

AmlInvestment Bank Berhad
(23742-V)(Incorporated in Malaysia)
And Its Subsidiaries

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

AmlInvestment Bank Berhad
(23742-V)(Incorporated in Malaysia)
and its subsidiaries

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	Group		Bank	
		30.06.15 RM'000	31.03.15 RM'000	30.06.15 RM'000	31.03.15 RM'000
ASSETS					
Cash and short-term funds		969,845	952,491	841,970	829,505
Derivative financial assets		6	1	6	1
Financial assets held-for-trading	8	422	441	422	441
Financial investments available-for-sale	9	41,059	40,680	41,059	40,680
Financial investments held-to-maturity	10	75,100	75,100	75,100	75,100
Loans and advances	11	312,587	319,685	312,587	319,685
Statutory deposit with Bank Negara Malaysia		7,538	7,483	7,538	7,483
Deferred tax assets		5,995	2,782	5,995	2,782
Investment in subsidiaries		-	-	102,941	102,941
Investment in an associate		1,326	1,167	100	100
Other assets	12	750,036	622,586	724,568	602,100
Property and equipment		22,017	22,530	21,976	22,486
Intangible assets		3,546	2,920	2,342	1,710
TOTAL ASSETS		2,189,477	2,047,866	2,136,604	2,005,014
LIABILITIES AND EQUITY					
Deposits and placements of banks and other financial institutions	13	979,694	980,869	979,694	980,869
Other liabilities	14	687,591	556,694	662,779	537,788
TOTAL LIABILITIES		1,667,285	1,537,563	1,642,473	1,518,657
Share capital		200,000	200,000	200,000	200,000
Reserves		322,192	310,303	294,131	286,357
Equity attributable to equity holder of the Bank		522,192	510,303	494,131	486,357
TOTAL LIABILITIES AND EQUITY		2,189,477	2,047,866	2,136,604	2,005,014
COMMITMENTS AND CONTINGENCIES	22	309,232	332,518	309,232	332,518
NET ASSETS PER ORDINARY SHARE (RM)		2.61	2.55	2.47	2.43

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

AmlInvestment Bank Berhad
(23742-V)(Incorporated in Malaysia)
and its subsidiaries

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

Group	Note	Individual Quarter		Cumulative Quarter	
		30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Operating revenue		57,579	86,382	57,579	86,382
Interest income	15	12,819	20,185	12,819	20,185
Interest expense	16	(10,178)	(15,320)	(10,178)	(15,320)
Net interest income		2,641	4,865	2,641	4,865
Net income from Islamic banking business		4,464	3,538	4,464	3,538
Other operating income	17	40,137	62,514	40,137	62,514
Direct costs	18	(9,930)	(17,017)	(9,930)	(17,017)
Share of results of an associate		159	145	159	145
Net income		37,471	54,045	37,471	54,045
Other operating expenses	19	(26,364)	(44,625)	(26,364)	(44,625)
Operating Profit		11,107	9,420	11,107	9,420
(Allowances for)/Writeback of impairment on loans and advances	20	(80)	970	(80)	970
Impairment (loss)/Writeback on doubtful receivables, net		(333)	388	(333)	388
Writeback of provision/(Provision) for commitments and contingencies		128	(73)	128	(73)
Profit before taxation		10,822	10,705	10,822	10,705
Taxation		(2,832)	(7,672)	(2,832)	(7,672)
Profit for the period attributable to equity holder of the Bank		7,990	3,033	7,990	3,033
Basic earnings per share (sen)		4.00	1.52	4.00	1.52

The Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 March 2015.

AmlInvestment Bank Berhad
(23742-V)(Incorporated in Malaysia)
and its subsidiaries

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

Group	Note	Individual Quarter		Cumulative Quarter	
		30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Profit for the period		7,990	3,033	7,990	3,033
Other comprehensive income/(loss):					
Items that are or may be reclassified subsequently to the income statement					
Exchange differences on translation of foreign operations		4,208	(613)	4,208	(613)
Net loss on financial investments available-for-sale		(372)	(293)	(372)	(293)
Income tax relating to the components of other comprehensive income/(loss)		89	93	89	93
Other comprehensive income/(loss) for the period, net of tax		3,925	(813)	3,925	(813)
Total comprehensive income for the period attributable to equity holder of the Bank		11,915	2,220	11,915	2,220

The Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2015.

AmlInvestment Bank Berhad
(23742-V)(Incorporated in Malaysia)
and its subsidiaries

UNAUDITED INCOME STATEMENT
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2015

Bank	Note	Individual Quarter		Cumulative Quarter	
		30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Operating revenue		55,583	80,372	55,583	80,372
Interest income	15	12,340	19,402	12,340	19,402
Interest expense	16	(10,128)	(14,953)	(10,128)	(14,953)
Net interest income		2,212	4,449	2,212	4,449
Net income from Islamic banking business		4,464	3,538	4,464	3,538
Other operating income	17	38,779	57,432	38,779	57,432
Direct costs	18	(9,693)	(15,340)	(9,693)	(15,340)
Net income		35,762	50,079	35,762	50,079
Other operating expenses	19	(24,672)	(32,302)	(24,672)	(32,302)
Operating Profit		11,090	17,777	11,090	17,777
(Allowances for)/Writeback of impairment on loans and advances	20	(80)	1,120	(80)	1,120
Impairment loss on doubtful receivables, net		(335)	(422)	(335)	(422)
Writeback of provision/(Provision) for commitments and contingencies		127	(73)	127	(73)
Profit before taxation		10,802	18,402	10,802	18,402
Taxation		(2,719)	(7,669)	(2,719)	(7,669)
Profit for the period attributable to equity holder of the Bank		8,083	10,733	8,083	10,733
Basic earnings per share (sen)		4.04	5.37	4.04	5.37

The Income Statement should be read in conjunction with the audited financial statements for the year ended 31 March 2015.

AmlInvestment Bank Berhad
(23742-V)(Incorporated in Malaysia)
and its subsidiaries

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

Bank	Note	Individual Quarter		Cumulative Quarter	
		30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Profit for the period		8,083	10,733	8,083	10,733
Other comprehensive income/(loss):					
Items that are or may be reclassified subsequently to the income statement					
Net loss on financial investments available-for-sale		(372)	(293)	(372)	(293)
Income tax relating to the components of other comprehensive loss		89	93	89	93
Other comprehensive loss for the period, net of tax		(283)	(200)	(283)	(200)
Total comprehensive income for the period attributable to equity holder of the Bank		7,800	10,533	7,800	10,533

The Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2015.

