

Company No. 295576-U

**AmBank Islamic Berhad**  
**(Formerly known as Amlslamic Bank Berhad)**  
(Incorporated in Malaysia)

**Interim Financial Statements**  
**For the Financial Period**  
**1 April 2015 to**  
**30 June 2015**  
(In Ringgit Malaysia)

**Company No. 295576-U**  
**AmBank Islamic Berhad**  
**(Formerly known as Amlslamic Bank Berhad)**  
**(Incorporated in Malaysia)**

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2015**

		<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
	<b>Note</b>		
<b>ASSETS</b>			
Cash and short-term funds		4,304,974	4,061,682
Deposits and placements with banks and other financial institutions		-	750,000
Derivative financial assets		30,209	27,469
Financial assets held-for-trading	A8	178,981	151,783
Financial investments available-for-sale	A9	3,405,156	4,109,611
Financial investments held-to-maturity	A10	1,253,045	1,249,566
Financing and advances	A11	26,802,153	27,497,806
Receivables: Investments not quoted in active markets	A12	457,210	463,982
Statutory deposit with Bank Negara Malaysia		1,003,000	1,045,000
Other assets	A13	348,353	354,564
Property and equipment		324	301
Intangible assets		18	20
<b>TOTAL ASSETS</b>		<b>37,783,423</b>	<b>39,711,784</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits and placements of banks and other financial institutions	A14	2,750,931	2,714,064
Recourse obligation on financing sold to Cagamas Berhad		634,617	1,436,775
Derivative financial liabilities		30,592	34,491
Deposits from customers	A15	28,536,279	29,754,876
Investment accounts	A16	15,865	-
Term funding		1,850,000	1,850,000
Subordinated Sukuk		1,149,419	1,149,384
Deferred tax liability		14,080	10,840
Other liabilities	A17	334,198	347,339
Provision for zakat		1,555	1,137
<b>TOTAL LIABILITIES</b>		<b>35,317,536</b>	<b>37,298,906</b>
Share capital		462,922	462,922
Reserves		2,002,965	1,949,956
<b>TOTAL EQUITY</b>		<b>2,465,887</b>	<b>2,412,878</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>37,783,423</b>	<b>39,711,784</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A29	<b>8,140,445</b>	<b>7,479,564</b>
<b>NET ASSETS PER SHARE (RM)</b>		<b>5.33</b>	<b>5.21</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2015.

**Company No. 295576-U**  
**AmBank Islamic Berhad**  
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**(Incorporated in Malaysia)**

**UNAUDITED INCOME STATEMENT**  
**FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2015**

	Note	Individual Quarter		Cumulative Quarter	
		30 June 2015 RM'000	30 June 2014 (Restated) RM'000	30 June 2015 RM'000	30 June 2014 (Restated) RM'000
Income derived from investment of depositors' funds and others	A18	464,293	420,159	464,293	420,159
Income derived from investment of shareholder's funds	A19	22,629	23,028	22,629	23,028
Allowance for impairment on financing and advances	A20	(35,968)	(56,499)	(35,968)	(56,499)
Writeback of provision for/ (Provision for) commitments and contingencies		2,589	7,720	2,589	7,720
Transfer to profit equalisation reserve		(1,406)	(839)	(1,406)	(839)
Total distributable income		452,137	393,569	452,137	393,569
Income attributable to the depositors and others	A21	(268,222)	(224,886)	(268,222)	(224,886)
Total net income		183,915	168,683	183,915	168,683
Other operating expenses	A22	(86,324)	(89,437)	(86,324)	(89,437)
Finance cost		(33,377)	(19,115)	(33,377)	(19,115)
<b>Profit before zakat and taxation</b>		<b>64,214</b>	<b>60,131</b>	<b>64,214</b>	<b>60,131</b>
Zakat		(418)	(482)	(418)	(482)
Taxation		(12,923)	(13,137)	(12,923)	(13,137)
<b>Profit for the period</b>		<b>50,873</b>	<b>46,512</b>	<b>50,873</b>	<b>46,512</b>
<b>Basic earnings per share (sen)</b>	A23	<b>10.99</b>	<b>10.05</b>	<b>10.99</b>	<b>10.05</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2015.

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

	Individual Quarter		Cumulative Quarter	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period	<u>50,873</u>	<u>46,512</u>	<u>50,873</u>	<u>46,512</u>
Other comprehensive income/(loss):				
<b>Items that may be reclassified subsequently to the income statement:</b>				
Net change in revaluation of financial investments available-for-sale	1,957	2,096	1,957	2,096
Transfer to income statement upon disposal	853	-	853	-
Income tax relating to the components of other comprehensive income	<u>(674)</u>	<u>(749)</u>	<u>(674)</u>	<u>(749)</u>
Other comprehensive income for the period, net of tax	<u>2,136</u>	<u>1,347</u>	<u>2,136</u>	<u>1,347</u>
Total comprehensive income for the period	<u>53,009</u>	<u>47,859</u>	<u>53,009</u>	<u>47,859</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2015.

**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2015**

	Attributable to Equity Holder of the Bank					Distributable	Total equity RM'000
	Non-distributable			Profit equalisation reserve			
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Profit equalisation reserve RM'000	Available-for-sale deficit RM'000	RM'000	
At 1 April 2014	462,922	724,185	483,345	1,260	(18,442)	698,360	2,351,630
Profit for the period	-	-	-	-	-	46,512	46,512
Other comprehensive income	-	-	-	-	1,347	-	1,347
Total comprehensive income for the period	-	-	-	-	1,347	46,512	47,859
Net utilisation of profit equalisation reserve	-	-	-	277	-	(277)	-
Transfer of AMMB Holdings Berhad ("AMMB") Executives' Share Scheme ("ESS") shares recharged - difference on purchase price of shares vested	-	-	-	-	-	(93)	(93)
Transactions with owner and other equity movements	-	-	-	277	-	(370)	(93)
<b>At 30 June 2014</b>	<b>462,922</b>	<b>724,185</b>	<b>483,345</b>	<b>1,537</b>	<b>(17,095)</b>	<b>744,502</b>	<b>2,399,396</b>
At 1 April 2015	462,922	724,185	483,345	3,904	(6,592)	745,114	2,412,878
Profit for the period	-	-	-	-	-	50,873	50,873
Other comprehensive income	-	-	-	-	2,136	-	2,136
Total comprehensive income for the period	-	-	-	-	2,136	50,873	53,009
Net utilisation of profit equalisation reserve	-	-	-	(3,904)	-	3,904	-
Transactions with owner and other equity movements	-	-	-	(3,904)	-	3,904	-
<b>At 30 June 2015</b>	<b>462,922</b>	<b>724,185</b>	<b>483,345</b>	<b>-</b>	<b>(4,456)</b>	<b>799,891</b>	<b>2,465,887</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2015.

