

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015

	Note	Group		Company	
		30.09.15 RM'000	31.03.15 RM'000	30.09.15 RM'000	31.03.15 RM'000
ASSETS					
Cash and short-term funds		8,748,807	10,758,600	4,658	12,464
Securities purchased under resale agreements		56,732	-	-	-
Deposits and placements with banks and other financial institutions		2,651,878	4,068,819	6,148	25,131
Derivative financial assets	A30	3,562,728	1,437,537	-	-
Financial assets held-for-trading	A8	4,269,773	4,674,223	-	-
Financial investments available-for-sale	A9	11,908,403	10,387,275	78,051	110,704
Financial investments held-to-maturity	A10	4,201,438	3,864,508	-	-
Loans, advances and financing	A11	85,270,225	86,173,795	-	-
Receivables: Investments not quoted in active markets		547,702	551,163	-	-
Statutory deposits with Bank Negara Malaysia	A12	3,017,985	3,214,591	-	-
Deferred tax assets		9,982	83,434	-	-
Investment in subsidiaries		-	-	9,507,225	9,507,225
Investment in associates and joint ventures		660,228	662,273	-	-
Other assets	A13	4,306,758	3,667,045	18,170	20,381
Reinsurance, retakaful assets and other insurance receivables	A14	446,405	433,929	-	-
Investment properties		7,713	7,713	-	-
Property and equipment		296,976	266,562	463	536
Intangible assets		3,354,566	3,348,121	-	-
Assets held for sale		83,775	204,236	-	-
TOTAL ASSETS		133,402,074	133,803,824	9,614,715	9,676,441
LIABILITIES AND EQUITY					
Deposits and placements of banks and other financial institutions	A15	2,861,405	2,301,664	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad		1,952,178	2,769,585	-	-
Derivative financial liabilities	A30	3,346,238	1,385,478	-	-
Deposits from customers	A16	89,280,285	92,130,049	-	-
Investment accounts		23,480	-	-	-
Term funding		8,972,472	8,302,354	1,206,000	1,206,000
Debt capital		4,701,020	4,580,573	-	-
Redeemable cumulative convertible preference share		200,320	198,821	-	-
Deferred tax liabilities		91,390	116,557	-	-
Other liabilities	A17	3,646,593	3,917,675	41,105	40,873
Insurance, takaful contract liabilities and other insurance payables	A18	2,585,760	2,544,649	-	-
Liabilities directly associated with assets held for sale		-	48,995	-	-
Total Liabilities		117,661,141	118,296,400	1,247,105	1,246,873
Share capital		3,014,185	3,014,185	3,014,185	3,014,185
Reserves		11,745,092	11,440,960	5,353,425	5,415,383
Equity attributable to equity holders of the Company		14,759,277	14,455,145	8,367,610	8,429,568
Non-controlling interests		981,656	1,052,279	-	-
Total Equity		15,740,933	15,507,424	8,367,610	8,429,568
TOTAL LIABILITIES AND EQUITY		133,402,074	133,803,824	9,614,715	9,676,441
COMMITMENTS AND CONTINGENCIES	A29	133,763,151	116,765,056	-	-
NET ASSETS PER SHARE (RM)		4.90	4.80	2.78	2.80

The unaudited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2015.

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

UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

Group	Note	Individual Quarter		Cumulative Quarter	
		30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
Operating revenue	A25	2,088,141	2,210,802	4,197,244	4,793,708
Interest income	A19	1,035,787	1,095,154	2,051,992	2,176,838
Interest expense	A20	(604,016)	(580,619)	(1,196,685)	(1,156,903)
Net interest income		431,771	514,535	855,307	1,019,935
Net income from Islamic banking business		200,158	224,045	407,079	432,094
Income from insurance business		359,768	376,138	739,291	795,799
Insurance claims and commissions		(258,960)	(259,545)	(529,072)	(564,101)
Net income from insurance business	A21	100,808	116,593	210,219	231,698
Other operating income	A22	198,319	268,869	422,017	905,287
Share in results of associates and joint ventures		3,856	7,339	4,108	8,368
Net income		934,912	1,131,381	1,898,730	2,597,382
Other operating expenses	A23	(500,274)	(494,821)	(984,487)	(1,049,051)
Acquisition and business efficiency expenses		757	(3,502)	(2,345)	(76,344)
Operating profit		435,395	633,058	911,898	1,471,987
(Allowances)/Writeback for impairment on loans, advances and financing	A24	63,595	(4,729)	52,872	(85,798)
Net impairment (loss)/writeback on:					
Financial investments		2,900	(2,408)	2,900	2,592
Doubtful sundry receivables		(291)	3,649	(309)	(28,829)
Foreclosed properties		(22)	(76)	(106)	(5,634)
Intangible assets		(659)	-	(659)	(125)
(Provision made)/Writeback of provision for commitments and contingencies		59	(4,481)	18,183	(2,557)
Transfer to profit equalisation reserve		-	(3,766)	(1,406)	(4,604)
Profit before taxation and zakat		500,977	621,247	983,373	1,347,032
Taxation and zakat	B5	(93,068)	(140,509)	(206,802)	(298,444)
Profit for the period		407,909	480,738	776,571	1,048,588
Attributable to:					
Equity holders of the Company		382,518	445,819	722,029	982,759
Non-controlling interests		25,391	34,919	54,542	65,829
Profit for the period		407,909	480,738	776,571	1,048,588
EARNINGS PER SHARE (SEN)	B11				
Basic		12.73	14.81	24.03	32.67
Fully diluted		12.73	14.81	24.03	32.65

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

UNAUDITED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

Group	Individual Quarter		Cumulative Quarter	
	30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
Profit for the period	407,909	480,738	776,571	1,048,588
Other comprehensive income/(loss):				
Items that may be reclassified to income statement				
Exchange differences on translation of				
- foreign operations	66,711	5,634	78,373	(1,181)
- net investment hedge	21,700	2,417	17,953	509
Net movement on cash flow hedge	13,532	(321)	20,281	4,982
Net movement on financial investments available-for-sale ("AFS")	(119,612)	36,022	(91,528)	24,120
	<u>(17,669)</u>	<u>43,752</u>	<u>25,079</u>	<u>28,430</u>
Income tax relating to the components of other comprehensive income/(loss)	20,164	(6,955)	15,849	(5,395)
Other comprehensive income/(loss) for the period, net of tax	2,495	36,797	40,928	23,035
Total comprehensive income for the period	<u>410,404</u>	<u>517,535</u>	<u>817,499</u>	<u>1,071,623</u>
Total comprehensive income for the period attributable to:				
Equity holders of the Company	385,570	484,578	764,248	1,017,482
Non-controlling interests	24,834	32,957	53,251	54,141
	<u>410,404</u>	<u>517,535</u>	<u>817,499</u>	<u>1,071,623</u>

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AMMB HOLDINGS BERHAD
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UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

Company	Note	Individual Quarter		Cumulative Quarter	
		30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
Operating revenue	A25	446,372	918,031	447,379	921,552
Interest income	A19	755	1,749	976	3,917
Interest expense	A20	(14,110)	(18,713)	(28,091)	(39,109)
Net interest income		(13,355)	(16,964)	(27,115)	(35,192)
Other operating income	A22	445,617	916,282	446,403	917,635
Net income		432,262	899,318	419,288	882,443
Other operating expenses	A23	(11,596)	(2,357)	(21,754)	(7,843)
Profit before taxation and zakat		420,666	896,961	397,534	874,600
Taxation and zakat		(244)	(1,021)	(244)	(1,021)
Profit for the period		420,422	895,940	397,290	873,579

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AMMB HOLDINGS BERHAD
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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

Group	Attributable to Equity Holders of the Company														Total equity
	Non-Distributable										Distributable				
	Ordinary share capital	Share premium	Statutory reserve	Regulatory reserve	Profit equalisation reserve	AFS reserve/(deficit)	Cash flow hedging reserve	Foreign currency translation reserve/(deficit)	Executives' share scheme reserve	Shares held in trust for ESS	Retained Earnings Non-participating funds	Total	Non-controlling interests		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 01.04.14	3,014,185	2,537,372	1,938,849	-	1,260	(41,687)	3,030	8,213	79,456	(58,434)	132,993	5,527,704	13,142,941	951,448	14,094,389
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	982,759	982,759	65,829	1,048,588
Other comprehensive income/(loss), net	-	-	-	-	-	31,544	3,827	(648)	-	-	-	-	34,723	(11,688)	23,035
Total comprehensive income for the period	-	-	-	-	-	31,544	3,827	(648)	-	-	-	982,759	1,017,482	54,141	1,071,623
Purchase of shares pursuant to Executives' Share Scheme ("ESS")^	-	-	-	-	-	-	-	-	-	(35,184)	-	-	(35,184)	-	(35,184)
Share-based payment under ESS, net	-	-	-	-	-	-	-	-	15,151	-	-	-	15,151	-	15,151
ESS shares vested to employees of subsidiaries	-	-	-	-	-	-	-	-	(38,256)	43,861	-	-	5,605	-	5,605
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	-	-	-	-	-	(2,071)	(2,071)	(75)	(2,146)
Net utilisation of profit equalisation reserve	-	-	-	-	1,341	-	-	-	-	-	-	(1,341)	-	-	-
Unallocated surplus transfer	-	-	-	-	-	-	-	-	-	-	10,482	747	11,229	-	11,229
Redemption of shares in AmPrivate Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,543)	(2,543)
Arising from disposal of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	(142,618)	318,412	175,794	-	175,794
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(509,397)	(509,397)	(10,942)	(520,339)
Transactions with owners and other equity movements	-	-	-	-	1,341	-	-	-	(23,105)	8,677	(132,136)	(193,650)	(338,873)	(13,560)	(352,433)
At 30.09.14	3,014,185	2,537,372	1,938,849	-	2,601	(10,143)	6,857	7,565	56,351	(49,757)	857	6,316,813	13,821,550	992,029	14,813,579

AMMB HOLDINGS BERHAD
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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

Group	Attributable to Equity Holders of the Company														Total equity
	Non-Distributable										Distributable				
	Ordinary share capital	Share premium	Statutory reserve	Regulatory reserve	Profit equalisation reserve	AFS reserve/ (deficit)	Cash flow hedging reserve/ (deficit)	Foreign currency translation reserve	Executives' share scheme reserve	Shares held in trust for ESS	Retained Earnings Non-participating funds	Total	Non-controlling interests		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 01.04.15	3,014,185	2,537,372	1,938,849	2,800	3,904	21,822	(481)	68,456	69,993	(86,110)	54,175	6,830,180	14,455,145	1,052,279	15,507,424
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	722,029	722,029	54,542	776,571
Other comprehensive income/(loss), net	-	-	-	-	-	(69,531)	15,414	96,336	-	-	-	-	42,219	(1,291)	40,928
Total comprehensive income for the period	-	-	-	-	-	(69,531)	15,414	96,336	-	-	-	722,029	764,248	53,251	817,499
Purchase of shares pursuant to ESS [^]	-	-	-	-	-	-	-	-	-	(3,004)	-	-	(3,004)	-	(3,004)
Share-based payment under ESS, net	-	-	-	-	-	-	-	-	1,458	-	-	-	1,458	-	1,458
ESS shares vested to employees of subsidiaries	-	-	-	-	-	-	-	-	(29,674)	32,200	-	-	2,526	-	2,526
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	-	-	-	-	-	(231)	(231)	(33)	(264)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net utilisation of profit equalisation reserve	-	-	-	-	(3,904)	-	-	-	-	-	-	3,904	-	-	-
Unallocated surplus transfer	-	-	-	-	-	-	-	-	-	-	426	(426)	-	-	-
Redemption of shares in AmPrivate Equity Sdn Bhd	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,036)	(1,036)
Arising from disposal of subsidiary	-	-	-	-	-	(457)	-	21,328	-	-	-	(20,566)	305	(305)	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(461,170)	(461,170)	(122,500)	(583,670)
Transactions with owners and other equity movements	-	-	-	-	(3,904)	(457)	-	21,328	(28,216)	29,196	426	(478,489)	(460,116)	(123,874)	(583,990)
At 30.09.15	3,014,185	2,537,372	1,938,849	2,800	-	(48,166)	14,933	186,120	41,777	(56,914)	54,601	7,073,720	14,759,277	981,656	15,740,933

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

UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

Company	Attributable to Equity Holders of the Company					
	Non-Distributable				Distributable	
	Ordinary share capital RM'000	Share premium RM'000	Executives' share scheme reserve RM'000	Shares held in trust for ESS RM'000	Retained earnings RM'000	Total equity RM'000
At 01.04.14	3,014,185	2,536,065	79,456	(58,434)	2,454,052	8,025,324
Profit for the period	-	-	-	-	873,579	873,579
Other comprehensive income, net	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	873,579	873,579
Purchase of shares pursuant to ESS [^]	-	-	-	(35,184)	-	(35,184)
Share-based payment under ESS, net	-	-	15,151	-	-	15,151
ESS shares vested to employees of subsidiaries	-	-	(38,256)	43,861	1,952	7,557
Dividends paid	-	-	-	-	(509,397)	(509,397)
Transactions with owners and other equity movements	-	-	(23,105)	8,677	(507,445)	(521,873)
At 30.09.14	3,014,185	2,536,065	56,351	(49,757)	2,820,186	8,377,030

Company	Attributable to Equity Holders of the Company					
	Non-Distributable				Distributable	
	Ordinary share capital RM'000	Share premium RM'000	Executives' share scheme reserve RM'000	Shares held in trust for ESS RM'000	Retained earnings RM'000	Total equity RM'000
At 01.04.15	3,014,185	2,536,065	69,993	(86,110)	2,895,435	8,429,568
Profit for the period	-	-	-	-	397,290	397,290
Other comprehensive income, net	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	397,290	397,290
Purchase of shares pursuant to ESS [^]	-	-	-	(3,004)	-	(3,004)
Share-based payment under ESS, net	-	-	1,458	-	-	1,458
ESS shares vested to employees of subsidiaries	-	-	(29,674)	32,200	942	3,468
Dividends paid	-	-	-	-	(461,170)	(461,170)
Transactions with owners and other equity movements	-	-	(28,216)	29,196	(460,228)	(459,248)
At 30.09.15	3,014,185	2,536,065	41,777	(56,914)	2,832,497	8,367,610

[^] Represents the purchase of 5,050,100 of the Company's issued ordinary shares from the open market by a trustee appointed by the ESS committee at an average price of RM6.97 per share.

