

Company No. 8515-D

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

Condensed Interim Financial Statements
For the Financial Period
1 April 2016 to
30 September 2016
(In Ringgit Malaysia)

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

	Note	Group		Bank	
		30 September 2016	31 March 2016	30 September 2016	31 March 2016
		RM'000	RM'000	RM'000	(Restated) RM'000
ASSETS					
Cash and short-term funds		3,272,365	7,605,681	3,045,390	7,380,187
Deposits and placements with banks and other financial institutions		1,930,135	850,000	1,930,135	850,000
Investment account		1,000,000	1,000,000	1,000,000	1,000,000
Derivative financial assets		1,102,307	1,894,819	1,102,307	1,894,819
Financial assets held-for-trading	A8	2,669,282	1,870,427	2,669,282	1,870,427
Financial investments available-for-sale	A9	6,168,088	7,476,200	6,228,110	7,545,237
Financial investments held-to-maturity	A10	2,269,622	2,828,754	2,269,622	2,828,754
Loans and advances	A11	59,459,625	58,814,740	59,369,752	58,717,201
Receivables: Investments not quoted in active markets	A12	227,181	97,181	227,181	97,181
Statutory deposit with Bank Negara Malaysia		1,878,142	1,745,554	1,878,142	1,745,554
Deferred tax assets		1,165	76,485	-	75,430
Investment in subsidiaries and other investment		-	-	74,277	104,277
Investment in associate		-	-	22	22
Other assets	A13	1,985,246	2,032,171	1,966,838	2,034,781
Property and equipment		159,704	165,900	138,015	143,987
Intangible assets		370,504	350,753	370,501	350,750
Asset held for sale	A14	1,028	3,167	1,028	100
TOTAL ASSETS		82,494,394	86,811,832	82,270,602	86,638,707
LIABILITIES AND EQUITY					
Deposits and placements of banks and other financial institutions	A15	807,824	951,138	908,431	1,030,888
Recourse obligation on loans sold to Cagamas Berhad		2,785,852	2,807,951	2,785,852	2,807,951
Derivative financial liabilities		1,054,554	2,023,211	1,054,554	2,023,211
Deposits from customers	A16	59,425,397	62,148,465	59,498,216	62,247,524
Term funding		5,253,841	5,549,451	5,253,841	5,549,451
Debt capital		2,694,627	2,694,550	2,694,627	2,694,550
Deferred tax liabilities		72,853	-	72,853	-
Other liabilities	A17	1,886,210	2,374,240	1,870,481	2,353,530
TOTAL LIABILITIES		73,981,158	78,549,006	74,138,855	78,707,105
Share capital		820,364	820,364	820,364	820,364
Reserves		7,692,810	7,442,400	7,311,383	7,111,238
Equity attributable to equity holder of the Bank		8,513,174	8,262,764	8,131,747	7,931,602
Non-controlling interests		62	62	-	-
TOTAL EQUITY		8,513,236	8,262,826	8,131,747	7,931,602
TOTAL LIABILITIES AND EQUITY		82,494,394	86,811,832	82,270,602	86,638,707
COMMITMENTS AND CONTINGENCIES	A31	112,327,320	121,028,342	112,365,814	121,066,632
NET ASSETS PER SHARE (RM)		10.38	10.07	9.91	9.67

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2016.