AmlInvestment Bank Berhad
(23742-V)(Incorporated in Malaysia)
and its subsidiaries

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

Group	-----Attributable to equity holder of the Bank-----								Total equity RM'000
	Non-distributable						Distributable		
	Share capital RM'000	Capital reserve RM'000	Statutory reserve RM'000	Regulatory reserve RM'000	Merger reserve RM'000	Available-for-sale reserve RM'000	Exchange fluctuation reserve RM'000	Retained earnings RM'000	
At 1 April 2014	200,000	2,815	200,000	-	7,656	1,759	34,517	38,006	484,753
Profit for the period	-	-	-	-	-	-	-	3,033	3,033
Other comprehensive loss	-	-	-	-	-	(200)	(613)	-	(813)
Total comprehensive income/(loss) for the period	-	-	-	-	-	(200)	(613)	3,033	2,220
At 30 June 2014	200,000	2,815	200,000	-	7,656	1,559	33,904	41,039	486,973
At 1 April 2015	200,000	2,815	200,000	2,800	7,656	1,076	37,445	58,511	510,303
Profit for the period	-	-	-	-	-	-	-	7,990	7,990
Other comprehensive income/(loss)	-	-	-	-	-	(283)	4,208	-	3,925
Total comprehensive income/(loss) for the period	-	-	-	-	-	(283)	4,208	7,990	11,915
Transfer of AMMB Holdings Berhad ("AMMB") Executives' Share Scheme ("ESS") shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	-	(26)	(26)
At 30 June 2015	200,000	2,815	200,000	2,800	7,656	793	41,653	66,475	522,192

The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2015.

AmlInvestment Bank Berhad
(23742-V)(Incorporated in Malaysia)
and its subsidiaries

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

	<-----Attributable to equity holder of the Bank----->					
	Non-distributable				Distributable	
	Share capital RM'000	Statutory reserve RM'000	Regulatory reserve RM'000	Available-for- sale reserve RM'000	Retained earnings RM'000	Total equity RM'000
Bank						
At 1 April 2014	200,000	200,000	-	1,707	57,377	459,084
Profit for the period	-	-	-	-	10,731	10,731
Other comprehensive loss	-	-	-	(200)	-	(200)
Total comprehensive income/(loss) for the period	-	-	-	(200)	10,731	10,531
At 30 June 2014	200,000	200,000	-	1,507	68,108	469,615
At 1 April 2015	200,000	200,000	2,800	1,024	82,533	486,357
Profit for the period	-	-	-	-	8,083	8,083
Other comprehensive loss	-	-	-	(283)	-	(283)
Total comprehensive income/(loss) for the period	-	-	-	(283)	8,083	7,800
Transfer of AMMB ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	(26)	(26)
At 30 June 2015	200,000	200,000	2,800	741	90,590	494,131

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2015.

AmlInvestment Bank Berhad
(23742-V)(Incorporated in Malaysia)
and its subsidiaries

UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

	Group		Bank	
	30.06.15	30.06.14 (Restated)	30.06.15	30.06.14 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	10,822	10,705	10,802	18,402
Adjustments for non-operating and non cash items	(748)	(3,182)	(570)	(3,603)
Operating profit before working capital changes	10,074	7,523	10,232	14,799
Increase/(Decrease) in operating assets	(268,082)	116,208	(117,727)	75,245
(Increase)/Decrease in operating liabilities	317,370	(115,402)	123,917	(77,470)
Cash generated from operations	59,362	8,329	16,422	12,574
Taxation paid	(13,734)	(3,864)	(3,157)	(2,339)
Net cash generated from operating activities	45,628	4,465	13,265	10,235
Net cash generated from/(used in) investing activities	(32,416)	51,923	(800)	50,903
Net cash used in financing activities	-	(547)	-	-
Net increase in cash and cash equivalents	13,211	55,841	12,465	61,138
Cash and cash equivalents at beginning of the financial year	952,491	873,290	829,505	745,837
Effect of exchange rate changes	4,143	(701)	-	-
Cash and cash equivalents at end of period	969,845	928,430	841,970	806,975

The Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2015.

EXPLANATORY NOTES :

1. 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"). 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 Bank for the financial year ended 31 March 2015.

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") which became effective for the Group and the Bank on 1 April 2015.

1.1 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 nature of the new standards relevant to the Group and the Bank is 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.

(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.

1. BASIS OF PREPARATION (Contd.)

1.1 Standards effective for financial year ending 31 March 2016: (Contd.)

(a) Annual Improvements to MFRSs 2010-2012 Cycle (Contd.)

(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.

(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).

1. BASIS OF PREPARATION (Contd.)

1.1 Standards effective for financial year ending 31 March 2016: (Contd.)

(b) Annual Improvements to MFRSs 2011-2013 Cycle (Contd.)

(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.

1.2 Bank Negara Malaysia (“BNM”) Policy Document

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

1.3 Standards issued but not yet effective

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

Description	Effective from 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

1. BASIS OF PREPARATION (Contd.)

1.3 Standards issued but not yet effective (Contd.)

Description	Effective from financial year ending
MFRS 15 Revenue from Contracts with Customers	31 March 2018
MFRS 9 Financial Instruments	31 March 2019

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

(a) 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.

Standards effective from financial year ending 31 March 2017

(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 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.

1. BASIS OF PREPARATION (Contd.)

1.3 Standards issued but not yet effective (Contd.)

Standards effective from financial year ending 31 March 2017 (Contd.)

(b) 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.

(c) 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.

(d) 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.

(e) 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

1. BASIS OF PREPARATION (Contd.)

1.3 Standards issued but not yet effective (Contd.)

Standards effective from financial year ending 31 March 2018

(a) 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.

Standards effective from financial year ending 31 March 2019

(a) 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 Bank's financial assets, but no impact on the classification and measurement of the Group's and the Bank's financial liabilities.

2. AUDIT QUALIFICATION

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

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

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

There were no unusual items during the current financial quarter.