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2015**

	<b>30 June 2015</b>	<b>30 June 2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before zakat and taxation	64,214	60,131
Adjustments for non-operating and non-cash items	41,527	69,516
Operating profit before working capital changes	<u>105,741</u>	<u>129,647</u>
Changes in working capital:		
Net changes in operating assets	1,415,012	381,430
Net changes in operating liabilities	(1,979,982)	(1,828,599)
Taxation paid	<u>(22,241)</u>	<u>(6,293)</u>
Net cash used in operating activities	<u>(481,470)</u>	<u>(1,323,815)</u>
Net cash generated from investing activities	<u>724,762</u>	<u>4,115</u>
Net increase/(decrease) in cash and cash equivalents	243,292	(1,319,700)
Cash and cash equivalents at beginning of the financial year	<u>4,061,682</u>	<u>2,935,528</u>
Cash and cash equivalents at end of the financial period	<u><u>4,304,974</u></u>	<u><u>1,615,828</u></u>

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

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2015.

## **Explanatory Notes**

### **A1. BASIS OF PREPARATION**

These condensed interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and complies with the International Accounting Standard ("IAS") 34, Interim Financial Reporting. The financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Bank for the financial year ended 31 March 2015.

The significant accounting policies and methods of computation applied in these condensed 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") which became effective for the Bank on 1 April 2015.

#### **1. Standards effective for financial year ending 31 March 2016:**

- 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 did not have any material impact on the financial statements of the Bank.

The nature of the new and amended MFRS relevant to the Bank are described below:

#### **a. 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.

**A1. BASIS OF PREPARATION (CONT'D.)**

**1. Standards effective for financial year ending 31 March 2016 (Cont'd.):**

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

**(ii) MFRS 3: Business Combinations**

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

**(iii) MFRS 8: Operating Segments**

The amendments are to be applied retrospectively and clarify that:

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

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

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

**(v) MFRS 124: Related Party Disclosures**

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



**A1. BASIS OF PREPARATION (CONT'D.)**

**1. Standards effective for financial year ending 31 March 2016 (Cont'd.):**

**b. 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.

**2 Change in regulatory requirements**

**a. Bank Negara Malaysia (“BNM”) Policy Documents on Investment Account and Transition policy under Islamic Financial Services Act 2013 (“IFSA”)**

On 14 March 2014, BNM had issued a policy document on Investment Account (“IA”) aimed at outlining the regulatory requirements on the conduct of investment accounts that are consistent with the Islamic Financial Services Act 2013 (“IFSA”) and that comply with standards on Shariah issued by BNM. This policy document comes into effect on 14 March 2014.

**A1. BASIS OF PREPARATION (CONT'D.)**

**2 Change in regulatory requirements (Cont'd)**

**a. Bank Negara Malaysia (“BNM”) Policy Documents on Investment Account and Transition policy under Islamic Financial Services Act 2013 (“IFSA”)(Cont'd)**

On 14 February 2014, BNM had issued the Guidelines on Transition Policy under IFSA (“transition guidelines”), 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 these transition guidelines and application of policy document on IA, the Bank had presented separately Investment accounts from its deposit accounts and discontinued with the application of profit equalization reserve (“PER”).

The above 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 the Bank.

The accounting policy adopted for Investment account is as follows:

Unrestricted Investment Account

The Bank’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”) (principal / muwakkil) appoints the Bank as an agent (wakil) for the purpose of investment. The Bank 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 Bank deems appropriate. The Bank may however change the investment strategy if the Bank decides that it will be in the best interest of the IAH to do so in order to achieve the investment objectives. For the current financial period, the Bank did not impose Wakalah fees to the IAH.

Distribution of profit between the unrestricted IAH and the Bank

The unrestricted IAH place funds with the Bank in exchange for an expected rate of return (“ERR”) for the agreed period of the investment. The Bank 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 Bank as a performance incentive. On the contrary, if the ARR is lower than the ERR, the Bank is obliged to distribute the ARR to the IAH.

The Bank 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 Bank neither adopt profit smoothing practices nor employ displaced commercial risk technique in the calculation of the ARR to the IAH.

**A1. BASIS OF PREPARATION (CONT'D.)**

**2 Change in regulatory requirements (Cont'd)**

**b. BNM Policy Document on Classification and Impairment Provisions for Loan/ 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 provision charges to the Bank for the financial quarter ended 30 June 2015.

**3. Standards issued but not yet effective**

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

	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
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 Initiatives	31 March 2017
MFRS 14 Regulatory Deferral Accounts	31 March 2017
MFRS 15 Revenue from Contracts with Customers	31 March 2018
MFRS 9 Financial Instruments	31 March 2019

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

**A1. BASIS OF PREPARATION (CONT'D.)**

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

**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.

**A1. BASIS OF PREPARATION (CONT'D.)**

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

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

**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.

**Amendments to MFRS 101 Disclosure Initiatives**

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

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

**Standard effective for financial year ending 31 March 2018**

**MFRS 15 Revenue from Contracts with Customers**

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

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

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

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted.