^{^^} Represents the purchase of 472,400 of the Company's issued ordinary shares from the open market by a trustee appointed by the ESS committee at an average price of RM6.36 per share.

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

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

	Group		Company	
	30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
Profit/(Loss) before taxation and zakat	983,373	1,347,032	397,534	874,600
Add/(Less) adjustments for:				
Accretion of discount less amortisation of premium	(68,893)	(73,914)	-	-
Allowance/(Writeback of allowance) for losses on loans, advances and financing	269,514	85,798	-	-
Dividend income from investments	(18,772)	(26,103)	(446,253)	(917,153)
Net gain on revaluation of derivatives	(64,781)	(22,866)	-	-
Net gain on revaluation of financial assets held-for-trading	37,613	(26,725)	-	-
Net gain on sale of financial investments available-for-sale	(17,192)	(38,846)	-	9
Net (gain)/loss on sale of financial assets held-for-trading	10,525	8,789	-	-
Other non-operating and non-cash items	39,383	(396,864)	80	85
Operating profit/(loss) before working capital changes	1,170,770	856,301	(48,639)	(42,459)
<i>Decrease/(Increase) in operating assets:</i>				
Securities purchased under resale agreements	(56,732)	(14,987)	-	-
Deposits and placements with banks and other financial institutions	1,417,711	(48,757)	18,984	159,216
Financial assets held-for-trading	361,543	(109,186)	-	-
Loans, advances and financing	633,726	2,327,443	-	-
Receivables: Investments not quoted in active markets	16,922	(350,000)	-	-
Statutory deposits with Bank Negara Malaysia	196,606	(20,973)	-	-
Other assets	(1,763,487)	555,671	(1,908)	(2,989)
Reinsurance, retakaful assets and other insurance receivables	(12,476)	72,040	-	-
<i>Increase/(Decrease) in operating liabilities:</i>				
Deposits and placements of banks and other financial institutions	937,027	(603,728)	-	-
Securities sold under repurchase agreements	-	10,205	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad	(817,407)	14,975	-	-
Deposits from customers	(3,227,050)	(5,050,384)	-	-
Term funding	705,605	(42,005)	-	-
Other liabilities	1,768,680	(686,582)	(28,230)	(11,697)
Insurance, takaful contract liabilities and other insurance payables	41,111	(56,857)	-	-
Cash generated from/(used in) operations	1,372,549	(3,146,824)	(59,793)	102,071
Taxation and zakat paid	(857,538)	(287,802)	4,120	(949)
Net cash generated from/(used in) operating activities	515,011	(3,434,626)	(55,673)	101,122
<i>Cash flows from investing activities</i>				
Arising from purchase of shares for ESS by the appointed trustee	(3,004)	(35,184)	(3,004)	(35,184)
Dividends received from other investments	18,556	26,366	444,786	914,680
ESS shares vested to eligible employees	32,200	43,861	32,200	43,861
Net cash inflow from disposal of equity interests in subsidiaries	(40,221)	661,193	-	-
Proceeds from disposal of property and equipment and intangible assets	7,092	65	-	-
Disposal/(Purchase) of financial investments - net	(1,843,553)	2,161,345	34,119	164,593
Purchase of property and equipment and intangible assets	(133,331)	(57,365)	(7)	-
Transfer of ESS shares recharged difference on purchase price for shares vested	(231)	(2,071)	943	1,952
Proceed from senior notes				(700,000)
Net cash generated from/(used in) investing activities	(1,962,492)	2,798,210	509,037	389,902

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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015 (CONT'D.)

	Group		Company	
	30.09.15	30.09.14	30.09.15	30.09.14
	RM'000	RM'000	RM'000	RM'000
<i>Cash flows from financing activities</i>				
Dividends paid by Company to its shareholders	(461,170)	(509,397)	(461,170)	(509,397)
Dividends paid to non-controlling interests by subsidiaries	(122,500)	(10,942)	-	-
Redemption of shares in subsidiary by non-controlling interests	(1,036)	(2,543)	-	-
Net cash used in financing activities	<u>(584,706)</u>	<u>(522,882)</u>	<u>(461,170)</u>	<u>(509,397)</u>
Net increase/(decrease) in cash and cash equivalents	(2,032,187)	(1,159,298)	(7,806)	(18,373)
Cash and cash equivalents at beginning of financial year	10,781,256	10,286,587	12,464	53,189
Effect of exchange rate changes	(262)	1,504	-	-
Cash and cash equivalents at end of period	<u>8,748,807</u>	<u>9,128,793</u>	<u>4,658</u>	<u>34,816</u>

The unaudited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2015.

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

EXPLANATORY NOTES :

A1. BASIS OF PREPARATION

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

The financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Group and the Company for the financial year ended 31 March 2015 which are available upon request from the Company's registered office at Level 22, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

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

The significant accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those of the most recent audited annual financial statements for the financial year ended 31 March 2015 except for the adoption of the following new and amended Malaysian Financial Reporting Standards ("MFRS") and interpretations which became effective for the Group and the Company on 1 April 2015.

- Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions
- Annual Improvements to MFRSs 2010-2012 Cycle
- Annual Improvements to MFRSs 2011-2013 Cycle

The adoption of these new and amended MFRS and interpretations did not have any material impact on the financial statements of the Group and the Company.

The nature of the new and amended MFRS and interpretations are described below:

Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions

The amendments to MFRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

Annual Improvements to MFRSs 2010-2012 Cycle

The Annual Improvements to MFRSs 2010-2012 Cycle include a number of amendments to various MFRSs, which are summarised below.

(i) MFRS 2: Share-based Payment

This improvement clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition;
- A performance target must be met while the counterparty is rendering service;
- A performance target may relate to the operations or activities of an entity, or those of another entity in the same group;
- A performance condition may be a market or non-market condition; and
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

This improvement is effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

(ii) MFRS 3: Business Combinations

The amendments to MFRS 3 clarifies that contingent consideration classified as liabilities (or assets) should be measured at fair value through profit or loss at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of MFRS 9 or MFRS 139. The amendments are effective for business combinations for which the acquisition date is on or after 1 July 2014.

A1. BASIS OF PREPARATION (CONT'D.)

Annual Improvements to MFRSs 2010-2012 Cycle (Cont'd.)

The Annual Improvements to MFRSs 2010-2012 Cycle include a number of amendments to various MFRSs, which are summarised below. (Cont'd.)

(iii) MFRS 8: Operating Segments

The amendments are to be applied retrospectively and clarify that:

- an entity must disclose the judgements made by management in applying the aggregation criteria in MFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar; and
- the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

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

The amendments remove inconsistencies in the accounting for accumulated depreciation or amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amendments clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

(v) MFRS 124: Related Party Disclosures

The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services.

Annual Improvements to MFRSs 2011-2013 Cycle

The Annual Improvements to MFRSs 2011-2013 Cycle include a number of amendments to various MFRSs, which are summarised below.

(i) MFRS 3: Business Combinations

The amendments to MFRS 3 clarify that the standard does not apply to the accounting for formation of all types of joint arrangement in the financial statements of the joint arrangement itself. This amendment applies prospectively.

(ii) MFRS 13: Fair Value Measurement

The amendments to MFRS 13 clarify that the portfolio exception in MFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of MFRS 9 (or MFRS 139 as applicable).

(iii) MFRS 140: Investment Property

The amendments to MFRS 140 clarify that an entity acquiring investment property must determine whether:

- the property meets the definition of investment property in terms of MFRS 140; and
- the transaction meets the definition of a business combination under MFRS 3, to determine if the transaction is a purchase of an asset or is a business combination.

Bank Negara Malaysia ("BNM") Policy Documents

BNM Policy Document on Investment Account and the Transition Policy under the Islamic Financial Services Act 2013 ("IFSA")

On 14 March 2014, BNM issued a policy document on Investment Account ("policy document") aimed at outlining the regulatory requirements on the conduct of investment accounts that are consistent with the IFSA and that comply with standards on Shariah issued by BNM. This policy document comes into effect on 14 March 2014.

On 14 February 2014, BNM issued the Transition Policy under IFSA ("transition policy"), allowing Islamic financial institutions a transition period until 30 June 2015 to comply with IFSA and BNM standards on Shariah and policy document on Investment Account. Pursuant to the application of the policy document on Investment Account and the transition policy, AmBank Islamic:

- (i) segregated investment deposit products from deposit accounts and presented these separately as investment accounts in the financial statements;
- (ii) discontinued with the application of profit equalisation reserve ("PER"). The available amounts in PER had been distributed to the remaining account holders in the form of hibah; and
- (iii) will reclassify its Restricted Profit Sharing Investment Account ("RPSIA") as investment account when the necessary approvals have been obtained from BNM.

A1. BASIS OF PREPARATION (CONT'D.)

Bank Negara Malaysia (“BNM”) Policy Documents (Cont'd.)

BNM Policy Document on Investment Account and the Transition Policy under the Islamic Financial Services Act 2013 (“IFSA”) (Cont'd.)

The policy document and the transition policy have been applied prospectively in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors as these investment accounts are new products offered by AmBank Islamic and the Group.

The accounting policy adopted for Investment Account is as follows:

Unrestricted Investment Account

The Group's Unrestricted Investment Account is based on the Shariah concept of Wakalah bil Istithmar. It refers to an arrangement whereby the Investment Account Holder (“IAH”) (as the principal or “muwakkil”) appoints the Group as an agent (the “wakil”) for the purpose of investment. The Group as wakil shall not be liable to compensate losses except losses due to its own misconduct, negligence or breach of specified terms. The amount invested by the IAH aims to provide the IAH with steady flow of income by investing in low risk investments which the Group deems appropriate. The Group may however change the investment strategy if the Group decides that it will be in the best interest of the IAH to do so in order to achieve the investment objectives. The Group at present does not imposed specific Wakalah fees to the IAH.

Restricted Profit Sharing Investment Account (“RPSIA”)

The Group's RPSIA is based on Mudarabah concept where the IAH agree to participate in the specific financial/investment activities undertaken by the Group and share the profit generated from financing and/or investment activities based on an agreed profit-sharing ratio. The IAH shall bear the losses arising from the assets funded under the Mudarabah concept except in cases of misconduct, negligence or breach of contracted terms by the Group. Therefore, any allowances for impairment and capital charged will be transferred to the IAH to reflect the potential losses to the IAH. Currently, the existing RPSIA arrangement is between AmBank Islamic Berhad and AmBank (M) Berhad.

Distribution of profit between the unrestricted IAH and the Group

The unrestricted IAH place funds with the Group in exchange for an expected rate of return (“ERR”) for the agreed period of the investment. The Group mobilises the investment account funds in accordance with its investment strategy to generate returns. In the event that the actual rate of return (“ARR”) is higher than the ERR, the IAH agree that this difference shall be retained by the Group as a performance incentive. On the contrary, if the ARR is lower than the ERR, the Group is obliged to distribute the ARR to the IAH.

The Group adopts the standard methodology in calculating the rate of return and profit distribution to the IAH consistent with Rate of Return framework issued by BNM. The Group neither adopt profit smoothing practices nor employ displaced commercial risk technique in the calculation of the ARR to the IAH.

BNM Policy Document on Classification and Impairment Provisions for Loans/Financing

On 6 April 2015, BNM issued a revised policy document on Classification and Impairment Provisions for Loans/Financing. The requirements in this revised policy document are effective for financial years beginning on or after 1 January 2015, except for the following:

- (i) the requirement to classify loans/financing as rescheduled and restructured in the Central Credit Reference Information System (“CCRIS”) is effective on or after 1 April 2015; and
- (ii) the requirement for a banking institution to maintain, in aggregate, collective impairment allowance and regulatory reserves of no less than 1.2% of total outstanding loans/financing, net of individual impairment allowance will be effective beginning 31 December 2015.

The revised policy did not result in significant impairment charges to the Group for the financial quarter ended 30 September 2015.

The Group had early adopted the requirement in item (ii) above in the financial year ended 31 March 2015.

Standards issued but not yet effective

The following are standards issued but not yet effective up to the date of issuance of the Group's and Company's financial statements. The Group and the Company intend to adopt the relevant standards when they become effective.

Description	Effective for financial year ending
- Annual Improvements to MFRSs 2012-2014 Cycle	31 March 2017
- Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	31 March 2017
- Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants	31 March 2017

A1. BASIS OF PREPARATION (CONT'D.)

Standards issued but not yet effective (Cont'd.)

The following are standards issued but not yet effective up to the date of issuance of the Group's and Company's financial statements. The Group and the Company intend to adopt the relevant standards when they become effective. (Cont'd.)

Description	Effective for financial year ending
- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	31 March 2017
- Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception	31 March 2017
- Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations	31 March 2017
- Amendments to MFRS 127 Equity Method in Separate Financial Statements	31 March 2017
- Amendments to MFRS 101 Disclosure Initiative	31 March 2017
- MFRS 14 Regulatory Deferral Accounts	31 March 2017
- MFRS 15 Revenue from Contracts with Customers	31 March 2019
- MFRS 9 Financial Instruments	31 March 2019

The nature of the standards that are issued but not yet effective are described below. The Group and the Company are assessing the financial effects of their adoption.

Standards effective for financial year ending 31 March 2017

Annual Improvements to MFRSs 2012-2014 Cycle

The Annual Improvements to MFRSs 2012-2014 Cycle include a number of amendments to various MFRSs, which are summarised below.

(i) MFRS 5 Non-current Assets Held for Sale and Discontinued Operations

The amendment to MFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in MFRS 5.

The amendment also clarifies that changing the disposal method does not change the date of classification. This amendment is to be applied prospectively to changes in methods of disposal that occur in annual periods beginning on or after 1 January 2016, with earlier application permitted.