5. CHANGES IN ESTIMATES

There was no material change in estimates of amounts reported in the prior financial years that have a material effect for the financial quarter ended 30 June 2015.

6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

The Bank has not issued any new shares or debentures during the financial quarter.

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

7. DIVIDENDS

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

8. FINANCIAL ASSETS HELD-FOR-TRADING

	Group and Bank	
	30.06.15	31.03.15
	RM'000	RM'000
At Fair Value		
Quoted Securities:		
In Malaysia:		
Unit trusts	422	441
	<u>422</u>	<u>441</u>

9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group and Bank	
	30.06.15	31.03.15
	RM'000	RM'000
At Fair value		
Unquoted Securities		
Outside Malaysia:		
Private debt securities	29,340	28,886
	<u>29,340</u>	<u>28,886</u>
At Cost		
Unquoted Securities:		
In Malaysia:		
Shares	11,713	11,788
	<u>11,713</u>	<u>11,788</u>
Outside Malaysia:		
Shares	6	6
	<u>6</u>	<u>6</u>
	<u>41,059</u>	<u>40,680</u>

10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group and Bank	
	30.06.15	31.03.15
	RM'000	RM'000
At Amortised Cost:		
Unquoted Securities		
In Malaysia:		
Private debt securities	75,100	75,100
	<u>75,100</u>	<u>75,100</u>

11. LOANS AND ADVANCES

	Group		Bank	
	30.06.15 RM'000	31.03.15 RM'000	30.06.15 RM'000	31.03.15 RM'000
At Amortised Cost				
Share margin financing	259,929	258,270	259,929	258,270
Revolving credits	53,058	61,486	53,058	61,486
Staff loans	3,281	3,531	3,281	3,531
Gross loans, advances and financing	<u>316,268</u>	<u>323,287</u>	<u>316,268</u>	<u>323,287</u>
Less:				
Allowance for impairment on loans and advances				
Collective allowance	(1,390)	(1,311)	(1,390)	(1,311)
Individual allowance	(2,291)	(2,291)	(2,291)	(2,291)
	<u>(3,681)</u>	<u>(3,602)</u>	<u>(3,681)</u>	<u>(3,602)</u>
Net loans and advances	<u>312,587</u>	<u>319,685</u>	<u>312,587</u>	<u>319,685</u>

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

	Group		Bank	
	30.06.15 RM'000	31.03.15 RM'000	30.06.15 RM'000	31.03.15 RM'000
Domestic business enterprises:				
Small medium enterprises	5,301	6,553	5,301	6,553
Others	50,703	51,236	50,703	51,236
Individuals	259,641	263,146	259,641	263,146
Foreign individuals and entities	623	2,352	623	2,352
	<u>316,268</u>	<u>323,287</u>	<u>316,268</u>	<u>323,287</u>

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

	Group		Bank	
	30.06.15 RM'000	31.03.15 RM'000	30.06.15 RM'000	31.03.15 RM'000
In Malaysia	315,954	320,884	315,954	320,884
Outside Malaysia	314	2,403	314	2,403
	<u>316,268</u>	<u>323,287</u>	<u>316,268</u>	<u>323,287</u>

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

	Group		Bank	
	30.06.15 RM'000	31.03.15 RM'000	30.06.15 RM'000	31.03.15 RM'000
Fixed rate:				
Fixed-rate loans	263,210	261,801	263,210	261,801
Variable rate:				
Cost-plus	53,058	61,486	53,058	61,486
	<u>316,268</u>	<u>323,287</u>	<u>316,268</u>	<u>323,287</u>

11. LOANS, ADVANCES AND FINANCING (CONTD.)

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

	Group		Bank	
	30.06.15 RM'000	31.03.15 RM'000	30.06.15 RM'000	31.03.15 RM'000
Agriculture	860	860	860	860
Real estate	4,227	5,527	4,227	5,527
Business activities	50,917	51,402	50,917	51,402
Household, of which:				
Purchase of residential properties	2,310	2,467	2,310	2,467
Purchase of transport vehicles	971	1,064	971	1,064
Others	256,983	261,967	256,983	261,967
	<u>316,268</u>	<u>323,287</u>	<u>316,268</u>	<u>323,287</u>

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

	Group		Bank	
	30.06.15 RM'000	31.03.15 RM'000	30.06.15 RM'000	31.03.15 RM'000
Maturing within one year	312,996	319,768	312,996	319,768
One to three years	383	443	383	443
Three to five years	782	831	782	831
Over five years	2,107	2,245	2,107	2,245
	<u>316,268</u>	<u>323,287</u>	<u>316,268</u>	<u>323,287</u>

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

	Group		Bank	
	30.06.15 RM'000	31.03.15 RM'000	30.06.15 RM'000	31.03.15 RM'000
Balance at beginning of financial year	2,291	21,678	2,291	9,758
Impaired during the financial year/period	-	17	-	-
Disposal of a subsidiary	-	(9,905)	-	-
Recoveries	-	(7,488)	-	(6,679)
Amount written off	-	(2,464)	-	(788)
Foreign exchange differences	-	453	-	-
Balance at end of the financial year/period	<u>2,291</u>	<u>2,291</u>	<u>2,291</u>	<u>2,291</u>
Gross impaired loans and advances as % of gross loans and advances	<u>0.72%</u>	<u>0.71%</u>	<u>0.72%</u>	<u>0.71%</u>
Loan loss coverage (excluding collateral values)	<u>282.93%</u>	<u>279.44%</u>	<u>282.93%</u>	<u>279.44%</u>

11. LOANS, ADVANCES AND FINANCING (CONTD.)

- (g) All impaired loans and advances reside in Malaysia.
- (h) All impaired loans and advances are in the business activities sector.
- (i) Movements in allowances for impaired loans and advances are as follows:

	Group		Bank	
	30.06.15 RM'000	31.03.15 RM'000	30.06.15 RM'000	31.03.15 RM'000
Collective allowance				
Balance at beginning of the financial year	1,311	4,872	1,311	4,872
Allowance made/(written back) during the financial year/period	80	(2,730)	80	(2,730)
Amount written off	-	(788)	-	(788)
Foreign exchange differences	-	(43)	-	(43)
Balance at end of the financial year/period	<u>1,391</u>	<u>1,311</u>	<u>1,391</u>	<u>1,311</u>
Collective allowance (including regulatory reserve) as % of gross loans and advances less individual allowance	<u>1.32%</u>	<u>1.28%</u>	<u>1.33%</u>	<u>1.28%</u>
Individual allowance				
Balance at beginning of the financial year	2,291	14,327	2,291	2,407
Allowance (written back)/made during the financial year/period	-	(907)	-	(116)
Disposal of a subsidiary	-	(9,905)	-	-
Amount written off	-	(1,677)	-	-
Foreign exchange differences	-	453	-	-
Balance at end of the financial year/period	<u>2,291</u>	<u>2,291</u>	<u>2,291</u>	<u>2,291</u>

12. OTHER ASSETS

	Group		Bank	
	30.06.15 RM'000	31.03.15 RM'000	30.06.15 RM'000	31.03.15 RM'000
Trade receivables, net of allowance for impairment	624,921	494,814	624,745	494,641
Other receivables, deposits and prepayments, net of allowance for impairment	34,758	45,115	25,601	36,013
Interest receivable	3,522	4,859	3,512	4,853
Tax recoverable	60,655	63,582	60,655	63,340
Margin Deposits	17,345	10,904	-	-
Amount due from:				
Holding company	86	-	86	-
Subsidiaries	-	-	1,228	38
Other related companies	8,749	3,312	8,741	3,215
	<u>750,036</u>	<u>622,586</u>	<u>724,568</u>	<u>602,100</u>

13. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

Deposits and placement of Banks and other financial institutions represent deposit with a related licensed bank.

14. OTHER LIABILITIES

	Group		Bank	
	30.06.15 RM'000	31.03.15 RM'000	30.06.15 RM'000	31.03.15 RM'000
Trade payables	620,273	481,322	603,984	470,748
Other payables and accruals	35,943	48,034	34,306	44,421
Interest payable	13,806	16,233	13,806	16,233
Provision for commitments and contingencies	452	580	452	580
Amount due to:				
Holding company	5,367	5,165	-	229
Subsidiaries	-	-	212	290
Other related companies	11,712	5,322	9,981	5,249
Zakat payable	38	38	38	38
	<u>687,591</u>	<u>556,694</u>	<u>662,779</u>	<u>537,788</u>

15. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Short-term funds	5,461	2,727	5,461	2,727
Financial investments available-for-sale	824	5,850	824	5,850
Financial investments held-to-maturity	779	780	779	780
Loans and advances	5,606	10,738	5,606	10,738
Others	149	90	149	90
	<u>12,819</u>	<u>20,185</u>	<u>12,819</u>	<u>20,185</u>

Bank	Individual Quarter		Cumulative Quarter	
	30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Short-term funds	4,994	2,276	4,994	2,276
Financial investments available-for-sale	824	5,850	824	5,850
Financial investments held-to-maturity	779	780	779	780
Loans and advances	5,606	10,457	5,606	10,457
Others	137	39	137	39
	<u>12,340</u>	<u>19,402</u>	<u>12,340</u>	<u>19,402</u>

16. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Deposits and placements of banks and other financial institutions	10,128	14,953	10,128	14,953
Debt capital	-	313	-	313
Others	50	54	50	54
	<u>10,178</u>	<u>15,320</u>	<u>10,178</u>	<u>15,320</u>

Bank	Individual Quarter		Cumulative Quarter	
	30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Deposits and placements of banks and other financial institutions	10,128	14,953	10,128	14,953
	<u>10,128</u>	<u>14,953</u>	<u>10,128</u>	<u>14,953</u>

17. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Fee and commission income:				
Brokerage fees and commissions	21,636	30,057	21,636	30,057
Corporate advisory	3,082	6,987	3,082	6,987
Fees on loans and securities	1,167	4,146	1,167	4,146
Guarantee fees	49	84	49	84
Portfolio management fees	144	142	144	142
Underwriting commission	1,802	7,438	1,802	7,438
Wealth management fees	7,649	11,176	7,649	11,176
Other fee and commission income	2,036	1,666	2,036	1,666
	<u>37,565</u>	<u>61,696</u>	<u>37,565</u>	<u>61,696</u>
Investment and trading income:				
Gross dividend income from:				
Financial investments				
available-for-sale	883	-	883	-
Net foreign exchange gain/(loss)	680	(298)	680	(298)
Net gain/(loss) from sale of financial assets				
held-for-trading	1	(10)	1	(10)
Net loss from sale of financial				
investments available-for-sale	(49)	-	(49)	-
Net gain/(loss) on revaluation of derivatives	30	(7)	30	(7)
Net (loss)/gain on revaluation of financial				
assets held-for-trading	(36)	18	(36)	18
	<u>1,509</u>	<u>(297)</u>	<u>1,509</u>	<u>(297)</u>
Other income:				
Net (loss)/gain on disposal of property and				
equipment	(79)	2	(79)	2
Non-trading foreign exchange gain	-	75	-	75
Rental income	548	600	548	600
Others	594	438	594	438
	<u>1,063</u>	<u>1,115</u>	<u>1,063</u>	<u>1,115</u>
	<u>40,137</u>	<u>62,514</u>	<u>40,137</u>	<u>62,514</u>

17. OTHER OPERATING INCOME (CONTD.)

Bank	Individual Quarter		Cumulative Quarter	
	30.06.15	30.06.14	30.06.15	30.06.14
	RM'000	RM'000	RM'000	RM'000
Fee and commission income:				
Brokerage fees and commissions	20,785	24,511	20,785	24,511
Corporate advisory	3,082	6,987	3,082	6,987
Fees on loans and securities	1,167	4,145	1,167	4,145
Guarantee fees	49	84	49	84
Portfolio management fees	144	142	144	142
Underwriting commission	1,802	7,411	1,802	7,411
Wealth management fees	7,649	11,176	7,649	11,176
Other fee and commission income	1,987	1,433	1,987	1,433
	<u>36,665</u>	<u>55,889</u>	<u>36,665</u>	<u>55,889</u>
Investment and trading income:				
Gross dividend income from:				
Associate	-	1,000	-	1,000
Financial investments				
available-for-sale	883	-	883	-
Net foreign exchange gain/(loss)	674	(298)	674	(298)
Net gain from sale of financial assets				
held-for-trading	1	3	1	3
Net loss from sale of financial				
investments available-for-sale	(49)	-	(49)	-
Net gain/(loss) on revaluation of derivatives	30	(7)	30	(7)
Net (loss)/gain on revaluation of financial				
assets held-for-trading	(36)	18	(36)	18
	<u>1,503</u>	<u>716</u>	<u>1,503</u>	<u>716</u>
Other income:				
Net (loss)/gain on disposal of property and				
equipment	(79)	2	(79)	2
Rental income	548	600	548	600
Others	142	225	142	225
	<u>611</u>	<u>827</u>	<u>611</u>	<u>827</u>
	<u>38,779</u>	<u>57,432</u>	<u>38,779</u>	<u>57,432</u>