**A1. BASIS OF PREPARATION (CONT'D.)**

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

**Standards effective from financial year ending 31 March 2019**

**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 Bank's financial assets, but no impact on the classification and measurement of the Bank's financial liabilities.

**A2. AUDIT QUALIFICATION**

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2015 was not qualified.

**A3. SEASONALITY OR CYCLICALITY OF OPERATIONS**

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

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

There were no unusual items during the current financial quarter.

**A5. CHANGES IN ESTIMATES**

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

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

There were no issuance, cancellation, repurchase, resale and repayment of debt securities during the financial quarter

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

**A7. DIVIDENDS**

The director do not recommend the payment of any dividend in respect of the financial quarter ended 30 June 2015 and no dividends were paid in the current financial quarter.

**A8. FINANCIAL ASSETS HELD-FOR-TRADING**

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
<b>At fair value:</b>		
Money Market Instruments:		
Government Investment Issues	104,038	141,705
Unquoted Securities:		
In Malaysia:		
Private debt securities	74,943	10,078
	<u>178,981</u>	<u>151,783</u>

**A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE**

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
<b>At fair value:</b>		
Money Market Instruments:		
Government Investment Issues	369,195	204,121
Islamic Negotiable instruments of deposit	2,391,059	3,045,887
Bank Negara Monetary Notes	-	254,914
	<u>2,760,254</u>	<u>3,504,922</u>
Unquoted Securities:		
In Malaysia:		
Private debt securities	644,902	604,689
	<u>3,405,156</u>	<u>4,109,611</u>

**A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE (CONT'D.)**

Previously, the Bank had reclassified securities amounting to RM7.6 million out of financial investments available-for-sale category to the financing and receivables category as the Bank has the intention to hold the securities until maturity.

As at 30 June 2015, the fair value gain that would have been recognised in other comprehensive income for the current period if the securities had not been reclassified amounted to RM123,000 (31 March 2015: RM475,000).

**A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY**

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
<b>At amortised cost:</b>		
Unquoted Securities:		
In Malaysia:		
Private debt securities	1,253,045	1,249,566
	<u>1,253,045</u>	<u>1,249,566</u>



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**A11. FINANCING AND ADVANCES**

A11a. Financing and advances by type and Shariah contracts are as follows:

**30 June 2015**

	<b>Bai Bithaman Ajil RM'000</b>	<b>Murabahah RM'000</b>	<b>Musharakah Mutanaqisah RM'000</b>	<b>Al-Ijarah Thummah Al- Bai (AITAB) RM'000</b>	<b>Bai Al-Inah RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
Cash lines	-	-	-	-	770,877	-	770,877
Term financing	2,566,858	2,911,121	10,324	-	4,099,151	40,436	9,627,890
Revolving credit	225,761	469,033	-	-	2,409,669	-	3,104,463
Housing financing	1,476,524	-	34,112	-	-	-	1,510,636
Hire purchase receivables	4	-	-	10,736,512	-	-	10,736,516
Bills receivables	-	-	-	-	-	896	896
Credit card receivables	-	-	-	-	-	270,051	270,051
Trust receipts	-	120,381	-	-	-	-	120,381
Claims on customers under acceptance credits	-	1,055,175	-	-	-	130,752	1,185,927
Gross financing and advances*	4,269,147	4,555,710	44,436	10,736,512	7,279,697	442,135	27,327,637
Allowance for impairment on financing and advances							
- Collective allowance							(462,988)
- Individual allowance							(62,496)
Net financing and advances							<u>26,802,153</u>

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**A11. FINANCING AND ADVANCES (CONT'D.)**

A11a. Financing and advances by type and Shariah contracts are as follows (Cont'd.):

**31 March 2015**

	<b>Bai Bithaman</b>		<b>Musharakah</b>	<b>Al-Ijarah</b>		<b>Others</b>	<b>Total</b>
	<b>Ajil</b>	<b>Murabahah</b>	<b>Mutanaqisah</b>	<b>Thummah Al-</b>	<b>Bai Al-Inah</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Bai (AITAB)</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
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

\* Included in financing and advances are exposures to the Restricted Profit Sharing Investment Account ("RPSIA") arrangements between the Bank and AmBank (M) Berhad ("AmBank") amounting to RM1,367.7 million (31 March 2015: RM1,363.8 million). Under the RPSIA contract, the profit is shared based on a pre-agreed ratio. AmBank is exposed to the risks and rewards on the RPSIA financing and it shall account for all allowance for impairment arising from the RPSIA financing. Further details of the RPSIA are disclosed in Note A14.

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**A11. FINANCING AND ADVANCES (CONT'D.)**

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

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
Domestic banking institution	145	-
Domestic non-bank financial institutions	285,179	376,383
Domestic business enterprises		
- Small medium enterprises	4,243,670	4,320,458
- Others	8,696,312	9,136,728
Government and statutory bodies	386,109	383,730
Individuals	13,580,458	13,663,125
Other domestic entities	50,263	57,698
Foreign individuals and entities	85,501	84,212
	<u>27,327,637</u>	<u>28,022,334</u>

A11c. All financing and advances reside in Malaysia.