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

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2016**

Group	Note	Individual Quarter		Cumulative Quarter	
		30 September 2016 RM'000	30 September 2015 RM'000	30 September 2016 RM'000	30 September 2015 RM'000
Operating revenue		1,145,421	1,146,905	2,273,414	2,296,665
Interest income	A18	948,483	1,015,253	1,926,465	2,013,064
Interest expense	A19	(586,048)	(590,861)	(1,184,057)	(1,173,669)
Net interest income		362,435	424,392	742,408	839,395
Other operating income	A20	196,938	131,652	346,949	283,601
Share in results of associates		-	289	-	607
Net income		559,373	556,333	1,089,357	1,123,603
Other operating expenses	A21	(275,830)	(300,598)	(568,781)	(575,915)
Operating profit		283,543	255,735	520,576	547,688
Writeback of allowance for impairment on loans and advances	A22	39,155	72,682	84,337	98,108
Writeback of provision for commitments and contingencies		3,685	127	6,172	3,933
Impairment writeback/(loss) on:					
Doubtful sundry receivables, net		(24)	1,133	(49)	1,031
Financial investments	A23	-	(22,788)	-	(22,788)
Foreclosed properties		(146)	(22)	(288)	(106)
Other recoveries		2,847	287	12,571	754
Profit before taxation		329,060	307,154	623,319	628,620
Taxation		(74,465)	(67,916)	(143,148)	(137,243)
Profit for the period		254,595	239,238	480,171	491,377
Attributable to:					
Equity holder of the Bank		254,595	239,238	480,171	491,377
Non-controlling interests		-	-	-	-
Profit for the period		254,595	239,238	480,171	491,377
Earnings per share (sen)	A24				
Basic		31.03	29.16	58.53	59.90

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2016.

AmBank (M) Berhad
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**UNAUDITED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2016**

	Individual Quarter		Cumulative Quarter	
	30 September 2016 RM'000	30 September 2015 RM'000	30 September 2016 RM'000	30 September 2015 RM'000
Group				
Profit for the period	254,595	239,238	480,171	491,377
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss				
Currency translation on foreign operations	13,019	70,336	27,905	72,265
Net gain/(loss) on financial investments available-for-sale	42,661	(69,612)	54,921	(67,630)
Net movement on cash flow hedge	(2,133)	13,532	(4,455)	20,281
Tax effect relating to the components of other comprehensive income/(loss)	(6,128)	13,457	(12,297)	11,362
Other comprehensive income, net of tax	47,419	27,713	66,074	36,278
Total comprehensive income for the period, net of tax	302,014	266,951	546,245	527,655
Attributable to:				
Equity holder of the Bank	302,014	266,951	546,245	527,655
Non-controlling interests	-	-	-	-
	302,014	266,951	546,245	527,655

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2016.

AmBank (M) Berhad
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UNAUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2016

	Note	Individual Quarter		Cumulative Quarter	
		30 September 2016	30 September 2015 (Restated)	30 September 2016	30 September 2015 (Restated)
		RM'000	RM'000	RM'000	RM'000
Bank					
Operating revenue		1,141,335	1,197,569	2,267,417	2,345,073
Interest income	A18	944,396	1,013,869	1,919,499	2,008,117
Interest expense	A19	(585,785)	(594,433)	(1,185,863)	(1,178,742)
Net interest income		358,611	419,436	733,636	829,375
Other operating income	A20	196,939	183,700	347,918	336,956
Net income		555,550	603,136	1,081,554	1,166,331
Other operating expenses	A21	(275,712)	(301,761)	(567,520)	(574,495)
Operating profit		279,838	301,375	514,034	591,836
Writeback of allowance for impairment on loans and advances	A22	39,001	72,631	84,199	98,059
Writeback of provision for commitments and contingencies		3,693	129	12,179	3,949
Impairment writeback/(loss) on:					
Doubtful sundry receivables, net		(14)	1,133	(39)	1,031
Financial investments	A23	-	(22,788)	-	(22,788)
Foreclosed properties		(146)	(22)	(288)	(106)
Other recoveries		2,847	287	12,571	754
Profit before taxation		325,219	352,745	622,656	672,735
Taxation		(73,881)	(66,419)	(141,822)	(135,121)
Profit for the period		251,338	286,326	480,834	537,614
Earnings per share (sen)	A24				
Basic		30.64	34.90	58.61	65.53

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2016.

AmBank (M) Berhad
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**UNAUDITED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2016**

	Individual Quarter		Cumulative Quarter	
	30 September 2016	30 September 2015 (Restated)	30 September 2016	30 September 2015 (Restated)
	RM'000	RM'000	RM'000	RM'000
Bank				
Profit for the period	251,338	286,326	480,834	537,614
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss				
Currency translation on foreign operations	11,934	63,878	25,469	65,063
Net gain/(loss) on financial investments available-for-sale	42,978	(70,306)	55,381	(68,150)
Net movement on cash flow hedge	(2,133)	13,532	(4,455)	20,280
Income tax relating to the components of other comprehensive income/(loss)	(6,203)	13,626	(12,406)	11,489
Other comprehensive income, net of tax	46,576	20,730	63,989	28,682
Total comprehensive income for the period, net of tax	297,914	307,056	544,823	566,296

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2016.