18. DIRECT COSTS

Group	Individual Quarter		Cumulative Quarter	
	30.06.15	30.06.14	30.06.15	30.06.14
	RM'000	RM'000	RM'000	RM'000
Dealers' incentive	1,413	2,821	1,413	2,821
Brokerage commission	4,996	7,945	4,996	7,945
Others	3,521	6,251	3,521	6,251
	<u>9,930</u>	<u>17,017</u>	<u>9,930</u>	<u>17,017</u>
Bank	Individual Quarter		Cumulative Quarter	
	30.06.15	30.06.14	30.06.15	30.06.14
	RM'000	RM'000	RM'000	RM'000
Dealers' incentive	1,413	2,821	1,413	2,821
Brokerage commission	4,759	6,268	4,759	6,268
Others	3,521	6,251	3,521	6,251
	<u>9,693</u>	<u>15,340</u>	<u>9,693</u>	<u>15,340</u>

19. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Personnel costs				
- Salaries, allowances and bonuses	10,859	25,060	10,859	25,060
- Scheme shares and options granted under AMMB ESS	689	183	689	183
- Others	3,716	7,444	3,716	7,444
	<u>15,264</u>	<u>32,687</u>	<u>15,264</u>	<u>32,687</u>
Establishment costs				
- Amortisation of intangible assets	206	223	206	223
- Computerisation costs	1,324	1,550	1,324	1,550
- Depreciation of property and equipment	685	983	685	983
- Rental of premises	1,981	3,451	1,981	3,451
- Others	766	1,397	766	1,397
	<u>4,962</u>	<u>7,604</u>	<u>4,962</u>	<u>7,604</u>
Marketing and communication expenses				
- Advertising, promotional and other marketing activities	112	186	112	186
- Sales commission	80	127	80	127
- Travel and entertainment	516	777	516	777
- Others	849	1,383	849	1,383
	<u>1,557</u>	<u>2,473</u>	<u>1,557</u>	<u>2,473</u>
Administration and general expenses				
- Professional fees	1,093	945	1,093	945
- Others	1,822	1,829	1,822	1,829
	<u>2,915</u>	<u>2,774</u>	<u>2,915</u>	<u>2,774</u>
Service transfer pricing, net	1,666	(913)	1,666	(913)
	<u>26,364</u>	<u>44,625</u>	<u>26,364</u>	<u>44,625</u>

19. OTHER OPERATING EXPENSES (CONTD.)

Bank	Individual Quarter		Cumulative Quarter	
	30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Personnel costs				
- Salaries, allowances and bonuses	9,423	20,615	9,423	20,615
- Scheme shares and options granted under AMMB ESS	659	218	659	218
- Others	3,215	5,069	3,215	5,069
	<u>13,297</u>	<u>25,902</u>	<u>13,297</u>	<u>25,902</u>
Establishment costs				
- Amortisation of intangible assets	198	215	198	215
- Computerisation costs	1,186	12	1,186	12
- Depreciation of property and equipment	677	738	677	738
- Rental of premises	1,887	2,327	1,887	2,327
- Others	749	627	749	627
	<u>4,697</u>	<u>3,919</u>	<u>4,697</u>	<u>3,919</u>
Marketing and communication expenses				
- Advertising, promotional and other marketing activities	112	177	112	177
- Sales commission	80	127	80	127
- Travel and entertainment	511	660	511	660
- Others	825	1,156	825	1,156
	<u>1,528</u>	<u>2,120</u>	<u>1,528</u>	<u>2,120</u>
Administration and general expenses				
- Professional fees	628	746	628	746
- Others	1,749	1,362	1,749	1,362
	<u>2,377</u>	<u>2,108</u>	<u>2,377</u>	<u>2,108</u>
Service transfer pricing, net	2,773	(1,747)	2,773	(1,747)
	<u>24,672</u>	<u>32,302</u>	<u>24,672</u>	<u>32,302</u>

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

Group	Individual Quarter		Cumulative Quarter	
	30.06.15 RM'000	30.06.14 RM'000	30.06.15 RM'000	30.06.14 RM'000
Allowance for impairment on loans and advances:				
Collective allowance	(80)	(4)	(80)	(4)
Individual allowance	-	(101)	-	(101)
Impaired loans and advances recovered	-	1,075	-	1,075
	<u>(80)</u>	<u>970</u>	<u>(80)</u>	<u>970</u>
Bank				
Writeback of/(Allowance for) impairment on loans and advances:				
Collective allowance	(80)	(4)	(80)	(4)
Individual allowance	-	49	-	49
Impaired loans and advances recovered	-	1,075	-	1,075
	<u>(80)</u>	<u>1,120</u>	<u>(80)</u>	<u>1,120</u>