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

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
Fixed rate		
- Housing financing	255,531	257,808
- Hire purchase receivables	9,872,010	10,016,187
- Other financing	3,168,095	3,125,980
Variable rate		
- Base rate and base financing rate plus	5,083,868	5,236,078
- Cost plus	8,474,689	9,040,137
- Other variable rates	473,444	346,144
	<u>27,327,637</u>	<u>28,022,334</u>

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**A11. FINANCING AND ADVANCES (CONT'D.)**

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

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
Agriculture	1,378,879	1,425,890
Mining and quarrying	1,745,750	1,676,384
Manufacturing	2,458,686	2,349,086
Electricity, gas and water	141,118	148,422
Construction	1,519,062	2,137,670
Wholesale and retail trade and hotel and restaurants	889,714	944,867
Transport, storage and communication	1,204,054	937,626
Finance and insurance	285,324	376,383
Real estate	2,710,043	2,825,535
Business activities	436,036	461,035
Education and health	775,980	821,983
Household of which:	13,661,713	13,742,679
- purchase of residential properties	1,491,886	1,370,877
- purchase of transport vehicles	10,236,021	10,401,534
- others	1,933,806	1,970,268
Others	121,278	174,774
	<u>27,327,637</u>	<u>28,022,334</u>

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

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
Maturing within one year	8,952,770	8,712,569
Over one year to three years	2,907,125	2,914,449
Over three years to five years	3,867,911	4,481,931
Over five years	11,599,831	11,913,385
	<u>27,327,637</u>	<u>28,022,334</u>

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**A11. FINANCING AND ADVANCES (CONT'D.)**

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

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
Balance at beginning of financial year	606,455	348,515
Impaired during the period/year	173,762	776,843
Reclassified as non-impaired	(43,521)	(81,471)
Recoveries	(40,818)	(123,309)
Amount written off	(67,425)	(314,123)
Balance at end of financial period/year	<u>628,453</u>	<u>606,455</u>
Gross impaired financing and advances as % of gross financing and advances	<u>2.3%</u>	<u>2.2%</u>
Financing loss coverage (excluding collateral values)	<u>83.6%</u>	<u>86.5%</u>

A11h. All impaired financing and advances reside in Malaysia.

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

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
Agriculture	242	354
Mining and quarrying	6	7
Manufacturing	26,764	34,143
Electricity, gas and water	17,625	21,100
Construction	6,006	9,590
Wholesale and retail trade and hotel and restaurants	12,601	6,763
Transport, storage and communication	12,069	12,076
Finance and insurance	1	33
Real estate	356,283	322,332
Business activities	4,514	4,211
Education and health	4,912	6,169
Household of which :	185,359	188,040
- purchase of residential properties	21,500	20,771
- purchase of transport vehicles	154,877	155,185
- others	8,982	12,084
Others	2,071	1,637
	<u>628,453</u>	<u>606,455</u>

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**A11. FINANCING AND ADVANCES (CONT'D.)**

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

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
<b>Collective allowance</b>		
Balance at beginning of financial year	458,453	534,465
Allowance made during the period/year, net	65,388	224,295
Transferred from AmBank *	-	2,463
Amount written off and others	(60,853)	(302,770)
Balance at end of financial period/year**	<u>462,988</u>	<u>458,453</u>
Collective allowance as % of gross financing and advances (excluding RPSIA financing) less individual allowance	<u>1.8%</u>	<u>1.7%</u>
<b>Individual allowance</b>		
Balance at beginning of financial year	66,075	19,470
Allowance during the period/year, net	(1,064)	46,634
Amount written off	(2,515)	(29)
Balance at end of financial period/year	<u>62,496</u>	<u>66,075</u>

\* On 2 May 2014, upon expiry of the RPSIA contract entered into with AmBank in the financial year ended 31 March 2013, AmBank had derecognized the collective allowance previously recognized in its financial statements. Accordingly, the Bank now accounts for the collective allowance in its financial statements.

\*\* As at 30 June 2015, the gross exposure and collective allowance relating to the RPSIA financing amounted to RM1,367.7 million and RM1.6 million respectively (31 March 2015: RM1,363.8 million and RM1.6 million respectively). There was no individual allowance provided for the RPSIA financing.

**A12. RECEIVABLES: INVESTMENTS NOT QUOTED IN ACTIVE MARKETS**

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
Unquoted private debt securities:	456,649	456,649
Fair value changes arising from fair value hedge	561	7,333
	<u>457,210</u>	<u>463,982</u>

In the previous financial year, the Bank had undertaken a fair value hedge on the profit rate risk of unquoted securities of RM350.0 million using profit rate swaps with a related company. The gain/(loss) arising from the fair value hedge is as follows:

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
Relating to hedged item	(6,772)	7,333
Relating to hedging instrument	6,652	(7,100)
	<u>(120)</u>	<u>233</u>

**A13. OTHER ASSETS**

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
Other receivables, deposits and prepayments	52,069	44,421
Amount due from related companies	12,237	47,453
Amount due from originators	134,585	136,695
Profit receivable	43,238	28,207
Tax recoverable	40,670	28,784
Deferred charges	65,554	69,004
	<u>348,353</u>	<u>354,564</u>

**A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
<u>Non-Mudarabah</u>		
Licensed investment banks	255,431	159
Other financial institutions	529,664	251,311
Bank Negara Malaysia	28,978	29,250
	<u>814,073</u>	<u>280,720</u>
<u>Mudarabah</u>		
Licensed bank	1,363,442	1,363,442
Licensed investment banks	-	245,369
Other financial institutions	573,416	824,533
	<u>1,936,858</u>	<u>2,433,344</u>
	<u>2,750,931</u>	<u>2,714,064</u>

The Mudarabah placement from a licensed bank refers to the RPSIA arrangement and is placed by AmBank to fund certain specific financing. The RPSIA is a contract based on the Shariah concept of Mudarabah between two parties, that is, investor and entrepreneur to finance a business venture where the investor provides capital and the business venture is managed solely by the entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratio. Losses shall be borne solely by the investor. The placement is for a tenor of 370 days.