(ii) MFRS 7 Financial Instruments: Disclosures

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in MFRS 7 in order to assess whether the disclosures are required.

In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

(iii) MFRS 119 Employee Benefits

The amendment to MFRS 119 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

(iv) MFRS 134 Interim Financial Reporting

MFRS 134 requires entities to disclose information in the notes to the interim financial statements "if not disclosed elsewhere in the interim financial report".

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

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

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted.

A1. BASIS OF PREPARATION (CONT'D.)

Standards effective for financial year ending 31 March 2017 (Cont'd.)

Annual Improvements to MFRSs 2012-2014 Cycle (Cont'd.)

The Annual Improvements to MFRSs 2012-2014 Cycle include a number of amendments to various MFRSs, which are summarised below. (Cont'd.)

Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of MFRS 141. Instead, MFRS 116 will apply. After initial recognition, bearer plants will be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of MFRS 141 and are measured at fair value less costs to sell. The amendments are effective for annual periods beginning on or after 1 January 2016 and are to be applied retrospectively, with early adoption permitted.

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

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to MFRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant MFRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to MFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to MFRS 127 Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to MFRS 101 Disclosure Initiative

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

A1. BASIS OF PREPARATION (CONT'D.)

Standards effective for financial year ending 31 March 2017 (Cont'd.)

MFRS 14 Regulatory Deferral Accounts

MFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulations, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of MFRS. Entities that adopt MFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in the account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group and the Company are existing MFRS preparers, this standard would not apply.

Standards effective for financial year ending 31 March 2019

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFR 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's and the Company's financial assets, but no impact on the classification and measurement of the Group's and the Company's financial liabilities.

A2. AUDIT QUALIFICATION

There was no audit qualification in the annual financial statements for the year ended 31 March 2015.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

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

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

A5. CHANGES IN ESTIMATES

There was no material change in estimates of amounts reported in the prior financial years that have a material effect on the financial period ended 30 September 2015.

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

The Company has not issued any new shares and debentures during the financial quarter.

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

A7. DIVIDENDS PAID

During the financial period ended 30 September 2015, a final single tier dividend of 15.3% for the financial year ended 31 March 2015 amounting to RM461,170,284 was paid on 11 September 2015 to shareholders whose names appear in the record of Depositors on 28 August 2015.

A8. FINANCIAL ASSETS HELD-FOR-TRADING

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
At Fair Value		
Money Market Instruments:		
Malaysian Treasury Bills	2,984	9,830
Malaysia Islamic Treasury Bills	14,716	-
Malaysian Government Securities	171,809	797,037
Government Investment Issues	130,178	491,950
Foreign government Investment Certificates	73,206	-
Cagamas bonds	63,168	109,111
Bank Negara Monetary Notes	-	14,767
	<u>456,061</u>	<u>1,422,695</u>
Quoted Securities:		
In Malaysia:		
Shares	57,485	71,323
Unit trusts	39,003	14,519
Private debt securities	38,256	39,394
Outside Malaysia:		
Shares	111,568	95,933
	<u>246,312</u>	<u>221,169</u>
Unquoted Securities:		
In Malaysia:		
Private debt securities	3,494,829	2,863,838
Outside Malaysia:		
Private debt securities	72,571	166,521
	<u>3,567,400</u>	<u>3,030,359</u>
Total	<u>4,269,773</u>	<u>4,674,223</u>

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group		Company	
	30.09.15 RM'000	31.03.15 RM'000	30.09.15 RM'000	31.03.15 RM'000
At Fair Value				
Money Market Instruments:				
Malaysian Treasury Bills	19,988	39,691	-	-
Malaysian Government Securities	331,303	350,238	-	-
Government Investment Issues	1,134,783	576,623	-	-
Bank Negara Monetary Notes	39,976	634,483	-	-
Negotiable instruments of deposits	949,315	600,078	-	-
Islamic negotiable instruments of deposit	3,596,675	3,045,886	-	-
Islamic Treasury Bills	28,272	-	-	-
	<u>6,100,312</u>	<u>5,246,999</u>	<u>-</u>	<u>-</u>
Quoted Securities:				
In Malaysia:				
Shares	47,537	51,271	-	-
Unit trusts	831,443	681,686	78,051	110,704
Outside Malaysia:				
Shares	45,569	41,636	-	-
	<u>924,549</u>	<u>774,593</u>	<u>78,051</u>	<u>110,704</u>
Unquoted Securities:				
In Malaysia:				
Unit trusts	32,894	33,343	-	-
Private debt securities	4,399,747	3,910,263	-	-
Outside Malaysia:				
Unit trusts	314	314	-	-
Private debt securities	330,818	301,957	-	-
	<u>4,763,773</u>	<u>4,245,877</u>	<u>-</u>	<u>-</u>
At Cost				
Unquoted Securities:				
In Malaysia:				
Shares	119,567	119,643	-	-
Outside Malaysia:				
Shares	202	163	-	-
	<u>119,769</u>	<u>119,806</u>	<u>-</u>	<u>-</u>
Total	<u>11,908,403</u>	<u>10,387,275</u>	<u>78,051</u>	<u>110,704</u>

A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
At Amortised Cost		
Money Market Instruments:		
Foreign Treasury Bills	835,121	518,486
Unquoted Securities:		
In Malaysia:		
Private debt securities	3,369,615	3,352,220
	4,204,736	3,870,706
Less: Accumulated impairment losses	(3,298)	(6,198)
Total	<u>4,201,438</u>	<u>3,864,508</u>

A11. LOANS, ADVANCES AND FINANCING

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
At Amortised Cost:		
Loans, advances and financing:		
Term loans	25,181,837	26,101,737
Revolving credit	11,376,147	10,990,796
Housing loans/financing	16,357,704	15,529,057
Staff loans	121,603	126,200
Hire-purchase receivables	23,002,873	24,096,098
Credit card receivables	1,595,104	1,712,916
Overdraft	3,175,694	3,225,224
Claims on customers under acceptance credits	3,820,376	3,756,802
Trust receipts	1,218,699	1,330,515
Bills receivables	818,147	796,914
Others	172,857	156,783
Gross loans, advances and financing	<u>86,841,041</u>	<u>87,823,042</u>
Allowance for impairment on loans, advances and financing:		
Collective allowance	(1,340,590)	(1,413,424)
Individual allowance	(230,226)	(235,823)
	<u>(1,570,816)</u>	<u>(1,649,247)</u>
Net loans, advances and financing	<u>85,270,225</u>	<u>86,173,795</u>

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

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

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
Domestic banking institutions	2,776	6,718
Domestic non-bank financial institutions	1,827,133	2,162,647
Domestic business enterprises:		
Small and medium enterprises	12,247,612	12,154,408
Others	25,906,305	26,389,665
Government and statutory bodies	437,599	458,194
Individuals	44,702,973	45,016,784
Other domestic entities	165,036	196,804
Foreign individuals and entities	1,551,607	1,437,822
	<u>86,841,041</u>	<u>87,823,042</u>

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

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
In Malaysia	85,941,936	86,959,227
Outside Malaysia	899,105	863,815
	<u>86,841,041</u>	<u>87,823,042</u>

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

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
Fixed rate:		
Housing loans/financing	615,084	647,158
Hire purchase receivables	21,266,148	22,101,194
Other fixed rate loans/financing	8,510,223	9,370,037
	<u>30,391,455</u>	<u>32,118,389</u>
Variable rate:		
Base lending/financing rate plus	29,456,523	29,416,068
Cost plus	24,714,140	24,676,178
Other variable rates	2,278,923	1,612,407
	<u>56,449,586</u>	<u>55,704,653</u>
	<u>86,841,041</u>	<u>87,823,042</u>

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

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

	Group	
	30.09.15 RM'000	31.03.15 RM'000
Agriculture	4,343,148	4,285,412
Mining and quarrying	3,673,414	3,075,692
Manufacturing	8,648,640	8,553,568
Electricity, gas and water	539,165	1,237,957
Construction	3,451,076	3,979,622
Wholesale and retail trade and hotels and restaurants	4,547,004	4,611,285
Transport, storage and communication	2,750,593	2,334,695
Finance and insurance	1,874,023	2,169,365
Real estate	8,499,083	8,667,880
Business activities	1,159,019	1,215,866
Education and health	1,615,721	1,707,568
Household of which:	45,312,746	45,494,173
Purchase of residential properties	16,189,800	15,389,672
Purchase of transport vehicles	21,776,664	22,713,649
Others	7,346,282	7,390,852
Others	427,409	489,959
	86,841,041	87,823,042

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

	Group	
	30.09.15 RM'000	31.03.15 RM'000
Maturing within one year	22,284,134	20,990,183
Over one year to three years	10,025,650	10,034,651
Over three years to five years	12,027,015	12,803,857
Over five years	42,504,242	43,994,351
	86,841,041	87,823,042

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

	Group	
	30.09.15 RM'000	31.03.15 RM'000
Gross		
Balance at beginning of financial year	1,572,730	1,662,141
Impaired during the period/year	894,691	1,989,676
Reclassified as non-impaired	(129,324)	(337,426)
Disposal of subsidiary	-	(9,905)
Recoveries	(273,101)	(666,728)
Amount written off	(368,224)	(1,065,479)
Exchange differences	-	451
Balance at end of financial period/year	1,696,772	1,572,730
Gross impaired loans, advances and financing as % of gross loans, advances and financing	2.0%	1.8%
Loan loss coverage	92.6%	104.9%

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

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

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
In Malaysia	1,696,772	1,572,730
Outside Malaysia	-	-
	<u>1,696,772</u>	<u>1,572,730</u>

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

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
Agriculture	6,151	9,142
Mining and quarrying	4,150	7,041
Manufacturing	194,891	206,878
Electricity, gas and water	18,170	21,361
Construction	25,484	21,685
Wholesale and retail trade and hotels and restaurants	54,983	43,289
Transport, storage and communication	39,166	24,277
Finance and insurance	526	451
Real estate	558,368	398,608
Business activities	14,368	15,921
Education and health	9,214	12,603
Household of which:	759,228	797,552
Purchase of residential properties	328,285	360,538
Purchase of transport vehicles	359,627	366,612
Others	71,316	70,402
Others	12,073	13,922
	<u>1,696,772</u>	<u>1,572,730</u>

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

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
Collective allowance		
Balance at beginning of financial year	1,413,424	1,950,384
Allowance made during the financial period/year, net	255,965	504,597
Reclassified to held for sale	-	(25)
Amount written off and others	(332,678)	(1,043,531)
Exchange fluctuation adjustments	3,330	1,999
Balance at end of financial period/year	<u>1,340,590</u>	<u>1,413,424</u>
Collective allowance and Regulatory reserve as % of gross loans, advances and financing less individual allowance	<u>1.6%</u>	<u>1.6%</u>
Individual allowance		
Balance at beginning of financial year	235,823	167,552
Allowance made during the financial period/year, net	13,549	91,026
Disposal of subsidiary	-	(9,905)
Amount written off	(19,146)	(12,850)
Balance at end of financial period/year	<u>230,226</u>	<u>235,823</u>

A12. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

The non-interest/profit bearing statutory deposits are maintained with Bank Negara Malaysia in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act 2009, the amounts of which are determined as set percentages of total eligible liabilities.

A13. OTHER ASSETS

	Group		Company	
	30.09.15 RM'000	31.03.15 RM'000	30.09.15 RM'000	31.03.15 RM'000
Trade receivables, net of allowance for impairment	422,998	495,569	-	-
Other receivables, deposits and prepayments, net of allowance for impairment	2,633,879	1,944,792	17,298	15,353
Interest receivable, net of allowance for impairment	257,687	255,473	12	49
Fee receivable, net of allowance for impairment	49,237	73,532	-	-
Amount due from originators	448,244	464,711	-	-
Amount due from agents, brokers and reinsurers	34,858	15,742	-	-
Foreclosed properties, net of allowance for impairment	65,553	61,822	-	-
Tax recoverable	394,302	355,404	860	4,979
	<u>4,306,758</u>	<u>3,667,045</u>	<u>18,170</u>	<u>20,381</u>

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

A14. REINSURANCE, RETAKAFUL ASSETS AND OTHER INSURANCE RECEIVABLES

	Note	Group	
		30.09.15 RM'000	31.03.15 RM'000
Reinsurance assets from general insurance business		369,861	364,753
Other insurance receivables	(i)	<u>76,544</u>	<u>69,176</u>
		<u>446,405</u>	<u>433,929</u>
(i) Other insurance receivables			
Due premiums including agents/brokers and co-insurers balances		82,416	80,889
Amount owing by reinsurance and cedants		25,448	21,835
Allowance for impairment		<u>(31,320)</u>	<u>(33,548)</u>
		<u>76,544</u>	<u>69,176</u>

A15. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	30.09.15 RM'000	31.03.15 RM'000
Licensed banks	1,464,125	913,644
Licensed investment banks	1,148	-
Bank Negara Malaysia	48,709	59,548
Other financial institutions	<u>1,347,423</u>	<u>1,328,472</u>
	<u>2,861,405</u>	<u>2,301,664</u>

A16. DEPOSITS FROM CUSTOMERS

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
Demand deposits	13,588,974	13,463,013
Savings deposits	5,236,525	5,254,753
Term/Investment deposits	70,448,049	73,401,321
Negotiable instruments of deposits	6,737	10,962
	<u>89,280,285</u>	<u>92,130,049</u>

The deposits are sourced from the following types of customers:

Business enterprises	39,604,633	41,988,048
Individuals	35,499,146	35,775,692
Government and statutory bodies	11,174,483	10,745,204
Others	3,002,023	3,621,105
	<u>89,280,285</u>	<u>92,130,049</u>

A17. OTHER LIABILITIES

	Group		Company	
	30.09.15	31.03.15	30.09.15	31.03.15
	RM'000	RM'000	RM'000	RM'000
Trade payables	436,208	482,916	-	-
Other payables and accruals	2,151,501	2,342,662	33,894	34,061
Interest payable on deposits and borrowings	844,142	811,443	6,967	6,812
Lease deposits and advance rentals	10,177	11,874	-	-
Provision for commitments and contingencies	142,144	156,266	-	-
Profit equalisation reserve	-	1,680	-	-
Provision for taxation	62,421	110,834	244	-
	<u>3,646,593</u>	<u>3,917,675</u>	<u>41,105</u>	<u>40,873</u>