21. BUSINESS SEGMENT ANALYSIS

30.06.2015 Group	Wholesale Banking				Operating Segments		Total RM'000
	Equity Markets RM'000	Private Banking RM'000	Corporate Finance RM'000	Debt Capital Market RM'000	Others RM'000	RM'000	
External revenue	30,728	6,980	6,501	1,959	1,080	10,331	57,579
Revenue from other segments	77	(479)	16	(48)	(30)	464	-
Revenue	30,805	6,501	6,517	1,911	1,050	10,795	57,579
Net interest income/(expense)	5,540	199	16	(48)	(30)	(1,331)	4,346
Other operating income	15,284	6,302	6,501	1,959	1,080	1,840	32,966
Income	20,824	6,501	6,517	1,911	1,050	509	37,312
Share in results of an associate	-	-	-	-	-	159	159
Other operating expenses	(16,486)	(4,105)	(4,337)	(3,668)	7,718	(5,486)	(26,364)
of which:							
<i>Depreciation of property and equipment</i>	(244)	(64)	(14)	(8)	(158)	(197)	(685)
<i>Amortisation of intangible assets</i>	(191)	(7)	(2)	(1)	(5)	-	(206)
Profit/(loss) before provisions	4,338	2,396	2,180	(1,757)	8,768	(4,818)	11,107
(Allowance)/writeback of provisions - net	20	17	(319)	(10)	5	2	(285)
Profit/(loss) before taxation	4,358	2,413	1,861	(1,767)	8,773	(4,816)	10,822
Taxation and zakat	(1,237)	(603)	(465)	442	(2,194)	1,225	(2,832)
Profit/(loss) after taxation	3,121	1,810	1,396	(1,325)	6,579	(3,591)	7,990
Other information:							
Total segment assets	1,067,095	55,997	3,435	5,283	7,355	1,050,312	2,189,477
Total segment liabilities	639,908	8,067	3,897	4,477	(5,061)	1,015,997	1,667,285
Cost to income ratio	79.2%	63.1%	66.5%	>100%	>-100%	>100%	70.7%
Gross loans and advances	259,929	53,059	-	-	-	3,280	316,268
Net loans and advances	256,431	52,945	-	-	-	3,211	312,587
Impaired loans and advances	2,291	-	-	-	-	-	2,291
Total deposits	-	-	-	-	-	979,694	979,694
Additions to:							
Property and equipment	222	37	14	12	39	-	324
Intangible assets	830	-	-	-	-	-	830

21. BUSINESS SEGMENT ANALYSIS (CONTD.)

30.06.2014 (Restated) Group	Wholesale Banking				Operating Segments		Total RM'000
	Equity Markets RM'000	Private Banking RM'000	Corporate Finance RM'000	Debt Capital Market RM'000	Others RM'000	RM'000	
External revenue	41,495	13,287	15,367	4,950	462	10,821	86,382
Revenue from other segments	2,709	(2,879)	(16)	(28)	69	145	-
Revenue	44,204	10,408	15,351	4,922	531	10,966	86,382
Net interest income/(expenses)	8,366	2,331	(16)	(28)	67	(4,447)	6,273
Other operating income	18,454	8,077	15,367	4,950	464	315	47,627
Income	26,820	10,408	15,351	4,922	531	(4,132)	53,900
Share in results of an associate	-	-	-	-	-	145	145
Other operating expenses	(25,233)	(5,890)	(4,638)	(3,578)	(1,946)	(3,340)	(44,625)
<i>of which:</i>							
<i>Depreciation of property and equipment</i>	(509)	(65)	(15)	(10)	(198)	(186)	(983)
<i>Amortisation of intangible assets</i>	(139)	(71)	(5)	(1)	(7)	-	(223)
Profit/(loss) before provisions	1,587	4,518	10,713	1,344	(1,415)	(7,327)	9,420
(Allowance)/writeback of provisions - net	923	(157)	(218)	(10)	741	6	1,285
Profit/(loss) before taxation	2,510	4,361	10,495	1,334	(674)	(7,321)	10,705
Taxation and zakat	(2,162)	(1,090)	(2,624)	(336)	172	(1,632)	(7,672)
Profit/(loss) after taxation	348	3,271	7,871	998	(502)	(8,953)	3,033
Other information:							
Total segment assets	813,113	976,945	7,904	9,917	419,241	1,558,509	3,785,629
Total segment liabilities	379,440	9,416	1,239	1,403	424,112	2,483,045	3,298,655
Cost to income ratio	94.1%	56.6%	30.2%	72.7%	>100%	-80.8%	82.8%
Gross loans and advances	308,930	973,644	-	-	-	4,483	1,287,057
Net loans and advances	293,826	971,119	-	-	-	3,681	1,268,626
Impaired loans and advances	14,344	-	-	-	-	-	14,344
Total deposits	-	-	-	-	-	2,440,166	2,440,166
Additions to:							
Property and equipment	15	4	6	-	7	131	162
Intangible assets	-	12	-	-	-	-	12

The Group's activities are principally conducted in Malaysia except for AmFrasers International Pte. Ltd. and its subsidiaries, activities of which are principally conducted in Singapore, which contributed to a loss before tax of RM0.3 million for the financial period ended 30 June 2015 (Loss before tax RM 4.2 million for the financial period ended 30 June 2014).

22. COMMITMENTS AND CONTINGENCIES

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

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

Group and Bank	30.06.15	31.03.15
	RM'000	RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	228,546	230,174
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	19	19
Others	100	100
	<u>228,665</u>	<u>230,293</u>
Contingent Liabilities		
Direct credit substitutes	79,459	99,447
	<u>79,459</u>	<u>99,447</u>
Derivative Financial Instruments		
Foreign exchange related contracts:		
- One year or less	677	2,321
Equity related contracts:		
- One year or less	431	457
	<u>1,108</u>	<u>2,778</u>
	<u>309,232</u>	<u>332,518</u>

22. COMMITMENTS AND CONTINGENCIES (CONTD.)

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

- (a) AmTrustee Berhad ("AmTrustee"), an associate 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 RM19.6 million 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 RM7.3 million 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 the Bank as Co-Defendant; and
- to increase the alleged loss and damage from RM27.6 million to RM37 million.

The High Court dismissed Meridian's application to add the Bank as a party to the Meridian's Suit "Order" but allowed Meridian's application to increase its claim against AmTrustee from RM27.6 million to RM37 million. No appeal was filed by Meridian against this "Order", hence no litigation is pending today against the Bank 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 3 to 5 of December 2012 and on 10 and 13 December 2012 and continued on 18 to 20 February 2013. Matter was fixed for decision and or clarification on 11 April 2013.

High Court Decision

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

22. COMMITMENTS AND CONTINGENCIES (CONTD.)

In the Zurich Suit:

- the court dismissed Zurich's claim against AmTrustee with costs of RM100,000 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 RM19.6 million with interest from the date of filing of the writ to the date of realization and costs of RM100,000 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 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.