**A15. DEPOSITS FROM CUSTOMERS**

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
(i) By type of deposit:		
Savings deposit		
Wadiah	1,951,697	1,893,135
Mudarabah	-	5,215
Demand deposit		
Wadiah	3,902,565	3,875,971
Mudarabah	-	45,380
Term Deposit :		
General investment deposit		
Wakalah	15	314,750
Mudarabah	7,520	13,852,523
Commodity Murabahah	22,468,443	9,761,507
Negotiable instruments of deposits		
Bai' Bithaman Ajil	206,039	6,395
Total	<u>28,536,279</u>	<u>29,754,876</u>
	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
(ii) The deposits are sourced from the following types of customers:		
Government and other statutory bodies	7,119,645	6,899,768
Business enterprises	13,174,072	14,721,954
Individuals	6,842,295	6,907,008
Others	1,400,267	1,226,146
	<u>28,536,279</u>	<u>29,754,876</u>
(iii) The maturity structure of negotiable instruments of deposits and other term deposits are as follows:		
Due within six months	17,285,386	20,620,290
Over six months to one year	4,064,887	2,054,368
Over one year to three years	889,814	816,628
Over three years to five years	441,930	443,889
	<u>22,682,017</u>	<u>23,935,175</u>

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**A16. INVESTMENT ACCOUNTS**

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
<b>Unrestricted investment account</b>		
Transactional investment accounts		
Wakalah	15,865	-
	<u>15,865</u>	<u>-</u>

**A17. OTHER LIABILITIES**

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
Profit payable	201,107	220,987
Other creditors and accruals	117,682	105,592
Advance rental	2,525	3,432
Profit equalisation reserve	-	1,680
Amount due to related companies	58	233
Provision for commitments and contingencies	12,826	15,415
	<u>334,198</u>	<u>347,339</u>

**A18. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS**

	Individual Quarter		Cumulative Quarter	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Income derived from investment of:				
- General investment deposits	138,220	294,962	138,220	294,962
- Special investment deposits	16,759	2,175	16,759	2,175
- Other deposits	309,314	123,022	309,314	123,022
	<u>464,293</u>	<u>420,159</u>	<u>464,293</u>	<u>420,159</u>

	Individual Quarter		Cumulative Quarter	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
<b>Income derived from investment of general investment deposits</b>				
<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income	115,924	276,289	115,924	276,289
- Financing income on impaired financing	494	490	494	490
Financial assets held-for-trading	507	164	507	164
Financial investments available-for-sale	1,816	7,792	1,816	7,792
Financial investments held-to-maturity	4,361	-	4,361	-
Short-term funds and deposits and placements with banks and other financial institutions	11,750	-	11,750	-
Others	454	118	454	118
	<u>135,306</u>	<u>284,853</u>	<u>135,306</u>	<u>284,853</u>
Total finance income and hibah	<u>135,306</u>	<u>284,853</u>	<u>135,306</u>	<u>284,853</u>

**A18. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS (CONT'D.)**

	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
<b>Income derived from investment of general investment deposits (Cont'd)</b>				
<u>Other operating income:</u>				
Fee and commission income:				
- Brokerage fees, commission and rebates	-	3	-	3
- Fees on financing, advances and securities	1,580	5,177	1,580	5,177
- Guarantee fees	761	2,179	761	2,179
- Remittances	7	15	7	15
- Service charges and fees	192	479	192	479
- Underwriting commission	-	-	-	-
- Others	341	941	341	941
Foreign exchange	195	1,312	195	1,312
Gain from disposal of financial assets held-for-trading	301	10	301	10
Loss on revaluation of financial assets held-for-trading	(29)	(7)	(29)	(7)
Loss from disposal of financial investments available-for-sale	(23)	-	(23)	-
Net loss on derivatives	(526)	-	(526)	-
Others	115	-	115	-
Total other operating income	2,914	10,109	2,914	10,109
Total	138,220	294,962	138,220	294,962

**A18. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS (CONT'D.)**

	Individual Quarter		Cumulative Quarter	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
<b>Income derived from investment of specific investment deposits</b>				
<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income	16,759	2,175	16,759	2,175
Total finance income and hibah	<u>16,759</u>	<u>2,175</u>	<u>16,759</u>	<u>2,175</u>

**Income derived from investment of other deposits**

<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income	254,254	77,841	254,254	77,841
- Financing income on impaired financing	2,163	138	2,163	138
Financial assets held- for-trading	1,147	1,428	1,147	1,428
Financial investments available-for-sale	3,558	2,195	3,558	2,195
Financial investments held-to-maturity	9,415	14,918	9,415	14,918
Short-term funds and deposits and placements with banks and other financial institutions	25,696	23,136	25,696	23,136
Others	6,521	33	6,521	33
Total finance income and hibah	<u>302,754</u>	<u>119,689</u>	<u>302,754</u>	<u>119,689</u>

**A18. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS (CONT'D.)**

**Income derived from investment of other deposits (Cont'd.)**

	Individual Quarter		Cumulative Quarter	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
<u>Other operating income:</u>				
Fee and commission income:				
- Brokerage fees, commission and rebates	-	1	-	1
- Fees on financing, advances and securities	3,369	1,459	3,369	1,459
- Guarantee fees	1,645	614	1,645	614
- Remittances	14	4	14	4
- Service charges and fees	411	135	411	135
- Underwriting commission	-	-	-	-
- Others	716	265	716	265
Foreign exchange	1,110	370	1,110	370
Gain from disposal of financial assets held-for-trading	507	501	507	501
Loss on revaluation of financial assets held-for-trading	(197)	(16)	(197)	(16)
Loss from disposal of financial investments available-for-sale	(30)	-	(30)	-
Net loss on derivatives	(1,215)	-	(1,215)	-
Others	230	-	230	-
Total other operating income	6,560	3,333	6,560	3,333
Total	309,314	123,022	309,314	123,022

**A19. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDER'S FUNDS**

	Individual Quarter		Cumulative Quarter	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
<u>Finance income and hibah:</u>				
Financial investments available-for-sale	22,872	20,316	22,872	20,316
Total finance income and hibah	22,872	20,316	22,872	20,316
<u>Other operating income:</u>				
Fee and commission income:				
- Bancassurance commission	85	652	85	652
- Fees on financing, advances and securities	-	1	-	1
- Remittances	16	1,229	16	1,229
- Service charges and fees	1,022	828	1,022	828
- Others	-	2	-	2
Loss from disposal of financial investments available-for-sale	(800)	-	(800)	-
Unrealised loss on fair value hedge - net	(120)	-	(120)	-
Net loss on derivatives	(446)	-	(446)	-
Total other operating income	(243)	2,712	(243)	2,712
Total	22,629	23,028	22,629	23,028

