restated RM'000
Group				
Receivables: Investments not quoted in active markets	-	-	62,181	62,181
Other Assets	1,852,967	-	(62,181)	1,790,786
Bank				
Receivables: Investments not quoted in active markets	-	-	62,181	62,181
Other Assets	1,847,020	-	(62,181)	1,784,839

(ii) Reconciliation of income statements

Group

Income statement for the financial quarter ended 31 December 2013

Operating revenue	3,926,617	(651)	(7,019)	3,918,947
Interest income	3,363,935	(707)	-	3,363,228
Interest expense	(1,763,417)	712	-	(1,762,705)
Other operating income	562,648	56	(7,019)	555,685
Other operating expenses	(902,530)	(32)	7,019	(895,543)

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A33. CHANGES IN ACCOUNTING POLICIES AND RESTATEMENT OF COMPARATIVES (CONTD.)

The financial effects arising from the above are as follows:

Bank

Income statement for the financial quarter ended 31 December 2013

Operating revenue	3,907,772	-	(7,019)	3,900,753
Interest income	3,357,294	(722)	-	3,356,572
Other operating income	550,478	722	(7,019)	544,181
Other operating expenses	(962,175)	-	7,019	(955,156)

Group

Income statement for the individual quarter ended 31 December 2013

Operating revenue	1,351,237	(138)	(2,210)	1,348,889
Interest income	1,136,930	(158)	-	1,136,772
Interest expense	(592,074)	238	-	(591,836)
Other operating income	214,295	20	(2,210)	212,105
Other operating expenses	(292,293)	(14)	2,210	(290,097)

Bank

Income statement for the individual quarter ended 31 December 2013

Operating revenue	1,342,995	-	(2,210)	1,340,785
Interest income	1,134,772	(248)	-	1,134,524
Other operating income	208,223	248	(2,210)	206,261
Other operating expenses	(321,535)	-	2,210	(319,325)

(iii) Reconciliation of condensed statements of cash flows

Group

31 December 2013

Profit before taxation	1,404,682	29	-	1,404,711
Net change of operating assets	(2,189,697)	(45)	-	(2,189,742)
Net change in operating liabilities	2,311,308	52	(5,630)	2,305,730
Net cash used in investing activities	(386,231)	100,000	-	(286,231)
Cash and cash equivalents at beginning of financial year	7,336,759	15	-	7,336,774
Effect of exchange rate changes	-	-	5,630	5,630
Cash and cash equivalents at end of financial period	8,693,180	100,051	-	8,793,231

Bank

31 December 2013

Net change in operating liabilities	2,400,006	-	(103)	2,399,903
Effect of exchange rate changes	-	-	103	103

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A34. ISLAMIC BANKING BUSINESS

The Islamic banking business of the Group is attributable to its wholly-owned offshore banking subsidiary, AMIL. The subsidiary had ceased to carry on Labuan banking business effective 31 December 2014 and changed its name to AmLabuan Holdings (L) Ltd with effect from 2 January 2015.

The statement of financial position as at 31 December 2014 and the results for the financial period ended 31 December 2014 of the Islamic Banking Business of the Group included in the financial statements are summarised as follows:

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

Note	31 December 2014 RM'000	31 March 2014 RM'000
ASSETS		
Cash and short-term funds	2	5,593
Other assets	-	454
TOTAL ASSETS	2	6,047
LIABILITY AND ISLAMIC BANKING FUNDS		
Other liabilities	1	-
TOTAL LIABILITY	1	-
Capital funds	-	2,839
Reserves	1	3,208
TOTAL ISLAMIC BANKING FUNDS	1	6,047
TOTAL LIABILITY AND ISLAMIC BANKING FUNDS	2	6,047

**UNAUDITED INCOME STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

	Individual Quarter		Cumulative Quarter	
	31 December 2014	31 December 2013	31 December 2014 RM'000	31 December 2013 RM'000
Income derived from Islamic Banking Funds representing total comprehensive income for the period	-	12	1	34