Proceedings at Court of Appeal

Both Meridian and Zurich to date have filed their appeals against 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 AmTrustee's 40% contribution of amount that Meridian has paid to Zurich and KWAP. AmTrustee's solicitors are of the view that AmTrustee has a fair chance of succeeding in its cross-appeals.

On 6 August 2013, the Court of Appeal ordered 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:

In the Zurich Suit:

- Zurich's appeal against the Decision in the Zurich Suit;
- Meridian's appeal against the Decision in the Zurich Suit;
- AmTrustee's cross-appeal against Zurich's appeal in the Zurich Suit;
- AmTrustee's cross-appeal against Meridian's appeal in the Zurich Suit.

In the Meridian's Suit:

- Meridian's appeal against the Decision in the Meridian Suit;
- 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 are now re-scheduled to 21 April 2014.

On 13 January 2013, 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 appeal 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 against Meridian case, will now be heard on 19 May 2014.

22. COMMITMENTS AND CONTINGENCIES (CONTD.)

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'):

In the 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.

In the 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

On 17 June 2014, AmTrustee filed its notice of motion for the Leave Application at Federal Court. AmTrustee's Leave Application is now fixed for case management on 9 February 2015. On 9 February 2015, the Court fixed the Leave Application for case management on 11 May 2015, pending the availability of Grounds of Judgment. On 8 April 2015, Grounds of Judgment was issued and the Federal Court has fixed the Leave Application for case management on 21 April 2015. At the case management on 21 April 2015, AmTrustee's Leave Application was fixed for hearing before the Federal Court on 1 July 2015. On 6 June 2015, AmTrustee was informed by its solicitors that the hearing has been converted to a Case Management on 1 July 2015. 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.

- (b) As at 31 March 2015, AmFutures Sdn Bhd ('AmFutures'), a wholly-owned subsidiary and the Bank 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 AmFutures and the Bank 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 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.

23. FAIR VALUES OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised on a recurring basis, the Group and the Bank determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level in put that is significant to the fair value measurement as a whole) at the end of each reporting periods.

Financial assets and liabilities measured using valuation techniques based on assumptions that are supported by prices from observable current market transactions are assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's own models where by 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, there by allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Group and the Bank. Therefore, unobservable inputs reflect the Group's and the Bank's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Group's and the Bank's own data.

23. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTD.)

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

30 June 2015	< ----- Group ----- >				< ----- Bank ----- >			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets measured at fair value								
Derivative financial assets	6	-	-	6	6	-	-	6
Financial assets held-for-trading								
- Equities	422	-	-	422	422	-	-	422
Financial investments available-for-sale								
- Unquoted private debt securities	-	29,340	-	29,340	-	29,340	-	29,340
	<u>422</u>	<u>29,340</u>	<u>-</u>	<u>29,762</u>	<u>422</u>	<u>29,340</u>	<u>-</u>	<u>29,762</u>
31 March 2015	< ----- Group ----- >				< ----- Bank ----- >			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets measured at fair value								
Derivative financial assets	1	-	-	1	1	-	-	1
Financial assets held-for-trading								
- Equities	441	-	-	441	441	-	-	441
Financial investments available-for-sale								
- Unquoted private debt securities	-	28,886	-	28,886	-	28,886	-	28,886
	<u>442</u>	<u>28,886</u>	<u>-</u>	<u>29,328</u>	<u>442</u>	<u>28,886</u>	<u>-</u>	<u>29,328</u>

24. CAPITAL ADEQUACY

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

	Group		Bank	
	30.06.15	31.03.15	30.06.15	31.03.15
Before deducting proposed dividends:				
Common Equity Tier 1 ("CET1") capital ratio	25.594%	28.744%	21.054%	24.196%
Tier 1 capital ratio	25.594%	28.744%	21.054%	24.196%
Total capital ratio	25.594%	28.744%	21.054%	24.196%
After deducting proposed dividends:				
CET 1 capital ratio	24.517%	27.534%	19.842%	22.820%
Tier 1 capital ratio	24.517%	27.534%	19.842%	22.820%
Total capital ratio	24.517%	27.534%	19.842%	22.820%

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

The minimum regulatory capital adequacy requirements for the risk weighted capital ratios under transitional arrangements are as follows:

	Transitional arrangements		
	Calendar Year	Calendar Year	Calendar Year
	2013	2014	2015 onwards
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%

24. CAPITAL ADEQUACY (CONTD.)

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

	Group		Bank	
	30.06.15 RM'000	31.03.15 RM'000	30.06.15 RM'000	31.03.15 RM'000
CET 1 Capital				
Ordinary shares	200,000	200,000	200,000	200,000
Retained earnings	38,511	58,511	62,533	82,533
Available-for-sale ("AFS") reserve	795	1,076	742	1,024
Exchange fluctuation reserve	41,652	37,445	-	-
Statutory reserve	200,000	200,000	200,000	200,000
Regulatory reserve	2,800	2,800	2,800	2,800
Capital reserve	2,815	2,815	-	-
Merger reserve	7,656	7,656	-	-
Less : Regulatory adjustments applied on CET1 capital				
Goodwill	-	-	-	-
Other intangibles	(3,546)	(2,920)	(2,342)	(1,710)
Deferred tax assets	(5,995)	(2,782)	(5,995)	(2,782)
55% of Available-for-sale ("AFS") reserve	(437)	(592)	(408)	(563)
Regulatory reserve	(2,800)	(2,800)	(2,800)	(2,800)
Investments in capital instruments of unconsolidated financial and insurance/takaful entities	(12,266)	(12,021)	(52,553)	(52,370)
Deduction in excess of Tier 2 *	(14,166)	(13,922)	(74,595)	(74,446)
CET1 capital	455,019	475,266	327,382	351,686
Tier 1 ("T1") capital	455,019	475,266	327,382	351,686
Tier 2 ("T2") capital				
Collective impairment provisions and regulatory reserves #	4,233	4,111	4,233	4,111
Less : Regulatory adjustments applied on Tier 2 capital	(4,233)	(4,111)	(4,233)	(4,111)
Tier 2 capital	-	-	-	-
Total Capital	455,019	475,266	327,382	351,686

*The portion of regulatory adjustments not deducted from Tier 2 Capital (as the 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 Capital Adequacy Framework (Capital Components).