**A20. ALLOWANCE FOR IMPAIRMENT ON FINANCING AND ADVANCES**

	Individual Quarter		Cumulative Quarter	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Allowance for impairment on financing and advances:				
Individual allowance, net	(1,064)	6,760	(1,064)	6,760
Collective allowance	65,388	94,585	65,388	94,585
Impaired financing and advances recovered, net	<u>(28,356)</u>	<u>(44,846)</u>	<u>(28,356)</u>	<u>(44,846)</u>
Total	<u>35,968</u>	<u>56,499</u>	<u>35,968</u>	<u>56,499</u>

**A21. INCOME ATTRIBUTABLE TO THE DEPOSITORS AND OTHERS**

	Individual Quarter		Cumulative Quarter	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Deposit from customers				
- Mudarabah fund	211,646	143,239	211,646	143,239
- Non-Mudarabah fund	<u>24,166</u>	<u>42,423</u>	<u>24,166</u>	<u>42,423</u>
	<u>235,812</u>	<u>185,662</u>	<u>235,812</u>	<u>185,662</u>
Deposits and placements of banks and other financial institutions				
- Mudarabah fund	23,647	13,884	23,647	13,884
- Non-Mudarabah fund	<u>286</u>	<u>4,119</u>	<u>286</u>	<u>4,119</u>
	<u>23,933</u>	<u>18,003</u>	<u>23,933</u>	<u>18,003</u>
Others	8,477	21,221	8,477	21,221
Total	<u>268,222</u>	<u>224,886</u>	<u>268,222</u>	<u>224,886</u>



**A22. OTHER OPERATING EXPENSES**

	Individual Quarter		Cumulative Quarter	
	30 June 2015	30 June 2014 (Restated)	30 June 2015	30 June 2014 (Restated)
	RM'000	RM'000	RM'000	RM'000
Personnel costs:				
- Salaries, allowances and bonuses	2,413	2,323	2,413	2,323
- Shares and options granted under AMMB ESS	35	(406)	35	(406)
- Pension costs - defined contribution plan	407	372	407	372
- Social security cost	10	10	10	10
- Others	45	200	45	200
	<u>2,910</u>	<u>2,499</u>	<u>2,910</u>	<u>2,499</u>
Establishment costs:				
- Amortisation of intangible assets	2	4	2	4
- Cleaning, maintenance and security	8	7	8	7
- Computerisation costs	66	58	66	58
- Depreciation of property and equipment	22	30	22	30
- Rental of premises	155	150	155	150
- Others	7	116	7	116
	<u>260</u>	<u>365</u>	<u>260</u>	<u>365</u>
Marketing and communication expenses:				
- Communication, advertising and marketing	623	1,364	623	1,364
- Others	8	23	8	23
	<u>631</u>	<u>1,387</u>	<u>631</u>	<u>1,387</u>
Administration and general expenses:				
- Card operation charges from a related company	4,899	5,210	4,899	5,210
- Professional services	1,172	610	1,172	610
- Others	7,695	1,374	7,695	1,374
	<u>13,766</u>	<u>7,194</u>	<u>13,766</u>	<u>7,194</u>
Service transfer pricing expenses (net)	<u>68,757</u>	<u>77,992</u>	<u>68,757</u>	<u>77,992</u>
	<u>86,324</u>	<u>89,437</u>	<u>86,324</u>	<u>89,437</u>

**A23. EARNINGS PER SHARE (EPS)**

**Basic**

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Net profit attributable to equity holder of the Bank (RM'000)	50,873	46,512	50,873	46,512
Number of ordinary shares at beginning of financial year and end of period representing weighted average number of ordinary shares in issue ('000)	462,922	462,922	462,922	462,922
Basic earnings per share (sen)	<b>10.99</b>	<b>10.05</b>	<b>10.99</b>	<b>10.05</b>

**Company No. 295576–U**  
**AmBank Islamic Berhad**  
**(Formerly known as Amlslamic Bank Berhad)**  
**(Incorporated in Malaysia)**

**A24. BUSINESS SEGMENT ANALYSIS (CONT'D)**

**For the period ended 30 June 2015**

	<b>Retail banking RM'000</b>	<b>Wholesale banking RM'000</b>	<b>Operating segments RM'000</b>	<b>Total RM'000</b>
External revenue	219,116	196,372	71,434	486,922
Revenue from other segments	(47,820)	39,817	8,003	-
Total operating revenue	<u>171,296</u>	<u>236,189</u>	<u>79,437</u>	<u>486,922</u>
Net finance income	95,338	55,932	22,634	173,904
Other income	4,373	6,237	809	11,419
Net income	<u>99,711</u>	<u>62,169</u>	<u>23,443</u>	<u>185,323</u>
Other operating expenses	(63,470)	(9,197)	(13,657)	(86,324)
<i>of which:</i>				
<i>Depreciation of Property and Equipment</i>	-	-	(22)	(22)
<i>Amortisation of Intangible Assets</i>	-	-	(2)	(2)
Profit before provisions	<u>36,241</u>	<u>52,972</u>	<u>9,786</u>	<u>98,999</u>
Net provisions	(30,723)	(2,205)	(1,857)	(34,785)
Profit before zakat and taxation	5,518	50,767	7,929	64,214
Zakat and taxation	(1,379)	(12,692)	730	(13,341)
Profit for the period	<u>4,139</u>	<u>38,075</u>	<u>8,659</u>	<u>50,873</u>

**Other information**

Total segment assets	14,038,325	14,774,364	8,970,734	37,783,423
Total segment liabilities	10,413,447	19,763,587	5,140,502	35,317,536
Cost to income ratio	63.7%	14.8%	58.3%	46.6%
Gross financing and advances	14,158,416	13,232,963	(63,742)	27,327,637
Net financing and advances	13,931,689	13,104,941	(234,477)	26,802,153
Impaired financing and advances	221,107	407,346	-	628,453
Deposits	10,275,212	19,442,516	1,569,482	31,287,210
Additions to :				
Property and Equipment	5	-	40	45