A18. INSURANCE, TAKAFUL CONTRACT LIABILITIES AND OTHER INSURANCE PAYABLES

Group	Note	30.09.15 RM'000	31.03.15 RM'000
Insurance contract liabilities	(i)	2,514,096	2,467,505
Other insurance payables	(ii)	71,664	77,144
		<u>2,585,760</u>	<u>2,544,649</u>
 (i) Insurance contract liabilities			
		30.09.15 Gross contract liabilities RM'000	30.09.15 Reinsurance assets RM'000
General insurance business	2,514,096	<u>2,514,096</u>	<u>(369,861)</u>
		31.03.15 Gross contract liabilities RM'000	31.03.15 Reinsurance assets RM'000
General insurance business	2,467,505	<u>2,467,505</u>	<u>(364,753)</u>
 (ii) Other insurance payables			
		30.09.15 RM'000	31.03.15 RM'000
Amount due to agents and intermediaries		26,021	24,658
Amounts due to reinsurers and cedants		45,643	52,486
		<u>71,664</u>	<u>77,144</u>

A19. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
Short-term funds and deposits with financial institutions	43,661	41,901	92,271	83,731
Financial assets held-for-trading	32,464	30,691	70,441	54,096
Financial investments available-for-sale	87,908	67,698	149,176	140,430
Financial investments held-to-maturity	24,782	24,084	49,220	51,237
Loans and advances	825,204	924,412	1,659,790	1,834,053
Impaired loans and advances	3,213	2,036	4,624	3,889
Others	18,555	4,332	26,470	9,402
	<u>1,035,787</u>	<u>1,095,154</u>	<u>2,051,992</u>	<u>2,176,838</u>
 Company				
Short-term funds and deposits with financial institutions	755	1,749	976	3,917
	<u>755</u>	<u>1,749</u>	<u>976</u>	<u>3,917</u>

A20. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
Deposits from customers	469,044	442,942	931,911	890,585
Deposit and placements of banks and other financial institutions	6,602	7,168	13,361	12,535
Senior notes	52,219	51,890	102,081	95,474
Credit-Linked Notes	4,019	4,200	7,988	8,355
Securities sold under repurchase agreements	27	-	57	-
Recourse obligation on loans sold to Cagamas Berhad	10,235	10,251	20,371	20,402
Term loans	8,222	7,218	15,488	14,792
Subordinated term loans and notes	4,115	5,431	7,913	10,709
Interest on bonds	5,280	5,278	10,502	10,498
Medium term notes	17,416	20,875	34,642	41,523
Hybrid and Innovative Tier 1 capital securities	23,259	20,479	45,123	40,980
Others	3,578	4,887	7,248	11,050
	<u>604,016</u>	<u>580,619</u>	<u>1,196,685</u>	<u>1,156,903</u>
Company				
Senior notes	11,091	15,775	22,060	33,377
Term loans	3,019	2,938	6,031	5,732
	<u>14,110</u>	<u>18,713</u>	<u>28,091</u>	<u>39,109</u>

A21. NET INCOME FROM INSURANCE BUSINESS

Group	Note	Individual Quarter		Cumulative Quarter	
		30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
Income from insurance business:	(a)				
Premium income from general insurance business		359,768	376,138	739,291	750,353
Premium income from life and family takaful insurance business		-	-	-	45,446
		<u>359,768</u>	<u>376,138</u>	<u>739,291</u>	<u>795,799</u>
Insurance claims and commissions:	(b)				
Insurance commission ¹		34,512	36,451	65,356	42,882
General insurance claims		224,448	223,094	463,716	465,033
Life and family takaful insurance claims		-	-	-	56,186
		<u>258,960</u>	<u>259,545</u>	<u>529,072</u>	<u>564,101</u>
Total income from insurance business, net		<u>100,808</u>	<u>116,593</u>	<u>210,219</u>	<u>231,698</u>
(a) Income from insurance business					
Gross Premium					
- insurance contract		378,214	403,859	763,887	841,280
- change in unearned premium provision		13,307	11,645	43,605	40,201
		<u>391,521</u>	<u>415,504</u>	<u>807,492</u>	<u>881,481</u>
Premium ceded					
- insurance contract		(28,122)	(34,852)	(62,140)	(75,503)
- change in unearned premium provision		(3,631)	(4,514)	(6,061)	(10,179)
		<u>(31,753)</u>	<u>(39,366)</u>	<u>(68,201)</u>	<u>(85,682)</u>
		<u>359,768</u>	<u>376,138</u>	<u>739,291</u>	<u>795,799</u>
(b) Insurance claims					
- gross benefits and claims paid		220,283	226,245	430,515	585,558
- claims ceded to reinsurers		(30,195)	(21,196)	(45,825)	(57,541)
- change in contract liabilities - insurance contract		36,477	15,413	90,194	(56,995)
- change in contract liabilities ceded to reinsurers					
- insurance contract		(2,117)	2,632	(11,168)	50,197
		<u>224,448</u>	<u>223,094</u>	<u>463,716</u>	<u>521,219</u>

¹ Net of bancassurance commission paid/payable to subsidiaries of the Group of RM7,866,000 (30 September 2014: RM12,733,000) eliminated upon consolidation.

A22. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
Fee and commission income:				
Fees on loans and securities	33,847	55,894	72,909	108,044
Corporate advisory	5,708	6,724	8,790	13,679
Guarantee fees	13,408	13,845	27,085	27,990
Underwriting commission	472	(468)	2,274	7,768
Portfolio management fees	9,339	9,242	17,912	18,211
Unit trust management fees	24,781	26,705	50,278	52,984
Property trust management fees	1,521	1,563	3,018	3,131
Brokerage fees and commission	12,671	20,096	26,846	37,793
Wealth management fees	6,538	5,491	12,691	13,504
Other fee and commission income	24,335	27,263	49,382	48,442
	<u>132,620</u>	<u>166,355</u>	<u>271,185</u>	<u>331,546</u>
Investment and trading income:				
Net gain/(loss) from sale of financial assets held-for-trading	(10,417)	(7,688)	(10,028)	(9,572)
Net gain/(loss) from sale of financial investments available-for-sale	(2,839)	7,796	18,045	38,846
Net gain/(loss) on revaluation of financial assets held-for-trading	(57,014)	21,534	(35,421)	26,375
Net foreign exchange gain ²	9,237	11,967	54,969	32,366
Net gain/(loss) on derivatives	95,480	18,859	64,247	22,758
Gain/(loss) on disposal of equity interests in subsidiaries:	10,412	-	8,754	389,975
Gross dividend income from:				
Financial assets held-for-trading	474	2,730	1,413	3,305
Financial investments available-for-sale	6,864	10,405	17,359	22,798
Others	(2,184)	83	(1,886)	1,164
	<u>50,013</u>	<u>65,686</u>	<u>117,452</u>	<u>528,015</u>
Other income:				
Net non-trading foreign exchange loss	1,069	6,148	596	3,624
Net loss on disposal of property and equipment	(996)	(25)	(991)	(1)
Rental income	997	1,204	2,087	2,689
Profit from sale of goods and services	8,934	8,794	18,584	16,982
Others	5,682	20,707	13,104	22,432
	<u>15,686</u>	<u>36,828</u>	<u>33,380</u>	<u>45,726</u>
	<u>198,319</u>	<u>268,869</u>	<u>422,017</u>	<u>905,287</u>

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

A22. OTHER OPERATING INCOME (CONT'D.)

Company	Individual Quarter		Cumulative Quarter	
	30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
Fee and commission income:				
Other fee and commission income	150	300	150	300
	<u>150</u>	<u>300</u>	<u>150</u>	<u>300</u>
Investment and trading income:				
Gross dividend income from:				
Subsidiaries	444,786	914,680	444,786	914,680
Financial investments available-for-sale	681	1,302	1,467	2,474
	<u>445,467</u>	<u>915,982</u>	<u>446,253</u>	<u>917,154</u>
Other income:				
Others	-	-	-	181
	<u>-</u>	<u>-</u>	<u>-</u>	<u>181</u>
	<u>445,617</u>	<u>916,282</u>	<u>446,403</u>	<u>917,635</u>

A23. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
Personnel costs:				
Salaries, allowances and bonuses	210,445	213,408	404,747	475,745
Shares/options granted under ESS	(2,028)	13,649	2,009	14,424
Pension costs	33,136	36,575	64,893	77,403
Social security cost	1,632	1,681	3,262	3,364
Others	27,273	17,309	53,314	39,478
	<u>270,458</u>	<u>282,622</u>	<u>528,225</u>	<u>610,414</u>
Establishment costs:				
Depreciation of property and equipment	12,452	14,861	24,986	30,222
Amortisation of intangible assets	22,544	21,306	43,618	42,937
Computerisation costs	48,699	46,463	94,628	100,857
Rental of premises	25,817	25,498	52,253	50,573
Cleaning, maintenance and security	9,654	6,763	17,000	13,587
Others	10,036	10,812	20,599	21,674
	<u>129,202</u>	<u>125,703</u>	<u>253,084</u>	<u>259,850</u>
Marketing and communication expenses:				
Sales commission	3,221	2,712	5,175	4,987
Advertising, promotional and other marketing activities	14,008	9,891	26,239	21,012
Telephone charges	6,461	7,122	12,180	11,486
Postage	4,645	4,242	8,388	8,106
Travel and entertainment	3,869	4,858	7,502	9,874
Others	7,008	5,993	12,484	13,513
	<u>39,212</u>	<u>34,818</u>	<u>71,968</u>	<u>68,978</u>
Administration and general expenses:				
Professional services	21,503	25,659	57,630	61,869
Donations	291	170	573	266
Travelling	1,870	1,901	3,476	4,129
Others	37,738	23,948	69,531	43,545
	<u>61,402</u>	<u>51,678</u>	<u>131,210</u>	<u>109,809</u>
	<u>500,274</u>	<u>494,821</u>	<u>984,487</u>	<u>1,049,051</u>

A23. OTHER OPERATING EXPENSES (CONT'D.)

Company	Individual Quarter		Cumulative Quarter	
	30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
Personnel costs ³ :				
Salaries, allowances and bonuses	4,807	-	8,091	-
Pension costs	701	-	1,066	-
Others	94	7	288	9
	<u>5,602</u>	<u>7</u>	<u>9,445</u>	<u>9</u>
Establishment costs:				
Depreciation of property and equipment	42	43	80	85
Cleaning, maintenance and security	-	-	-	1
Others	5	3	8	6
	<u>47</u>	<u>46</u>	<u>88</u>	<u>92</u>
Marketing and communication expenses:				
Advertising, promotional and other marketing activities	41	33	54	36
Telephone charges	3	3	6	6
Postage	19	25	20	25
Travel and entertainment	11	4	32	11
Others	141	151	141	151
	<u>215</u>	<u>216</u>	<u>253</u>	<u>229</u>
Administration and general expenses:				
Professional services	19	143	1,415	607
Travelling	15	-	15	24
Others	5,698	1,945	10,538	6,882
	<u>5,732</u>	<u>2,088</u>	<u>11,968</u>	<u>7,513</u>
	<u>11,596</u>	<u>2,357</u>	<u>21,754</u>	<u>7,843</u>

³ Personnel costs include salaries, allowances, bonuses, contributions to defined contribution plan and all other staff related expenses for Senior Management of the Company, namely Group Managing Director, Deputy Group Managing Director, Chief Financial Officer and Chief Risk Officer. In the previous year, the costs are fully recovered from its subsidiaries. However, for the current period, the costs are retained at the Company, on the consideration that the services to the subsidiaries, constitute shareholder activities as guided by Inland Revenue Board's Income Tax (Transfer Pricing) Rules 2012 (TP Rules 2012).

A24. ALLOWANCE/(WRITEBACK) FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

Group	Individual Quarter		Cumulative Quarter	
	30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
Allowance/(writeback) for impaired loans, advances and financing:				
Individual allowance, net	19,446	(15,368)	13,549	34,765
Collective allowance, net	112,906	133,767	255,965	293,793
Impaired loans, advances and financing:				
Written off	(22)	-	(291)	-
Recovered, net	(195,925)	(113,670)	(322,095)	(242,760)
	<u>(63,595)</u>	<u>4,729</u>	<u>(52,872)</u>	<u>85,798</u>

A25. BUSINESS SEGMENT ANALYSIS

Segment information is presented in respect of the Group's business segments. The business segment information is prepared based on internal management reports, which are regularly reviewed by the chief operating decision-maker in order to allocate resources to segment and to assess its performance. The Group comprises the following main business segments:

(a) Retail Banking

Retail banking will focus on building emerging affluent and small business customers and the mass market. Retail banking offers products and financial solutions which includes auto financing, mortgage and personal loans, credit cards, small business loans, priority banking services, wealth management, remittance services and deposits.

(b) Wholesale Banking

Wholesale banking comprises Corporate and Commercial Banking, Markets, Investment Banking and Fund Management.

(i) Corporate and Commercial Banking offers a full range of products and services of corporate lending, trade finance, offshore banking, and cash management solutions to wholesale banking clients;

(ii) Markets includes proprietary trading as well as providing full range of products and services relating to treasury activities, including foreign exchange, derivatives, and fixed income;

(iii) Investment Banking offers investment banking solutions and services, encompassing capital markets activities, equity derivatives, broking, private banking services, corporate advisory and fund raising services (equity and debt capital); and

(iv) Fund Management comprises the asset and fund management services, offering a variety of investment solutions for various asset classes to retail, corporate and institutional clients.

(c) Insurance

Insurance segment offers a broad range of general insurance products, namely motor, personal accident, property and household. It also offers life insurance and takaful products namely wealth protection/ savings, health and medical protection and family takaful solutions provided through our joint venture operations.

(d) Group Funding and Others (previously known as Operating Segments)

Group funding and others comprises activities to maintain the liquidity of the Group as well as support operations of its main business units and non-core operations of the Group.