The breakdown of risk-weighted assets of the Group and the Bank in the various risk categories are as follows:

	Group		Bank	
	30.06.15 RM'000	31.03.15 RM'000	30.06.15 RM'000	31.03.15 RM'000
Credit risk	1,236,824	1,155,040	1,198,240	1,122,413
Market risk	250,244	117,058	145,405	16,101
Operational risk	368,490	380,922	305,936	314,533
Large exposure risk for equity holdings	400	438	400	438
	1,855,958	1,653,458	1,649,981	1,453,485

25. OPERATIONS OF ISLAMIC BANKING

The financial position as at 30 June 2015 and the results for the financial period ended 30 June 2015 of the Islamic banking business of the Group and of the Bank are included in the financial statements, after elimination of intercompany transactions and balances, and are summarised as follows:

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	Group and Bank	
		30.06.15	31.03.15
		RM'000	RM'000
ASSETS			
Cash and short-term funds		263,225	245,596
Other receivables, deposits and prepayments		9,757	24,163
Deferred tax assets		472	1
Property and equipment		23	25
Intangible assets		-	1
TOTAL ASSETS		273,477	269,786
LIABILITIES AND ISLAMIC BANKING FUNDS			
Other liabilities	25a	100,744	98,280
TOTAL LIABILITIES		100,744	98,280
ISLAMIC BANKING FUNDS			
Capital funds		30,000	30,000
Reserves		142,733	141,506
Islamic Banking Funds		172,733	171,506
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		273,477	269,786
COMMITMENTS AND CONTINGENCIES		77,650	77,650

25. OPERATIONS OF ISLAMIC BANKING (CONTD.)

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

Group and Bank	Individual Quarter		Cumulative Quarter	
	30.06.15	30.06.14	30.06.15	30.06.14
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	691	323	691	323
Impairment on doubtful sundry receivables, net	(10)	-	(10)	-
Total attributable income	681	323	681	323
Income attributable to depositors	-	(914)	-	(914)
Profit/(loss) attributable to the Group and the Bank	681	(591)	681	(591)
Income derived from investment of Islamic banking funds	3,795	4,146	3,795	4,146
Direct costs	(22)	(17)	(22)	(17)
Total net income	4,454	3,538	4,454	3,538
Other operating expenses	(2,828)	(816)	(2,828)	(816)
Profit before taxation	1,626	2,722	1,626	2,722
Taxation	(399)	(696)	(399)	(696)
Profit attributable to the Group and the Bank, representing total comprehensive income for the financial period	1,227	2,026	1,227	2,026

25. OPERATIONS OF ISLAMIC BANKING (CONTD.)

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

	<u>Non-distributable</u>	<u>Distributable</u>	
	Capital Funds RM'000	Retained Earnings RM'000	Total RM'000
Group and Bank			
At 1 April 2014	30,000	129,810	159,810
Profit for the financial period	-	2,026	2,026
At 30 June 2014	<u>30,000</u>	<u>131,836</u>	<u>161,836</u>
At 1 April 2015	30,000	141,506	171,506
Profit for the financial period	-	1,227	1,227
At 30 June 2015	<u>30,000</u>	<u>142,733</u>	<u>172,733</u>

25a. OTHER LIABILITIES

	Group and Bank	
	30.06.15	31.03.15
Trade payables	3,013	4,494
Other payables and accruals	1,841	1,774
Amount due to head office	65,649	62,641
Taxation and zakat payable	30,242	29,371
	<u>100,745</u>	<u>98,280</u>

26. PERFORMANCE REVIEW FOR THE PERIOD ENDED 30 JUNE 2015

The Group reported a pretax profit of RM10.8 million (RM10.7 million for the period ended 30 June 2014) and the Bank reported a pretax profit of RM10.8 million (RM18.4 million for the period ended 30 June 2014). The results are analysed as follows:

- (i) Lower net interest income of RM2.6 million and RM2.2 million (RM4.8 million and RM4.4 million for the period ended 30 June 2014) for the Group and Bank, respectively due to lower interest income from loan and from Available For Sale securities.
- (ii) Lower fee income of RM37.6 million and RM36.7 million (RM61.7 million and RM55.9 million for the period ended 30 June 2014), for the Group and Bank, respectively due to lower brokerage fees and commission and lower corporate advisory fees.
- (iii) Higher investment and trading income of RM1.5 million (Investment and trading loss RM0.3 million for the period ended 30 June 2014), for the Group due to higher dividend income from financial investments available for sale and higher foreign exchange gain. Higher investment and trading income of RM1.5 million (RM0.8 million for the period ended 30 June 2014) for the Bank, mainly due to dividends received from financial investments available for sale.
- (iv) Allowance for impairment on loan and financing of RM0.1 million for the Group and the Bank (Writeback of impairment on loan and financing of RM1.0 million for the Group and RM1.1 million for the Bank for the period ended 30 June 2014) was due to recovery of impaired loans and writeback of collective allowance for the previous corresponding period.

Higher net income from Islamic banking business of RM4.5 million for the Group and the Bank (RM3.5 million for the period ended 30 June 2014 for the Group and the Bank) due to higher fee income.

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

27. PROSPECTS FOR 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, 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.

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 growth and narrowing net interest 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.

28. VALUATION OF PROPERTY AND EQUIPMENT

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

29. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and the Bank for the current financial quarter.

30. CHANGES IN THE COMPOSITION OF THE GROUP AND THE BANK

There were no material changes in the composition of the Group and the Bank for the current financial quarter.

31. RESTATEMENT OF COMPARATIVE INFORMATION

The following comparative figures have been restated arising from the adoption of Amendment to MFRS 132 Offsetting Financial Assets and Financial Liabilities in the last quarter of the financial year ended 31 March 2015.

- (i) Reconciliation of statements of cash flow of the Group and of the Bank for the financial period ended 30 June 2014.

	As previously reported RM'000	Restatement RM'000	As restated RM'000
As at 30 June 2014			
Group			
(Decrease)/increase in operating assets	140,056	(23,848)	116,208
Decrease/(increase) in operating liabilities	139,250	(23,848)	115,402
Bank			
(Decrease)/increase in operating assets	99,093	(23,848)	75,245
Decrease/(increase) in operating liabilities	101,318	(23,848)	77,470