**A24. BUSINESS SEGMENT ANALYSIS (CONT'D.)**

**For the period ended 30 June 2014**

	<b>Retail banking RM'000</b>	<b>Wholesale banking RM'000</b>	<b>Operating segments RM'000</b>	<b>Total RM'000</b>
External revenue	229,288	146,359	67,540	443,187
Revenue from other segments	(78,592)	76,321	2,271	-
Total operating revenue	<u>150,696</u>	<u>222,680</u>	<u>69,811</u>	<u>443,187</u>
Net finance income	104,472	58,347	20,213	183,032
Other income	6,458	8,993	703	16,154
Net income	<u>110,930</u>	<u>67,340</u>	<u>20,916</u>	<u>199,186</u>
Other operating expenses	(64,750)	(15,624)	(9,063)	(89,437)
<i>of which:</i>				
<i>Depreciation of Property and Equipment</i>	-	-	(30)	(30)
<i>Amortisation of Intangible Assets</i>	-	-	(4)	(4)
Profit before provisions	<u>46,180</u>	<u>51,716</u>	<u>11,853</u>	<u>109,749</u>
Net (provisions)/ writeback	<u>(36,471)</u>	<u>28,221</u>	<u>(41,368)</u>	<u>(49,618)</u>
Profit/(Loss) before zakat and taxation	9,709	79,937	(29,515)	60,131
Zakat and taxation	<u>(2,427)</u>	<u>(19,984)</u>	<u>8,792</u>	<u>(13,619)</u>
Profit/(Loss) for the period	<u>7,282</u>	<u>59,953</u>	<u>(20,723)</u>	<u>46,512</u>

**Other information**

Total segment assets	14,183,502	11,580,258	7,665,049	33,428,809
Total segment liabilities	7,322,210	20,548,072	3,159,131	31,029,413
Cost to income ratio	58.4%	23.2%	43.3%	44.9%
Gross financing and advances	14,353,462	10,474,896	(68,251)	24,760,107
Net financing and advances	14,078,041	10,377,122	(249,599)	24,205,564
Impaired financing and advances	279,371	64,301	-	343,672
Deposits	7,223,043	19,082,715	618,282	26,924,040
Additions to :				
Property and Equipment	-	-	18	18
Intangible assets	-	-	2	2

**Notes:**

1. The financial information by geographical segment is not presented as the Bank's activities are principally conducted in Malaysia.
2. Operating revenue of the Bank comprise financing income and hibah and other operating income.

**A25a. PERFORMANCE REVIEW FOR THE PERIOD ENDED 30 JUNE 2015**

The Bank recorded a profit before zakat and taxation ("Pre-tax profit") of RM64.2 million for the period ended 30 June 2015, an improvement of RM 4.1 million (6.8%) compared to the corresponding period in the previous year.

The increase in Pre-tax profit was mainly due lower net provisioning offset by lower income.

- (i) Lower allowance for impaired financing and advances of RM36.0 million (June 2014: RM56.5 million) mainly due to lower collective allowance by RM29.1 million and lower individual allowance by RM7.9 million, offset by lower impaired financing recoveries by RM16.5 million.

offset by:

- (ii) Lower net finance income of RM173.9 million (June 2014: RM183.0 million) mainly due to higher customer deposits growth compared to growth in financing and advances.
- (iii) Lower other operating income of RM11.4 million (June 2014: RM16.2 million). Decrease was due to lower fee income by RM3.8 million mainly due to decrease in financing fees coupled with weaker performance from trading and investment activities by RM0.9 million arising from lower net gain on disposal of securities and lower foreign exchange gains.

Gross financing and advances decreased by RM0.7 billion to RM27.3 billion (March 2015: RM28.0 billion) mainly due to decrease in revolving credit.

Customer deposits reduced by RM1.2 billion to RM28.5 billion (March 2015: RM29.7 billion) due to decrease in term deposits.

The Bank's total capital ratio remains strong at 14.5% as at the end of the current financial period.

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

#### **A25b. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2016**

In the first quarter of 2015, the Malaysian economy expanded 5.6% (Fourth quarter 2014: 5.7%) mainly driven by private sector demand. The services sector recorded growth in most sub-sectors, particularly the consumption-related sub-sectors. The manufacturing sector experienced better performance in the export-oriented industries, particularly the electronics and electrical segment (Source: Bank Negara Malaysia Quarterly Bulletin, First Quarter 2015).

For calendar year 2015, the AmBank Group forecasts a modest annual Gross Domestic Product (“GDP”) growth of 4.7% due to weaker demand and softening of oil and commodity prices, mitigated by continued growth in domestic demand and a resilient export sector. Private consumption is expected to grow moderately this year whilst the household spending is being affected by the implementation of the Goods and Services Act (“GST”) effective 1 April 2015, balanced with an increase in public investment.

Headline inflation is projected to hover around 2.0% to 2.3%, reflecting the impact of the implementation of GST and recent depreciation of Ringgit Malaysia, partially offset by the decline in oil and commodity prices.

Over the longer term, business and economic conditions are expected to remain challenging coupled with increasing pressures from compliance requirements. In the near to medium-term, the banking sector is expected to experience slower loans/financing growth and narrowing net interest/profit margins while asset quality may come under pressure.

At AmBank Group, we remain committed to deliver risk-adjusted returns with key measures in place to drive sustainable growth, supported by ongoing investments to improve our capabilities and customer experience. We remain focused on our FY2015-2017 strategic agenda to (1) Deliver on focused organic growth; (2) Leverage strategic partnerships and deliver on acquisitions; (3) Continue to optimise efficiency; and (4) Build sustainability.

#### **A26. VALUATION OF PROPERTY AND EQUIPMENT**

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

#### **A27. EVENTS SUBSEQUENT TO REPORTING DATE**

There were no significant events subsequent to the reporting date.