During the current financial quarter, the Group:

(i) has presented allowances for impairment on financing and advances separately from other assets to better align with internal information used to manage the business;

(ii) expanded the disclosure for Wholesale Banking Division to provide disclosures that help investors and other stakeholders understand the Group's performance; and

Accordingly, comparatives have been restated to conform with current period's presentation.

A25. BUSINESS SEGMENT ANALYSIS (CONT'D.)**Group**

	Wholesale Banking							Total
	Retail Banking	Corporate and Commercial Banking	Markets	Investment Banking	Fund Management	Insurance	Group Funding and Others	
For the financial period ended 30.09.15	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	1,635,180	958,763	335,409	125,019	69,695	804,003	269,176	4,197,244
Revenue from other segments	(120,166)	171,926	(133,645)	(9,929)	-	-	91,814	-
Total operating revenue	<u>1,515,014</u>	<u>1,130,689</u>	<u>201,764</u>	<u>115,090</u>	<u>69,695</u>	<u>804,003</u>	<u>360,990</u>	<u>4,197,244</u>
Net interest income	631,636	408,773	20,881	19,356	1,192	66,150	84,721	1,232,709
Other income	138,355	80,205	29,791	85,334	68,503	194,450	65,275	661,913
Income	<u>769,991</u>	<u>488,978</u>	<u>50,672</u>	<u>104,690</u>	<u>69,695</u>	<u>260,600</u>	<u>149,996</u>	<u>1,894,622</u>
Share in results of associates and joint ventures	2,445	-	-	-	-	(2,596)	4,259	4,108
Other operating expenses	<u>(444,189)</u>	<u>(108,191)</u>	<u>(35,773)</u>	<u>(67,751)</u>	<u>(36,237)</u>	<u>(140,222)</u>	<u>(154,469)</u>	<u>(986,832)</u>
<i>of which:</i>								
<i>Depreciation of property and equipment</i>	(11,285)	(894)	(436)	(870)	(199)	(5,479)	(8,104)	(27,267)
<i>Amortisation of intangible assets</i>	<u>(8,850)</u>	<u>(1,445)</u>	<u>(3,520)</u>	<u>(448)</u>	<u>(717)</u>	<u>(3,642)</u>	<u>(25,848)</u>	<u>(44,470)</u>
Profit/(Loss) before provisions	328,247	380,787	14,899	36,939	33,458	117,782	(214)	911,898
(Allowance)/Writeback for impairment losses on loan, advances and financing	(54,248)	74,351	-	630	-	-	32,139	52,872
(Allowance)/Writeback for impairment losses on other assets	<u>(3,186)</u>	<u>9,317</u>	<u>(209)</u>	<u>(866)</u>	<u>-</u>	<u>(2,519)</u>	<u>16,066</u>	<u>18,603</u>
Profit before taxation and zakat	270,813	464,455	14,690	36,703	33,458	115,263	47,991	983,373
Taxation and zakat	<u>(64,312)</u>	<u>(104,785)</u>	<u>(3,526)</u>	<u>(5,596)</u>	<u>(10,795)</u>	<u>(7,516)</u>	<u>(10,272)</u>	<u>(206,802)</u>
Profit for the period	<u>206,501</u>	<u>359,670</u>	<u>11,164</u>	<u>31,107</u>	<u>22,663</u>	<u>107,747</u>	<u>37,719</u>	<u>776,571</u>
Other information								
Total segment assets	45,927,606	39,559,266	12,659,195	2,545,002	154,021	5,405,446	27,151,538	133,402,074
Total segment liabilities	42,064,802	50,928,146	6,638,576	491,818	31,642	3,420,256	14,085,902	117,661,142
Cost to income ratio	57.7%	22.1%	70.6%	64.7%	52.0%	53.8%	103.1%	52.1%
Gross loans/financing	45,767,563	39,515,177	-	1,600,928	-	7,929	(50,556)	86,841,041
Net loans/financing	45,154,363	39,028,286	-	1,594,112	-	7,380	(513,916)	85,270,225
Impaired loans, advances and financing	874,868	819,621	-	2,283	-	-	-	1,696,772
Total deposits	41,417,425	49,779,369	451,163	177,453	-	-	316,280	92,141,690
Additions to:								
Property and equipment	9,061	489	77	577	2,275	25,209	29,369	67,057
Intangible assets	6,494	1,210	95	860	130	9,673	47,812	66,274

A25. BUSINESS SEGMENT ANALYSIS (CONT'D.)**Group**

	Wholesale Banking							Total
	Retail Banking	Corporate and Commercial Banking	Markets	Investment Banking	Fund Management	Insurance	Group Funding and Others	
For the financial period ended 30.09.14	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	1,859,941	794,984	314,922	155,066	70,709	917,753	680,333	4,793,708
Revenue from other segments	(210,557)	250,561	(104,983)	(3,445)	-	-	68,424	-
Total operating revenue	<u>1,649,384</u>	<u>1,045,545</u>	<u>209,939</u>	<u>151,621</u>	<u>70,709</u>	<u>917,753</u>	<u>748,757</u>	<u>4,793,708</u>
Net interest income	745,867	451,029	24,980	24,328	1,577	61,310	110,156	1,419,247
Other income	140,392	100,647	64,777	122,289	69,132	270,133	402,397	1,169,767
Income	<u>886,259</u>	<u>551,676</u>	<u>89,757</u>	<u>146,617</u>	<u>70,709</u>	<u>331,443</u>	<u>512,553</u>	<u>2,589,014</u>
Share in results of associates and joint ventures	2,006	-	-	-	-	676	5,686	8,368
Other operating expenses	<u>(455,654)</u>	<u>(135,687)</u>	<u>(36,221)</u>	<u>(97,783)</u>	<u>(37,593)</u>	<u>(142,681)</u>	<u>(219,776)</u>	<u>(1,125,395)</u>
<i>of which:</i>								
<i>Depreciation of property and equipment</i>	(12,432)	(1,436)	(702)	(1,571)	(198)	(7,018)	(8,546)	(31,903)
<i>Amortisation of intangible assets</i>	(8,248)	(1,916)	(2,113)	(501)	(730)	(3,569)	(26,036)	(43,113)
Profit/(Loss) before provisions	<u>432,611</u>	<u>415,989</u>	<u>53,536</u>	<u>48,834</u>	<u>33,116</u>	<u>189,438</u>	<u>298,463</u>	<u>1,471,987</u>
(Allowance)/Writeback for impairment losses on loan, advances and financing	(138,996)	46,460	-	5,577	-	-	1,161	(85,798)
(Allowance)/Writeback for impairment losses on other assets	7,111	17,526	(231)	1,380	-	4,603	(69,546)	(39,157)
Profit before taxation and zakat	<u>300,726</u>	<u>479,975</u>	<u>53,305</u>	<u>55,791</u>	<u>33,116</u>	<u>194,041</u>	<u>230,078</u>	<u>1,347,032</u>
Taxation and zakat	<u>(74,731)</u>	<u>(111,145)</u>	<u>(13,327)</u>	<u>(13,061)</u>	<u>(7,387)</u>	<u>(45,763)</u>	<u>(33,030)</u>	<u>(298,444)</u>
Profit for the period	<u>225,995</u>	<u>368,830</u>	<u>39,978</u>	<u>42,730</u>	<u>25,729</u>	<u>148,278</u>	<u>197,048</u>	<u>1,048,588</u>
Other information								
Total segment assets	47,922,277	37,717,276	7,692,282	2,718,881	173,075	5,225,838	22,953,111	124,402,740
Total segment liabilities	41,716,857	50,728,742	3,343,728	966,629	32,339	3,225,522	9,575,343	109,589,160
Cost to income ratio	51.4%	24.6%	40.4%	66.7%	53.2%	43.0%	42.9%	43.5%
Gross loans/financing	47,614,531	37,705,976	-	1,373,157	-	13,503	(146,484)	86,560,683
Net loans/financing	46,789,682	37,245,415	-	1,367,355	-	13,503	(674,300)	84,741,655
Impaired loans, advances and financing	1,165,742	375,880	-	4,812	-	-	-	1,546,434
Total deposits	40,976,763	47,086,120	310,236	167,827	-	-	(375,257)	88,165,689
Additions to:								
Property and equipment	12,248	313	23	534	184	10,281	5,180	28,763
Intangible assets	1,302	358	4,860	119	244	3,116	18,603	28,602

A26. VALUATION OF PROPERTY AND EQUIPMENT

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

A27. EVENTS SUBSEQUENT TO REPORTING DATE

There were no other significant events subsequent to reporting date.

A28. CHANGES IN THE COMPOSITION OF THE GROUP AND THE COMPANY

There were no material changes in the composition of the Group and the Company for the current financial quarter other than as disclosed in Note B6.

A29. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the banking subsidiaries of the Company make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions other than those where provision had been made in the financial statements. The commitments and contingencies are not secured against the Group's assets.

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

	Group	
	30.09.15	31.03.15
	Principal/ Notional Amount RM'000	Principal/ Notional Amount RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
up to one year	14,904,966	15,126,229
over one year	4,906,706	4,970,928
Unutilised credit card lines	2,775,743	3,955,894
Forward asset purchases	503,665	824,066
	23,091,080	24,877,117
Contingent Liabilities		
Direct credit substitutes	2,094,245	996,116
Transaction related contingent items	5,059,393	6,355,902
Obligations under underwriting agreements	109,997	250,000
Short term self liquidating trade related contingencies	755,006	715,135
	8,018,641	8,317,153
Derivative Financial Instruments		
Interest/Profit rate related contracts:	46,376,140	43,862,385
One year or less	7,424,548	4,922,517
Over one year to five years	31,138,239	31,036,563
Over five years	7,813,353	7,903,305
Foreign exchange related contracts:	55,223,766	38,377,491
One year or less	52,470,086	33,926,800
Over one year to five years	562,492	2,500,277
Over five years	2,191,188	1,950,414
Credit related contracts:	720,619	654,404
One year or less	360,681	-
Over one year to five years	-	327,515
Over five years	359,938	326,889
Equity and commodity related contracts:	332,905	676,506
One year or less	250,028	606,676
Over one year to five years	82,877	69,830
Over five years	-	-
	102,653,430	83,570,786
	133,763,151	116,765,056

A29. COMMITMENTS AND CONTINGENCIES (CONT'D.)

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

- (a) The Company has given unsecured guarantees amounting to RM150,000,000 (31 March 2015: RM150,000,000) on behalf of AmFutures Sdn Bhd for the payment and discharge of all monies due on trading accounts maintained by customers.
- (b) AmTrustee Berhad ("AmTrustee") was served with a Writ and Statement of Claim dated 12 December 2005 by solicitors acting for Meridian Asset Management Sdn Bhd ("Meridian") for alleged loss and damage amounting to RM27,606,169.65 together with interest and costs arising from the provision of custodian services by AmTrustee to Meridian ("Meridian Suit").

AmTrustee was served on 24 March 2006 with a Writ and Statement of Claim dated 25 January 2006 by solicitors acting for Zurich Insurance Malaysia Berhad ("Zurich") (formerly known as Malaysian Assurance Alliance Berhad) for alleged loss and damages amounting to RM19,602,119.23 together with interest and costs ("Zurich Suit"). Zurich 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 Zurich in the Zurich Suit is part of the portion of the claim as mentioned in the above Meridian Suit. Just before the trial proceeded, Zurich added Meridian as a Co-Defendant in the Zurich Suit.

Proceedings at High Court

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

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

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

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

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

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

A29. COMMITMENTS AND CONTINGENCIES (CONT'D.)

(b) High Court Decision

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

In the Zurich Suit:

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

In the Meridian Suit:

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

This essentially means that Meridian has to pay Zurich and Kumpulan Wang Amanah Persaraan ("KWAP") for all the damages claimed by Zurich and KWAP and AmTrustee has to pay 40% of that amount that Meridian has paid to Zurich and KWAP. Court further awarded Meridian to pay AmTrustee cost of RM20,000.00.

Proceedings at Court of Appeal

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

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

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

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

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

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

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

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

On 13 January 2014, the Court of Appeal informed that:

- (i) the originally fixed appeal hearing date of 21 April 2014 was vacated;
- (ii) all parties shall file their written submission for the appeals by 5 May 2014;
- (iii) the appeals by Zurich, Meridian and AmTrustee in the Zurich Suit and Meridian Suit, together with Meridian's appeal in the KWAP -V- Meridian case, will now be heard on 19 May 2014.

A29. COMMITMENTS AND CONTINGENCIES (CONT'D.)

(b) Court of Appeal Decision

On 19 May 2014, the Court of Appeal heard the appeals by all parties on 19 May 2014. On 20 May 2014, the Court of Appeal gave its decision as follows ('Court of Appeal Decision'):

- Zurich Suit:
- Zurich's appeal against the High Court Decision was allowed;
 - Meridian's appeal against the High Court Decision was dismissed;
 - AmTrustee's cross-appeal against Zurich's appeal was dismissed;
 - AmTrustee's cross-appeal against Meridian's appeal was dismissed.
- Meridian's Suit:
- Meridian's appeal against the High Court Decision was dismissed;
 - AmTrustee's appeal against Meridian's appeal was dismissed.

On 28 May 2014, Zurich and AmTrustee had agreed to the stay of execution of the Court of Appeal Decision pending the disposal of AmTrustee's application for leave to appeal to Federal Court ("Leave Application").

Proceedings at Federal Court

Zurich 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 filed its notice of motion for the Leave Application at Federal Court. Case management was fixed on 11 May 2015, pending the availability of grounds of judgment. On 8 April 2015, Grounds of Judgment was issued and the Federal Court fixed the Leave Application for case management on 21 April 2015. At the case management on 21 April 2015, AmTrustee's Leave Application was fixed for hearing before the Federal Court on 1 July 2015. On 6 June 2015, AmTrustee was notified by its solicitors that the hearing scheduled on 1 July 2015 has been converted to a Case Management. At the case management on 1 July 2015, AmTrustee's application for Leave to Appeal to the Federal Court was fixed for Hearing on 21 September 2015. On application of counsel for Zurich, the hearing of AmTrustee's leave application on 21 September 2015 was adjourned to 17 February 2016.