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

Group	Attributable to equity holder of the Bank										
	Non-distributable						Distributable				
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Merger reserve RM'000	Available-for-sale reserve/ (deficit) RM'000	Cash flow hedging (deficit)/ reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total attributable to equity holder RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2015	820,364	942,844	980,969	104,149	1,207	(481)	50,537	5,147,900	8,047,489	61	8,047,550
Profit for the period	-	-	-	-	-	-	-	491,377	491,377	-	491,377
Other comprehensive (loss)/income	-	-	-	-	(51,400)	15,413	72,265	-	36,278	-	36,278
Net gain on foreign currency translation	-	-	-	-	-	-	72,265	-	72,265	-	72,265
Net gain on cash flow hedge	-	-	-	-	-	15,413	-	-	15,413	-	15,413
Net loss on financial investments available-for-sale	-	-	-	-	(51,400)	-	-	-	(51,400)	-	(51,400)
Total comprehensive (loss)/income for the period	-	-	-	-	(51,400)	15,413	72,265	491,377	527,655	-	527,655
Transfer of AMMB Holdings Berhad ("AMMB") Executives' Share Scheme ("ESS") shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	-	(831)	(831)	-	(831)
Dividend on ordinary shares: - final, financial year ended 31 March 2015	-	-	-	-	-	-	-	(426,589)	(426,589)	-	(426,589)
Transaction with owner and other equity movements	-	-	-	-	-	-	-	(427,420)	(427,420)	-	(427,420)
At 30 September 2015	820,364	942,844	980,969	104,149	(50,193)	14,932	122,802	5,211,857	8,147,724	61	8,147,785

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2016.

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D.)
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

Group	Attributable to equity holder of the Bank							Distributable		Non-controlling interests RM'000	Total equity RM'000
	Non-distributable							Total attributable to equity holder RM'000			
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Merger reserve RM'000	Available-for-sale reserve RM'000	Cash flow hedging reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000			
At 1 April 2016	820,364	942,844	980,969	104,149	11,751	3,635	63,306	5,335,746	8,262,764	62	8,262,826
Profit for the period	-	-	-	-	-	-	-	480,171	480,171	-	480,171
Other comprehensive (loss)/income	-	-	-	-	41,739	(3,570)	27,905	-	66,074	-	66,074
Net gain on foreign currency translation	-	-	-	-	-	-	27,905	-	27,905	-	27,905
Net loss on cash flow hedge	-	-	-	-	-	(3,570)	-	-	(3,570)	-	(3,570)
Net gain on financial investments available-for-sale	-	-	-	-	41,739	-	-	-	41,739	-	41,739
Total comprehensive (loss)/income for the period	-	-	-	-	41,739	(3,570)	27,905	480,171	546,245	-	546,245
Transfer of AMMB ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	-	(504)	(504)	-	(504)
Dividend on ordinary shares: - final, financial year ended 31 March 2016	-	-	-	-	-	-	-	(295,331)	(295,331)	-	(295,331)
Transaction with owner and other equity movements	-	-	-	-	-	-	-	(295,835)	(295,835)	-	(295,835)
At 30 September 2016	820,364	942,844	980,969	104,149	53,490	65	91,211	5,520,082	8,513,174	62	8,513,236

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2016.

UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2016

Bank	Note	Attributable to equity holder of the Bank						Distributable		Total equity RM'000
		Non-distributable					Cash flow hedging (deficit)/ reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	
		Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Merger reserve RM'000	Available-for- sale reserve RM'000				
At 1 April 2015		820,364	942,844	980,969	-	1,323	(481)	50,585	4,874,087	7,669,691
Effect arising from the pooling of interests As restated	A35	-	-	-	12,154	-	-	-	-	12,154
		820,364	942,844	980,969	12,154	1,323	(481)	50,585	4,874,087	7,681,845
Profit for the period		-	-	-	-	-	-	-	537,614	537,614
Other comprehensive (loss)/income		-	-	-	-	(51,794)	15,413	65,063	-	28,682
Net gain on foreign currency translation		-	-	-	-	-	-	65,063	-	65,063
Net gain on cash flow hedge		-	-	-	-	-	15,413	-	-	15,413
Net loss on financial investments available-for-sale		-	-	-	-	(51,794)	-	-	-	(51,794)
Total comprehensive income for the period		-	-	-	-	(51,794)	15,413	65,063	537,614	566,296
Effect arising from the pooling of interests		-	-	-	11,928	-	-	-	(39,846)	(27,918)
Transfer of AMMB ESS shares recharged - difference on purchase price for shares vested		-	-	-	-	-	-	-	(822)	(822)
Dividend on ordinary shares: - final, financial year ended 31 March 2015		-	-	-	-	-	-	-	(426,589)	(426,589)
Transaction with owner and other equity movements		-	-	-	11,928	-	-	-	(467,257)	(455,329)
At 30 September 2015		820,364	942,844	980,969	24,082	(50,471)	14,932	115,648	4,944,444	7,792,812

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2016.

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D.)
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2016

Bank	Note	Attributable to equity holder of the Bank								Total equity RM'000
		Non-distributable					Distributable			
		Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Merger reserve RM'000	Available-for-sale reserve RM'000	Cash flow hedging reserve/ (deficit) RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	
At 1 April 2016		820,364	942,844	980,969	-	11,951	3,635	61,296	5,080,500	7,901,559
Effect arising from the pooling of interests	A35	-	-	-	30,043	-	-	-	-	30,043
As restated		820,364	942,844	980,969	30,043	11,951	3,635	61,296	5,080,500	7,931,602
Profit for the period		-	-	-	-	-	-	-	480,834	480,834
Other comprehensive (loss)/income		-	-	-	-	42,090	(3,570)	25,469	-	63,989
Net gain on foreign currency translation		-	-	-	-	-	-	25,469	-	25,469
Net loss on cash flow hedge		-	-	-	-	-	(3,570)	-	-	(3,570)
Net gain on financial investments available-for-sale		-	-	-	-	42,090	-	-	-	42,090
Total comprehensive (loss)/income for the period		-	-	-	-	42,090	(3,570)	25,469	480,834	544,823
Effect arising from the pooling of interests		-	-	-	(30,043)	-	-	-	(18,800)	(48,843)
Transfer of AMMB ESS shares recharged - difference on purchase price for shares vested		-	-	-	-	-	-	-	(504)	(504)
Dividend on ordinary shares: - final, financial year ended 31 March 2016		-	-	-	-	-	-	-	(295,331)	(295,331)
Transaction with owner and other equity movements		-	-	-	(30,043)	-	-	-	(314,635)	(344,678)
At 30 September 2016		820,364	942,844	980,969	-	54,041	65	86,765	5,246,699	8,131,747

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2016.

AmBank (M) Berhad
(Incorporated in Malaysia)
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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2016

	Group		Bank	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	623,319	628,620	622,656	672,735
Adjustments for non-operating and non-cash items	17,111	746,965	10,349	695,956
Operating profit before working capital changes	640,430	1,375,585	633,005	1,368,691
Changes in working capital:				
Net change in operating assets	(1,900,400)	186,345	(1,897,163)	135,661
Net change in operating liabilities	(3,814,841)	(1,630,953)	(3,834,424)	(1,624,889)
Tax paid	(93,966)	(163,691)	(76,967)	(162,251)
Net cash used in from operating activities	(5,168,777)	(232,714)	(5,175,549)	(282,788)
Net cash generated from/(used in) from investing activities	1,759,608	(1,238,801)	1,764,902	(1,174,227)
Net cash used in from financing activities	(295,331)	(426,589)	(295,331)	(426,589)
Net decrease in cash and cash equivalents	(3,704,500)	(1,898,104)	(3,705,978)	(1,883,604)
Cash and cash equivalents at beginning of the financial year	8,455,681	8,618,118	8,230,187	8,342,917
Effect of exchange rate changes	1,319	44	1,316	71
Cash and cash equivalents at end of financial period	4,752,500	6,720,058	4,525,525	6,459,384
Cash and cash equivalent comprise:				
Cash and short-term funds	3,272,365	6,065,732	3,045,390	5,805,059
Deposits and placements with banks and other financial institutions	1,930,135	1,859,585	1,930,135	1,859,584
	5,202,500	7,925,317	4,975,525	7,664,643
Less: Deposit with original maturity more than 3 months	(450,000)	(1,205,259)	(450,000)	(1,205,259)
	4,752,500	6,720,058	4,525,525	6,459,384

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2016.