**A28. COMMITMENTS AND CONTINGENCIES**

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

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

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
<b>Contingent Liabilities</b>		
Direct credit substitutes	107,109	107,926
Transaction related contingent items	709,741	746,892
Short-term self liquidating trade-related contingencies	65,139	80,959
	<u>881,989</u>	<u>935,777</u>
<b>Commitments</b>		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	3,283,580	2,923,931
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,282,698	977,474
Unutilised credit card lines	456,639	594,355
Forward asset purchase	266,540	-
	<u>5,289,457</u>	<u>4,495,760</u>
<b>Derivative Financial Instruments</b>		
Foreign exchange related contracts:		
- One year or less	1,198,999	1,154,993
Profit rate related contracts		
- Over one year to five years	420,000	180,000
- Over five years	350,000	350,000
Commodity related contracts:		
- One year or less	-	363,034
	<u>1,968,999</u>	<u>2,048,027</u>
<b>Total</b>	<u>8,140,445</u>	<u>7,479,564</u>

## **A29. FAIR VALUES OF FINANCIAL INSTRUMENTS**

### Determination of fair value and fair value hierarchy

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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 Bank'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 Bank. Therefore, unobservable inputs reflect the Bank's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Bank's own data.



**A29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)**

a) The following table provides the fair value measurement hierarchy of the Bank's assets and liabilities.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>30 June 2015</b>				
<b>Financial assets measured at fair value</b>				
Derivative financial assets	-	30,209	-	30,209
Financial assets held-for-trading				
- Money market securities	-	104,038	-	104,038
- Unquoted private debt securities	-	74,943	-	74,943
Financial investments available-for-sale				
- Money market securities	-	2,760,254	-	2,760,254
- Unquoted private debt securities	-	644,902	-	644,902
	<u>-</u>	<u>3,614,346</u>	<u>-</u>	<u>3,614,346</u>
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities	-	30,592	-	30,592
	<u>-</u>	<u>30,592</u>	<u>-</u>	<u>30,592</u>

**A29. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)**

- a) The following table provides the fair value measurement hierarchy of the Bank's assets and liabilities (Cont'd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>31 March 2015</b>				
<b>Financial assets measured at fair value</b>				
Derivative financial assets	-	27,469	-	27,469
Financial assets held-for-trading				
- Unquoted private debt securities	-	151,783	-	151,783
Financial investments available-for-sale				
- Money market securities	-	3,504,922	-	3,504,922
- Unquoted private debt securities	-	604,689	-	604,689
	<u>-</u>	<u>4,288,863</u>	<u>-</u>	<u>4,288,863</u>
<b>Financial liabilities measured at fair value</b>				
Derivative financial liabilities	-	34,491	-	7,675
	<u>-</u>	<u>34,491</u>	<u>-</u>	<u>7,675</u>

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

**A30. CAPITAL ADEQUACY**

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

	<b>30 June 2015</b>	<b>31 March 2015</b>
Common Equity Tier 1 capital ratio	9.306%	9.200%
Tier 1 capital ratio	9.306%	9.200%
Total capital ratio	14.522%	14.371%

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

	<b><u>Transitional arrangements</u></b>		
	<b>Calender year 2013</b>	<b>Calender year 2014</b>	<b>Calender year 2015 onwards</b>
Common Equity Tier 1 ("CET 1") capital ratio	3.5%	4.0%	4.5%
Tier 1 capital ratio	4.5%	5.5%	6.0%
Total capital ratio	8.0%	8.0%	8.0%

**A30. CAPITAL ADEQUACY (CONT'D.)**

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

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
<b><u>Common Equity Tier 1 ("CET1") capital</u></b>		
Ordinary shares	462,922	462,922
Share premium	724,185	724,185
Retained earnings	745,114	747,523
Available for sale deficit	(4,457)	(6,592)
Statutory reserve	483,345	483,345
Profit equalisation reserve	-	3,904
Less : Regulatory adjustments applied on CET1 capital		
- Intangible assets	(18)	(20)
- Profit equalisation reserve	-	(3,904)
<b>CET1 capital/ Tier 1 capital</b>	<b><u>2,411,091</u></b>	<b><u>2,411,363</u></b>
<b><u>Tier 2 capital</u></b>		
Tier 2 capital instruments meeting all relevant criteria for inclusion	350,000	350,000
Tier 2 capital instruments (subject to gradual phase-out treatment)	700,000	700,000
Collective allowance and regulatory reserves	301,654	305,338
<b>Tier 2 capital</b>	<b><u>1,351,654</u></b>	<b><u>1,355,338</u></b>
<b>Total Capital</b>	<b><u>3,762,745</u></b>	<b><u>3,766,701</u></b>

The breakdown of the risk-weighted in various categories of risk are as follows:

	<b>30 June 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
Credit RWA	25,499,973	25,790,830
Less : Credit RWA absorbed by Restricted Profit Sharing Investment Account arrangement	(1,367,677)	(1,363,811)
Total Credit RWA	<u>24,132,296</u>	<u>24,427,019</u>
Market RWA	241,441	230,629
Operational RWA	1,536,323	1,553,441
<b>Total Risk Weighted Assets</b>	<b><u>25,910,060</u></b>	<b><u>26,211,089</u></b>

**A31. RESTATEMENT OF COMPARATIVE INFORMATION**

During the last quarter in the financial year ended 31 March 2015, the Bank had reclassified certain expenses from income attributable to the depositors and others to Other operating expenses to align disclosure with market practice. Accordingly, the comparatives were restated to conform with the change in presentation.

Reconciliation of Income Statement

	<b>As previously reported RM'000</b>	<b>Restatement RM'000</b>	<b>As restated RM'000</b>
<b>For the individual and financial quarter ended 30 June 2014</b>			
Income attributable to the depositors and others	(225,994)	1,108	(224,886)
Other operating expenses	(88,329)	(1,108)	(89,437)