- (c) AmFutures Sdn Bhd ("AmF") and AmInvestment Bank Berhad ("AMIB") were served with a total of 19 suits by 19 individuals ("Claimants") in relation to a purported investment scheme called Futures Crude Palm Oil ("Alleged Scheme") allegedly offered by person(s) unknown to AmF and AMIB to the Claimants. In the suits, the Claimants claim for the return of their alleged principal investment sum and the return of investment in the Alleged Scheme.

The parties to the suits had agreed that trial of one test case to be heard first by the Court and the decision in the test case shall be binding on all the other suits filed by the Claimants. The trial hearing dates for the test case is fixed on from 27 April 2015 to 29 April 2015. The decision of the test case was delivered on 22 June 2015 in which the Court dismissed the claim against AmF and AMIB with costs, to be borne by the Claimants. The Claimants have 14 days (from 22 June 2015) to file their appeals. The appeal has been fixed for Case Management on 13 November 2015.

- (d) During the previous financial year, AmMetLife Insurance Berhad (formerly known as AmLife Insurance Berhad) ("AmMetLife") received complaints from 9 policyholders relating to the alleged mis-selling of a certain insurance product of AmMetLife. Since last financial year until the financial quarter, AmMetLife received complaints from 24 policyholders. The Company and MetLife are working jointly in the process of investigating these complaints and assessing any financial impact thereon.

Under the terms for the sale by the Company to MetLife of shares in AmMetLife, the Group would fully indemnify MetLife or AmMetLife from any losses arising from incidences of mis-selling of certain specified insurance products occurring prior to the share sale.

A30. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

Group	30.09.15			31.03.15		
	Contract/ Notional Amount RM'000	Fair Value		Contract/ Notional Amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
Interest rate related contracts:	40,411,141	287,614	251,767	38,722,385	164,303	179,699
- One year or less	7,324,549	5,176	6,585	4,102,517	1,889	6,836
- Over one year to three years	14,934,583	95,485	77,006	16,054,025	45,803	37,764
- Over three years	18,152,009	186,953	168,176	18,565,843	116,611	135,099
Foreign exchange related contracts:	55,223,766	3,206,608	3,049,949	38,377,491	1,216,197	1,172,071
- One year or less	52,470,086	2,711,828	2,617,897	33,926,800	784,662	761,802
- Over one year to three years	217,409	33,442	48,154	2,356,883	202,122	217,705
- Over three years	2,536,271	461,338	383,898	2,093,808	229,413	192,564
Credit related derivative contracts:	720,619	57,129	24,289	654,404	40,705	8,931
- One year or less	360,681	5,240	860	-	-	-
- Over one year to three years	-	-	-	327,515	7,572	-
- Over three years	359,938	51,889	23,429	326,889	33,133	8,931
Equity and commodity related contracts:	332,904	5,130	7,177	676,506	3,262	3,835
- One year or less	250,027	808	2,855	606,676	1,506	2,079
- Over one year to three years	-	-	-	-	-	-
- Over three years	82,877	4,322	4,322	69,830	1,756	1,756
	96,688,430	3,556,481	3,333,182	78,430,786	1,424,467	1,364,536
Hedging derivatives						
Interest rate related contracts -						
Interest rate swaps:						
Cash flow hedge	5,615,000	-	13,056	4,790,000	13,070	13,842
- One year or less	100,000	-	-	820,000	100	39
- Over one year to three years	1,650,000	-	-	1,380,000	1,165	2,642
- Over three years	3,865,000	-	13,056	2,590,000	11,805	11,161
Fair value hedge	350,000	6,247	-	350,000	-	7,100
- One year or less	-	-	-	-	-	-
- Over one year to three years	-	-	-	-	-	-
- Over three years	350,000	6,247	-	350,000	-	7,100
Total	102,653,430	3,562,728	3,346,238	83,570,786	1,437,537	1,385,478

Purpose of engaging in financial derivatives

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

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

A30. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONT'D.)

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

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

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

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

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

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

Risk associated with financial derivatives

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

Market risk of derivatives used for trading purposes

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

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

A30. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONT'D.)

General disclosure for derivatives and counterparty credit risk

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

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

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

Liquidity risk of derivatives

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

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

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

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

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

A30. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONT'D.)

Derivative Financial Instruments and Hedge Accounting

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

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

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

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

(i) Fair value hedge

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

(ii) Cash flow hedge

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

A31. FAIR VALUES OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

The Group and the Company 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 measured at fair value that are recognised on a recurring basis, the Group and the Company 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 a valuation technique based on assumptions that are supported by prices from observable current market transactions are assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's and the Company'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 Company. Therefore, unobservable inputs reflect the Group's and the Company's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Group's and the Company's own data.

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

Group

30.09.15	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Derivative financial assets	340	3,562,388	-	3,562,728
Financial assets held-for-trading				
- Money market securities	-	456,061	-	456,061
- Equities	208,056	-	-	208,056
- Quoted private debt securities	38,256	-	-	38,256
- Unquoted private debt securities	-	3,567,400	-	3,567,400
Financial investments available-for-sale				
- Money market securities	-	6,100,312	-	6,100,312
- Equities	924,549	33,208	-	957,757
- Unquoted private debt securities	-	4,730,565	-	4,730,565
	<u>1,171,201</u>	<u>18,449,934</u>	<u>-</u>	<u>19,621,135</u>
Derivative financial liabilities	-	3,346,238	-	3,346,238

A31. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

30.09.15	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company				
Financial investments available-for-sale				
- Equities	78,051	-	-	78,051
	<u>78,051</u>	<u>-</u>	<u>-</u>	<u>78,051</u>
31.03.15				
Group				
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Derivative financial assets	1	1,437,536	-	1,437,537
Financial assets held-for-trading				
- Money market securities	-	1,422,695	-	1,422,695
- Equities	181,775	-	-	181,775
- Quoted private debt securities	39,394	-	-	39,394
- Unquoted private debt securities	-	3,030,359	-	3,030,359
Financial investments available-for-sale				
- Money market securities	-	5,246,999	-	5,246,999
- Equities	774,593	33,657	-	808,250
- Unquoted private debt securities	-	4,212,220	-	4,212,220
	<u>995,763</u>	<u>15,383,466</u>	<u>-</u>	<u>16,379,229</u>
Derivative financial liabilities	<u>2,702</u>	<u>1,382,776</u>	<u>-</u>	<u>1,385,478</u>
Company				
Financial investments available-for-sale				
- Equities	110,704	-	-	110,704
	<u>110,704</u>	<u>-</u>	<u>-</u>	<u>110,704</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 Company.

A31. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)

Movements in Level 3 financial instruments measured at fair value

The level of the fair value hierarchy of financial instruments is determined at the beginning of each reporting period. The following table shows a reconciliation of the opening and closing amounts of level 3 financial assets and liabilities which are recorded at fair value at the reporting date.

	Financial investments available -for-sale	Financial investments available -for-sale
	Group	
	30.09.15	31.03.15
	RM'000	RM'000
Balance at beginning of financial year	-	417
Total gains/(losses) recognised in:		
- income statement:		
- other operating income	3	325
Settlements	(3)	(742)
Balance at end of financial period/year	<u>-</u>	<u>-</u>

Total gains or losses included in the income statement for financial instruments held at the end of the financial period/year:

	Financial investments available -for-sale	Financial investments available -for-sale
	Group	
	30.09.15	31.03.15
	RM'000	RM'000
Total gains/(losses) included in:		
- impairment writeback/(loss) on financial investments	<u>-</u>	<u>-</u>

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

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.

A32. CAPITAL ADEQUACY

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

	30.09.15			Group *
	AmBank	AmBank Islamic	AmInvestment Bank	
Before deducting proposed dividends:				
CET1 Capital ratio	10.361%	9.239%	24.875%	10.793%
Tier 1 Capital ratio	12.076%	9.239%	24.875%	12.015%
Total Capital ratio	15.468%	14.253%	24.875%	15.831%
After deducting proposed dividends:				
CET1 Capital ratio	10.071%	9.239%	24.146%	10.577%
Tier 1 Capital ratio	11.786%	9.239%	24.146%	11.799%
Total Capital ratio	15.178%	14.253%	24.146%	15.614%
	31.03.15			Group *
	AmBank	AmBank Islamic	AmInvestment Bank	
Before deducting proposed dividends:				
CET1 Capital ratio	10.653%	9.200%	24.196%	10.975%
Tier 1 Capital ratio	12.446%	9.200%	24.196%	12.245%
Total Capital ratio	16.020%	14.371%	24.196%	16.233%
After deducting proposed dividends:				
CET1 Capital ratio	10.023%	9.200%	22.820%	10.508%
Tier 1 Capital ratio	11.816%	9.200%	22.820%	11.778%
Total Capital ratio	15.390%	14.371%	22.820%	15.766%

Notes:

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

	Transitional arrangements		
	Calendar Year		
	2013	2014	2015 onwards
CET1 Capital ratio	3.5%	4.0%	4.5%
Tier 1 Capital ratio	4.5%	5.5%	6.0%
Total Capital ratio	8.0%	8.0%	8.0%

- (ii) Group* figures presented in this Report represent an **aggregation** of the consolidated capital positions and risk weighted assets ("RWA") of our regulated banking institutions. The consolidated positions of each entity are published at www.ambankgroup.com.

A32. CAPITAL ADEQUACY (CONT'D.)

- (b) The aggregated components of CET1 Capital, Additional Tier 1 Capital, Tier 2 Capital and Total Capital of the Group are as follows:

	30.09.15			Group *
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	
<u>CET1 Capital</u>				
Ordinary shares	820,364	462,922	200,000	1,483,286
Share premium	942,844	724,185	-	1,667,029
Retained earnings	4,944,444	868,762	78,202	6,134,799
Unrealised gains/(losses) on available-for-sale ("AFS") financial instruments	(50,471)	(18,325)	300	(68,166)
Foreign exchange translation reserve	115,648	-	-	175,729
Statutory reserve	980,969	483,345	200,000	1,664,314
Regulatory reserve	-	-	2,800	2,800
Profit equalisation reserve	-	-	-	-
Capital reserve	-	-	-	2,815
Merger reserve	-	-	-	111,805
Cash flow hedging reserve	14,932	-	-	14,932
Less: Regulatory adjustments applied on CET1 capital				
Intangible assets	(334,395)	(16)	(2,170)	(343,136)
Deferred tax assets	(67,546)	-	(3,381)	(71,980)
Profit equalisation reserve	-	-	-	-
Cash flow hedging reserve	(14,932)	-	-	(14,932)
55% of cumulative gains of AFS financial instruments	-	-	(165)	(194)
Regulatory reserve	-	-	(2,800)	(2,800)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(15,444)	-	(54,324)	(15,164)
Deduction in excess of Tier 2 capital**	-	-	(77,265)	(16,922)
CET1 Capital	7,336,413	2,520,873	341,197	10,724,215
<u>Additional Tier 1 Capital</u>				
Additional Tier 1 Capital instruments (subject to gradual phase-out treatment)	1,214,570	-	-	1,214,570
Tier 1 Capital	8,550,983	2,520,873	341,197	11,938,785
<u>Tier 2 Capital</u>				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	400,000	350,000	-	750,000
Tier 2 Capital instruments (subject to gradual phase-out treatment)	1,310,000	700,000	-	2,010,000
Collective allowance and regulatory reserve	714,737	317,963	4,221	1,036,880
Less: Regulatory adjustments applied on Tier 2 Capital	(23,166)	-	(4,221)	(5,822)
Tier 2 Capital	2,401,571	1,367,963	-	3,791,058
Total Capital	10,952,554	3,888,836	341,197	15,729,843
Credit RWA	62,992,175	26,805,023	937,831	90,064,616
Less: Credit RWA absorbed by Restricted Profit Sharing Investment Account	-	(1,367,987)	-	(1,367,987)
Total Credit RWA	62,992,175	25,437,036	937,831	88,696,629
Market RWA	3,330,039	327,378	128,967	3,914,574
Operational RWA	4,487,624	1,520,474	304,434	6,750,409
Large exposure risk RWA for equity holdings	-	-	406	406
Total Risk Weighted Assets	70,809,838	27,284,888	1,371,638	99,362,018

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

A32. CAPITAL ADEQUACY (CONT'D.)

- (b) The aggregated components of CET1 Capital, Additional Tier 1 Capital, Tier 2 Capital and Total Capital of the Group are as follows:

	31.03.15			Group *
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	
<u>CET1 Capital</u>				
Ordinary shares	820,364	462,922	200,000	1,483,286
Share premium	942,844	724,185	-	1,667,029
Retained earnings	4,874,087	747,523	82,533	5,953,934
Unrealised gains/(losses) on available-for-sale ("AFS") financial instruments	1,323	(6,592)	1,024	(4,309)
Foreign exchange translation reserve	50,585	-	-	87,982
Statutory reserve	980,969	483,345	200,000	1,664,314
Regulatory reserve	-	-	2,800	2,800
Profit equalisation reserve	-	3,904	-	3,904
Capital reserve	-	-	-	2,815
Merger reserve	-	-	-	111,805
Cash flow hedging reserve	(481)	-	-	(481)
Less: Regulatory adjustments applied on CET1 capital				
Intangible assets	(327,689)	(20)	(1,710)	(337,689)
Deferred tax assets	(98,869)	-	(2,782)	(105,328)
Profit equalisation reserve	-	(3,904)	-	(3,904)
Cash flow hedging reserve	481	-	-	481
55% of cumulative gains of AFS financial instruments	(728)	-	(563)	(1,256)
Regulatory reserve	-	-	(2,800)	(2,800)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(28,652)	-	(52,370)	(12,846)
Deduction in excess of Tier 2 Capital**	-	-	(74,446)	(13,922)
CET1 Capital	7,214,234	2,411,363	351,686	10,495,815
<u>Additional Tier 1 Capital</u>				
Additional Tier 1 Capital instruments (subject to gradual phase-out treatment)	1,214,570	-	-	1,214,570
Tier 1 Capital	8,428,804	2,411,363	351,686	11,710,385
<u>Tier 2 Capital</u>				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	400,000	350,000	-	750,000
Tier 2 Capital instruments (subject to gradual phase-out treatment)	1,310,000	700,000	-	2,010,000
Collective allowance and regulatory reserve	753,172	305,338	4,111	1,059,188
Less: Regulatory adjustments applied on Tier 2 capital	(42,978)	-	(4,111)	(5,348)
Tier 2 Capital	2,420,194	1,355,338	-	3,813,840
Total Capital	10,848,998	3,766,701	351,686	15,524,225
Credit RWA	60,253,770	25,790,830	1,122,413	86,924,956
Less: Credit RWA absorbed by Restricted Profit Sharing Investment Account	-	(1,363,811)	-	(1,363,811)
Total Credit RWA	60,253,770	24,427,019	1,122,413	85,561,145
Market RWA	2,774,466	230,629	16,101	3,122,643
Operational RWA	4,694,931	1,553,441	314,533	6,946,680
Large exposure risk RWA for equity holdings	-	-	438	1,474
Total Risk Weighted Assets	67,723,167	26,211,089	1,453,485	95,631,942

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

A33. CREDIT EXPOSURE ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

	Group	
	30.09.15	31.03.15
Outstanding credit exposures with connected parties (RM'000)	3,166,951	3,298,414
Percentage of outstanding credit exposures to connected parties (%)		
- as a proportion of total credit exposures	3.03	3.22
- which is non-performing or in default	0.11	0.42

The disclosure on Credit Transaction and Exposures with Connected Parties above is presented in accordance with Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

A34. UNAUDITED STATEMENTS OF FINANCIAL POSITION AND INCOME STATEMENTS OF INSURANCE AND TAKAFUL BUSINESS

	General		Shareholders' fund		Total	
	30.09.15	31.03.15	30.09.15	31.03.15	30.09.15	31.03.15
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS						
Cash and short-term funds	100,119	124,305	20,127	802	120,246	125,107
Deposits and placements with banks and other financial institutions	17,240	61,789	3,748	4,021	20,988	65,810
Financial assets held-for-trading	2,925,576	3,046,435	-	-	2,925,576	3,046,435
Financial investments available-for-sale	36,535	37,019	544,407	563,981	580,942	601,000
Loans, advances and financing	7,380	10,917	-	-	7,380	10,917
Deferred tax assets	15,075	19,511	695	-	15,770	19,511
Investment in subsidiary	-	-	2,108,733	2,108,733	2,108,733	2,108,733
Other assets	210,328	143,203	555,838	805,859	216,658	149,915
Reinsurance, retakaful assets and other insurance receivables	446,405	433,929	-	-	446,405	433,929
Investment properties	7,713	7,713	-	-	7,713	7,713
Property and equipment	96,884	82,322	-	-	96,884	82,322
Intangible assets	16,083	8,036	-	-	16,083	8,036
Assets held for sale	83,775	83,775	-	-	83,775	83,775
TOTAL ASSETS	3,963,113	4,058,954	3,233,548	3,483,396	6,647,153	6,743,203
LIABILITIES AND EQUITY						
Redeemable cumulative convertible preference share	-	-	408,817	405,756	408,817	405,756
Deferred tax liabilities	-	-	47,040	48,938	47,040	48,938
Other liabilities	852,275	1,081,790	28,577	25,658	331,344	308,301
Insurance, takaful contract liabilities and other insurance payables	2,585,760	2,544,649	-	-	2,585,760	2,544,649
Total Liabilities	3,438,035	3,626,439	484,434	480,352	3,372,961	3,307,644
Share capital	-	-	1,145,248	1,145,248	1,145,248	1,145,248
Reserves	525,078	432,515	1,603,866	1,857,796	2,128,944	2,290,311
Total Equity	525,078	432,515	2,749,114	3,003,044	3,274,192	3,435,559
TOTAL LIABILITIES AND EQUITY	3,963,113	4,058,954	3,233,548	3,483,396	6,647,153	6,743,203

A34. UNAUDITED STATEMENTS OF FINANCIAL POSITION AND INCOME STATEMENTS OF INSURANCE AND TAKAFUL BUSINESS (CONT'D.)

Group	General insurance fund		Life insurance fund		Family takaful fund		Shareholders' fund		Total	
	30.09.15	30.09.14	30.09.15 #	30.09.14	30.09.15 ##	30.09.14	30.09.15	30.09.14	30.09.15	30.09.14
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	2,002	3,470	-	7,565	-	197	209	1,439	2,211	12,671
Interest expense	-	-	-	-	-	-	(9,061)	(8,800)	(9,061)	(8,800)
Net interest income	2,002	3,470	-	7,565	-	197	(8,852)	(7,361)	(6,850)	3,871
Income from insurance business	-	-	-	42,843	-	2,602	-	-	-	45,445
Insurance claims and commissions	202,353	204,694	-	(28,650)	-	(1,944)	-	(581)	202,353	173,519
Net income from insurance business	202,353	204,694	-	14,193	-	658	-	(581)	202,353	218,964
Other operating income	54,380	53,961	-	4,417	-	(832)	10,572	46,333	64,952	103,879
Net income	258,735	262,125	-	26,175	-	23	1,720	38,391	260,455	326,714
Other operating expenses	(129,977)	(124,275)	-	(7,776)	-	(5)	(840)	(1,444)	(130,817)	(133,500)
Acquisition and business efficiency expenses	(4,327)	(4,759)	-	-	-	-	-	-	(4,327)	(4,759)
Operating profit	124,431	133,091	-	18,399	-	18	880	36,947	125,311	188,455
Net impairment (loss)/writeback on:										
Financial investments	-	-	-	-	-	-	-	4,945	-	4,945
Doubtful sundry receivables	(2,519)	(2,868)	-	(1,617)	-	-	-	(72)	(2,519)	(4,557)
Profit before taxation and zakat	121,912	130,223	-	16,782	-	18	880	41,820	122,792	188,843
Taxation and zakat	(28,964)	(32,458)	-	(3,948)	-	(18)	(669)	(9,161)	(29,633)	(45,585)
Profit for the period	92,948	97,765	-	12,834	-	-	211	32,659	93,159	143,258

Previously indirect wholly-owned operation; partial disposal of equity interest during last financial year resulted in closing equity interest of 50% less one share.

Previously indirect wholly-owned operation; partial disposal of equity interest during last financial year resulted in closing equity interest of 50% plus one share.

A35. ISLAMIC BANKING BUSINESS

The state of affairs as at 30 September 2015 and the results for the period ended 30 September 2015 of the Islamic banking business of the Group and included in the consolidated financial statements after elimination of intercompany transactions and balances are summarised as follows:

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015**

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
ASSETS		
Cash and short-term funds	2,361,341	4,307,281
Deposits and placements with banks and other financial institutions	1,215,000	750,000
Derivative financial assets	124,829	27,469
Financial assets held-for-trading	126,426	151,783
Financial investments available-for-sale	4,699,519	4,109,611
Financial Investments held-to-maturity	1,256,526	1,249,567
Financing and advances	27,272,401	27,497,806
Receivables: Investments not quoted in active markets	450,521	463,982
Statutory deposit with Bank Negara Malaysia	898,000	1,045,000
Deferred tax assets	377	1
Other assets	333,610	378,727
Property and equipment	372	326
Intangible assets	17	20
TOTAL ASSETS	38,738,939	39,981,573
LIABILITIES AND ISLAMIC BANKING FUNDS		
Deposits and placements of banks and other financial institutions	1,496,079	2,719,972
Recourse obligation on financing sold to Cagamas Berhad	632,437	1,436,775
Derivative financial liabilities	118,511	34,491
Deposits from customers	28,695,263	29,748,968
Investment accounts	1,386,922	-
Term funding	1,850,000	1,850,000
Subordinated Sukuk	1,149,455	1,149,384
Deferred tax liabilities	9,281	10,839
Other liabilities	704,468	446,758
TOTAL LIABILITIES	36,042,416	37,397,187
Share capital/Capital funds	492,922	492,922
Reserves	2,203,601	2,091,464
TOTAL ISLAMIC BANKING FUNDS	2,696,523	2,584,386
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	38,738,939	39,981,573
COMMITMENTS AND CONTINGENCIES	8,133,112	7,557,214

A35. ISLAMIC BANKING BUSINESS (CONT'D.)

**UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015**

Group	Individual Quarter		Cumulative Quarter	
	30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
Income derived from investment of depositors' funds and others	463,479	438,216	927,772	857,461
Allowance for impairment on financing and advances	(9,051)	(36,045)	(45,019)	(92,544)
Writeback of provision for commitments and contingencies	(141)	(1,950)	2,448	5,770
Impairment writeback for sundry debtors	-	-	(10)	-
Transfer to profit equalisation reserve	-	(3,766)	(1,406)	(4,604)
Total distributable income	454,287	396,455	883,785	766,083
Income attributable to the depositors	(274,479)	(222,513)	(540,823)	(445,438)
Profit attributable to the Group	179,808	173,942	342,962	320,645
Income derived from Islamic Banking Funds	27,184	25,715	52,401	51,235
Total net income	206,992	199,657	395,363	371,880
Operating expenditure	(81,546)	(87,421)	(170,698)	(177,675)
Finance cost	(33,745)	(19,325)	(67,122)	(38,440)
Profit before taxation and zakat	91,701	92,911	157,543	155,765
Taxation and zakat	(19,921)	(20,890)	(33,662)	(35,206)
Profit for the period	71,780	72,021	123,881	120,559

**UNAUDITED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015**

Group	Individual Quarter		Cumulative Quarter	
	30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
Profit for the period	71,780	72,021	123,881	120,559
Other comprehensive income/(loss):				
Items that may be reclassified to income statement				
Net change in revaluation of financial investments available-for-sale	(18,247)	6,684	(15,438)	8,780
Exchange differences on translation of foreign operations	-	-	(1)	609
Income tax relating to the components of other comprehensive income/(loss)	4,379	(1,604)	3,705	(2,353)
Other comprehensive income/(loss) for the period, net of tax	(13,868)	5,080	(11,734)	7,036
Total comprehensive income for the period	57,912	77,101	112,147	127,595

A35. ISLAMIC BANKING BUSINESS (CONT'D.)

(a) Financing and Advances

Financing and advances by type and Shariah contracts are as follows:

Group 30.09.15	Bai Bithaman	Murabahah RM'000	Musharakah Mutanaqisah RM'000	Al-Ijarah Thummah	Bai Al-Inah RM'000	Others RM'000	Total RM'000
	Ajil RM'000			Al-Bai (AITAB) RM'000			
Cash lines	-	-	-	-	891,079	-	891,079
Term financing	2,564,012	2,640,043	10,220	-	4,039,186	40,436	9,293,897
Revolving credit	220,902	1,150,901	-	-	2,544,758	-	3,916,561
Housing financing	1,623,229	-	37,717	-	-	-	1,660,946
Hire purchase receivables	4	-	-	10,488,006	-	-	10,488,010
Bills receivables	-	-	-	-	-	5,488	5,488
Credit card receivables	-	-	-	-	-	263,447	263,447
Trust receipts	-	118,273	-	-	-	-	118,273
Claims on customers under acceptance credits	-	1,019,741	-	-	-	122,830	1,142,571
Gross financing and advances	4,408,147	4,928,958	47,937	10,488,006	7,475,023	432,201	27,780,272
Allowance for impairment on financing and advances							
- Collective allowance							(440,827)
- Individual allowance							(67,044)
Net financing and advances							27,272,401

A35. ISLAMIC BANKING BUSINESS (CONT'D.)

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

Financing and advances by type and Shariah contracts are as follows (Cont'd.):

Group 31.03.15	Bai Bithaman		Musharakah	AI-Ijarah Thummah	Bai AI-Inah	Others	Total
	Ajil RM'000	Murabahah RM'000	Mutanaqisah RM'000	AI-Bai (AITAB) RM'000			
Cash lines	-	-	-	-	888,591	-	888,591
Term financing	2,561,064	2,530,032	9,325	-	4,122,052	40,429	9,262,902
Revolving credit	456,811	431,597	-	-	3,165,176	-	4,053,584
Housing financing	1,359,372	-	31,114	-	-	-	1,390,486
Hire purchase receivables	4	-	-	10,950,562	-	-	10,950,566
Bills receivables	-	-	-	-	-	735	735
Credit card receivables	-	-	-	-	-	278,597	278,597
Trust receipts	-	100,907	-	-	-	-	100,907
Claims on customers under acceptance credits	-	959,675	-	-	-	136,291	1,095,966
Gross financing and advances	4,377,251	4,022,211	40,439	10,950,562	8,175,819	456,052	28,022,334
Allowance for impairment on financing and advances							
- Collective allowance							(458,453)
- Individual allowance							(66,075)
Net financing and advances							27,497,806

A35. ISLAMIC BANKING BUSINESS (CONT'D.)

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

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

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
Balance at beginning of financial year	606,455	348,515
Impaired during the period/year	268,092	776,843
Reclassification to non-impaired financing	(49,346)	(81,471)
Recoveries	(61,606)	(123,309)
Amount written off	(123,098)	(314,123)
Balance at end of financial period/year	<u>640,497</u>	<u>606,455</u>
Impaired financing and advances as % of total financing and advances	<u>2.3%</u>	<u>2.2%</u>

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

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
Collective allowance		
Balance at beginning of financial year	458,453	534,465
Allowance made during the period/year	94,589	224,295
Transferred from conventional commercial banking	-	2,463
Amount written off and others	(112,215)	(302,770)
Balance at end of financial period/year	<u>440,827</u>	<u>458,453</u>
Collective allowance as % of gross financing and advances (excluding RPSIA financing) less individual allowance	<u>1.7%</u>	<u>1.7%</u>
Individual allowance		
Balance at beginning of financial year	66,075	19,470
Allowance made during the period/year	4,375	46,634
Amount written off	(3,406)	(29)
Balance at end of financial period/year	<u>67,044</u>	<u>66,075</u>

A35. ISLAMIC BANKING BUSINESS (CONT'D.)

(b) Deposit From Customers

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
Savings deposits		
<i>Wadiah</i>	1,919,681	1,893,135
<i>Mudarabah</i>	-	5,215
Demand deposits		
<i>Wadiah</i>	3,790,895	3,875,971
<i>Mudarabah</i>	-	45,380
Term deposits		
General investment account		
<i>Wakalah</i>	-	314,750
<i>Mudarabah</i>	5,317	13,846,615
Commodity murabahah	22,972,876	9,761,507
Negotiable instruments of deposits		
<i>Bai' Bithaman Ajil</i>	6,494	6,395
	<u>28,695,263</u>	<u>29,748,968</u>

(c) Other Liabilities

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
Other payables and accruals	571,707	333,081
Taxation and zakat payable	32,994	30,508
Provision for commitments and contingencies	12,976	15,415
Amount owing to head office	84,534	62,642
Advance rentals	2,257	3,432
Profit equalisation reserve	-	1,680
	<u>704,468</u>	<u>446,758</u>

B1. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP

The Group recorded a profit after tax ("PAT") of RM776.6 million for the period ended 30 September 2015, a reduction of RM272.0 million as compared to corresponding period ended 30 September 2014 of RM1,018.6 million. The Group's profit attributable to equity holders of the Company ("PATMI") reduced by 260.7 million.

Reduction in earnings for current period ended 30 September 2015 was mainly due to lower income reported from other operating income, net interest income, net income from Islamic banking business and net income from insurance business by RM483.3 million, RM164.6 million, RM25.0 million and RM21.5 million respectively.

This was cushioned by impairment writeback on loans, advances and financing and impairment writeback of provision for commitments and contingencies of RM52.9 million and RM18.2 million reported for current period ended 30 September 2015 as compared to impairment provision of RM85.8 million and RM2.6 million for previous period ended 30 September 2014. Lower amounts were reported from acquisition and business efficiency expenses, other operating expenses, doubtful sundry receivables and impairment loss on foreclosed properties by RM74.0 million, RM64.6 million and RM28.5 million, RM20.7 million and RM5.5 million respectively.

Gross loans, advances and financing reduced to RM86.8 billion as compared to RM87.8 billion reported for the last financial year ended 31 March 2015. This was mostly due to reduction reported from hire-purchase receivable, term loans, credit card receivables, trust receipts and overdraft.

As at 30 September 2015, the Group's total assets stood at RM133.8 billion. Meanwhile, the Total Capital ratio from the aggregation of the consolidated capital positions and risk weighted assets of the regulated banking institutions stood at 15.8%.

Divisional performance for 30 September 2015 compared to 30 September 2014:

Retail Banking

Profit after tax (PAT) decreased 8.6% year-on-year (yoy) to RM206.5 million mainly attributable to margin compression arising from portfolio re-balancing initiatives. Expenses were 2.5% lower yoy through disciplined cost management. Loan loss allowances reduced yoy from intensified collection efforts.

Excluding the auto finance segment, the division recorded a gross loan growth of 2.4%, largely supported by mortgage loans which expanded 8.3% yoy. Deposits balance grew 1.1% amidst intense competition as Retail Banking continued to focus on driving deposits through AmBank@Work payroll solutions and Small Business Banking.

Wholesale Banking

Wholesale Banking consists of four sub business segments including corporate and commercial banking, markets, investment banking and fund management.

The division's aggregate PAT at RM424.6 million, down 11.0% yoy, reflecting pressures on margin, cautious business sentiment and weaker fixed income trading. Operating expenses declined 19% yoy due to prudent cost management and benefits from right-sizing programs. Higher recoveries from impaired loans partially mitigated the impact of slower income growth.

Gross lending increased 5.2% yoy from higher disbursements driven by strategic tie-ups and new financing solutions. Deposits grew RM2.3 billion or 6.0% yoy.

Insurance

General Insurance

Gross written premium declined 3.4% yoy corresponding to softer motor sales data and de-risking of Retail Banking's auto finance loans. Claim expense was stable yoy whilst combined ratio stood at 90.1% (H1FY2015: 89.1%). PAT was lower yoy impacted by lower premium and investment income.

Life Assurance and Family Takaful

Performance of the joint ventures reflects decrease in premium and revaluation loss on investments. Key priorities to drive sales include: 1) increase distribution through bancassurance; 2) boost agency productivity and recruitment; and 3) deployment of direct marketing.

B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION

The Group reported a higher pre-tax profit of RM501.0 million for the second quarter ended 30 September 2015 as compared to RM482.4 million for the previous quarter ended 30 June 2015. This was attributable from writeback for impairment on loans, advances and financing, financial investments and acquisition and business efficiency expenses of RM63.6 million, RM2.9 million and RM0.8 million for the current reporting quarter. Besides, higher income was reported from net interest income and share in results of associates and joint ventures by RM8.2 million and RM3.6 million respectively.

This was offset by lower income reported from other operating income, income from insurance business and net income from Islamic banking business by RM25.4 million, RM8.6 million and RM6.8 million respectively. In addition, lower writeback of provision for commitments and contingencies by RM18.1 million and higher other operating expenses by RM16.1 million was reported for current reporting quarter.

B3. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2016

In the second quarter of 2015, the Malaysian economy recorded a growth of 4.9% (1Q2015: 5.6%) driven mainly by private sector demand. Both private consumption and private investment grew moderately at 6.4% and 3.9% respectively (1Q2015: 8.8% and 11.7%).

For calendar year 2015, the Group forecasts a modest annual Gross Domestic Product growth of circa 4.7% (2014: 6.0%) due to softer demand and lower commodity prices, mitigated by a resilient export sector and an expected increase in public investment.

Inflation is projected to hover around 2.3%, reflecting the impact of the implementation of GST and recent Ringgit depreciation, partially offset by the decline in oil and commodity prices. The US dollar rise, interest gap and the Chinese yuan outlook will continue to weigh on Ringgit.

In the near to medium term, business and economic conditions are expected to remain challenging against the backdrop of increasingly stringent compliance requirements. The banking sector is expected to experience slower demand and narrowing net interest margins while asset quality may come under pressure. Private consumption is expected to grow moderately this year.

At AmBank Group, we remain focused to deliver risk-adjusted returns with measures in place to drive growth, supported by investments to improve our capabilities and enhance customer experience. We remain focused on our FY2016-2017 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.

B4. VARIANCE FROM PROFIT FORECAST AND SHORTFALL FROM PROFIT GUARANTEE

This is not applicable to the Group.

B5. TAXATION AND ZAKAT

Group	Individual Quarter		Cumulative Quarter	
	30.09.15 RM'000	30.09.14 RM'000	30.09.15 RM'000	30.09.14 RM'000
Estimated current tax payable	71,759	159,594	141,681	253,033
Deferred tax	20,926	(12,587)	64,276	50,979
	<u>92,685</u>	<u>147,007</u>	<u>205,957</u>	<u>304,012</u>
Under provision of current taxation in respect of prior years	23	(6,728)	67	(6,279)
Taxation	<u>92,708</u>	<u>140,279</u>	<u>206,024</u>	<u>297,733</u>
Zakat	360	230	778	711
Taxation and zakat	<u>93,068</u>	<u>140,509</u>	<u>206,802</u>	<u>298,444</u>

The total tax charge of the Group for the financial period ended 30 September 2015 and 30 September 2014 reflect an effective tax rate which is lower than the statutory tax rate mainly due to income not subject to tax.

B6. CORPORATE PROPOSALS

- 1 As at 30 September 2015, the trustee of the ESS held 8,710,800 ordinary shares (net of ESS shares vested to employees) representing 0.29% of the issued and paid-up capital of the Company. These shares are held at a carrying amount of RM56,913,465.
- 2 On 30 September 2014, a wholly-owned subsidiary, AmSecurities Holding Sdn Bhd ("AMSH"), has entered into a sale and purchase agreement with Yuanta Securities (Hong Kong) Company Limited ("Yuanta HK"), a 100%-owned, indirect subsidiary of Yuanta Securities Co., Limited, a Taiwan-based stockbroking company, for the proposed disposal of the Group's 99% shareholding in PT AmCapital Indonesia ("AMCI") (the "Proposed Disposal").

The Proposed Disposal involves the sale of 144,724 ordinary shares of Rp1,000,000 each in AMCI for an indicative cash consideration of about Rp.83.7 billion (the "Purchase Price") at a premium over the adjusted net assets of AMCI. The Purchase Price will be further adjusted on completion of the Proposed Disposal in accordance with the terms of the sale and purchase agreement.

The Proposed Disposal is conditional on the approval of relevant regulatory authorities in Indonesia and Taiwan. It is not expected to have any material impact on the Company's consolidated financial results, being a divestment of a non-core operation.

None of the directors or major shareholders of the Company, or persons connected with them, are interested in the Proposed Disposal.

On 22 April 2015, the Company announced that following the approval of the relevant Taiwanese and Indonesian regulatory authorities and fulfilment of other conditions, the Proposed Disposal was completed on 22 April 2015.

On 15 July 2015, the Company announced that, with the finalisation of the completion accounts of AMCI, the purchase price for the disposal is fixed at about Rp 89.8 billion, compared with the indicative price of Rp 83.7 billion announced earlier. The purchase price has been fully settled by Yuanta HK in US Dollar equivalent of about US\$6.99 million.

- 3 With reference to the Company announcement on 25 August 2014 in respect of the disposal of the Group's 100% shareholding in AmFraser Securities Pte Ltd ("AmFraser") to KGI Asia (Holdings) Pte Ltd ("KGI") at an indicative purchase price of S\$38,000,000 (the "Disposal") and the subsequent announcement on 30 January 2015 of the completion of the Disposal.

The Company announced on 1 September 2015 that, based on the finalised audited completion accounts of AmFraser (name changed to KGI Fraser Securities Pte Ltd subsequent to the Disposal), the final purchase price for the Disposal is S\$42,406,507, which has been fully settled in cash by KGI.

B7. BORROWINGS

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
(i) Deposits from customers		
Six months or less	70,584,360	75,448,971
Over six months to one year	14,710,410	12,548,912
Over one year to three years	3,186,272	3,068,885
Over three years to five years	799,243	1,063,281
	<u>89,280,285</u>	<u>92,130,049</u>
(ii) Deposits and placements of banks and other financial institutions		
Six months or less	2,289,906	559,178
Over six months to one year	13,676	1,464,353
Over one year to three years	172,717	174,881
Over three years to five years	385,106	103,252
	<u>2,861,405</u>	<u>2,301,664</u>
(iii) Term funding (unsecured)		
(a) Senior notes		
Due within one year	324,793	-
More than one year	6,625,599	6,673,039
(b) Credit-Linked Notes		
Due within one year	148,709	-
More than one year	134,634	281,823
(c) Term loans and revolving credits		
Due within one year	425,775	243,036
More than one year	1,312,662	1,104,356
(d) Structured deposit		
Due within one year	300	100
	<u>8,972,472</u>	<u>8,302,354</u>
(iv) Debt capital		
(a) Unsecured notes/sukuk		
More than one year	1,548,929	1,548,785
(b) Medium Term Notes		
More than one year	1,310,000	1,310,000
(c) Hybrid capital		
More than one year	857,091	736,788
The above hybrid capital includes amount denominated in USD of which		
Principal amount - USD200.0 million		
(d) Non-Innovative Tier 1 Capital Securities		
More than one year	500,000	500,000
(e) Innovative Tier 1 Capital Securities		
More than one year	485,000	485,000
	<u>4,701,020</u>	<u>4,580,573</u>

B8. REALISED AND UNREALISED PROFITS OR LOSSES

In accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad dated 25 March 2010, the breakdown of the retained earnings of the Group as at the end of the reporting period, into realised and unrealised profits is as follows:

	Group	
	30.09.15	31.03.15
	RM'000	RM'000
Total retained earnings		
- Realised	9,116,954	8,617,715
- Unrealised	1,291,369	1,553,202
Total share of retained earnings from associates and joint ventures:		
- Realised	158,169	86,775
- Unrealised	(32,829)	38,973
Less: Consolidation adjustments	(3,459,943)	(3,466,485)
Total retained earnings as per consolidated financial statements	7,073,720	6,830,180

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

B9. MATERIAL LITIGATION

The Group and the Company do not have any material litigation which would materially affect the financial position of the Group and the Company. For other litigations, please refer to Note A29.

B10. DIVIDENDS

- (i) A proposed interim single tier ordinary dividend of 5.0% for the financial year ending 31 March 2016 has been recommended by the directors;
- (ii) Amount per share: 5.0 Sen;
- (iii) Previous corresponding period: 12.0 Sen single tier;
- (iv) Payment date: To be determined and announced at a later date; and
- (v) In respect of ordinary share capital, entitlement to the proposed dividend will be determined on the basis of the Record of Depositors as at the close of business on the date to be determined and announced at a later date.

B11. EARNINGS PER SHARE (SEN)

a. Basic earnings per share

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

	Individual Quarter		Cumulative Quarter	
	30.09.15	30.09.14	30.09.15	30.09.14
	RM'000/000	RM'000/000	RM'000/000	RM'000/000
Net profit attributable to equity holders of the Company	382,518	445,819	722,029	982,759
Weighted average number of ordinary shares in issue	3,005,463	3,009,400	3,004,436	3,008,297
Basic earnings per share (Sen)	12.73	14.81	24.03	32.67

b. Diluted earnings per share

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

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

	Individual Quarter		Cumulative Quarter	
	30.09.15	30.09.14	30.09.15	30.09.14
	RM'000/000	RM'000/000	RM'000/000	RM'000/000
Net profit attributable to equity holders of the Company	382,518	445,819	722,029	982,759
Weighted average number of ordinary shares in issue (as in (a) above)	3,005,463	3,009,400	3,004,436	3,008,297
Effect of executives' share scheme	290	-	722	1,315
Adjusted weighted average number of ordinary shares in issue/issuable	3,005,753	3,009,400	3,005,158	3,009,612
Fully diluted earnings per share (Sen)	12.73	14.81	24.03	32.65