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 issued by the International Accounting Standards Board.

These condensed interim 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 2016.

A1.1 Significant Accounting Policies

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 2016 except for the adoption of the following new standards and amendments to published standards which became effective for the first time for the Group and the Bank on 1 April 2016:

- MFRS 14 Regulatory Deferral Accounts
- Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants
- Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception
- Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 127 Equity Method in Separate Financial Statements
- Amendments to MFRS 101 Disclosure Initiative
- Annual Improvements to MFRSs 2012-2014 Cycle

The adoption of these new standards and amendments to published standards did not have any material impact on the financial statements of the Group and the Bank. The Group and the Bank did not have to change its accounting policies or make retrospective adjustments as a result of adopting these new standards and amendments to published standards.

The nature of the new standards and amendments to published standards relevant to the Group and the Bank are described below:

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

The amendments clarify the principle in MFRS 116 and MFRS 138 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 existing method of depreciation and amortisation applied by the Group and the Bank comply with these requirements.

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. Pursuant to Paragraph 9.4 of Bank Negara Malaysia's Policy Document on Financial Reporting, however, the Bank is prohibited from measuring its investments in joint ventures and associates using the equity method in its separate financial statements. In addition, the Bank has also elected not to change the basis of measurement for its investment in subsidiaries. Accordingly, the Bank continues to measure its investments in subsidiaries and associate in its separate financial statements at cost.

EXPLANATORY NOTES (CONT'D.)

A1. BASIS OF PREPARATION (CONT'D.)

A1.1 Significant Accounting Policies (Cont'd.)

Amendments to MFRS 101 Disclosure Initiative

The amendments introduce five narrow-focus improvements to the disclosure requirements and ensure that entities are able to apply professional judgement in determining the extent of information to be disclosed in the financial statements. The amendments also clarify the requirements for presenting an entity's share of items of other comprehensive income of associates and joint ventures, whereby they are required to be grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Since the amendments only affect disclosures, the adoption of these amendments did not have any financial impact on the Group and the Bank.

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:

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

The amendment clarifies that a reclassification of an asset directly from being held for sale to being held for distribution to owners (or vice versa) is not a change to the disposal plan and shall be treated as a continuation of the original plan, and the change in disposal method does not change the date of classification as held for sale or held for distribution to owners. This amendment does not result in any impact as there is no reclassification of asset between held for sale and held for distribution during the financial period ended 30 September 2016.

(b) MFRS 7 Financial Instruments: Disclosures

The amendment clarifies that a servicing contract may constitute continuing involvement in a derecognised financial asset, and an entity shall assess the nature of the arrangement and the fees to determine whether disclosures are required. The amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in condensed interim financial statements.

(c) MFRS 119 Employee Benefits

The amendment clarifies that the depth of the market for high quality corporate bonds for the purpose of determining the rate used to discount post-employment benefit obligations shall be assessed based on the currency in which the obligation is denominated instead of the country where the obligation is located.

(d) MFRS 134 Interim Financial Reporting

The amendment clarifies that the selected information other than significant events and transactions shall be disclosed either in the interim financial statements or incorporated by cross-reference from the interim financial statements to some other statements that is available to users of the financial statements on the same terms as the interim financial statements and at the same time. These amendment does not result in any impact as such information of the Group and the Bank are disclosed in the interim financial statements.

EXPLANATORY NOTES (CONT'D.)

A1. BASIS OF PREPARATION (CONT'D.)

1.2 Standards issued but not yet effective

Description	Effective for financial year ending
Amendments to MFRS 107 Disclosure Initiative	31 March 2018
Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	31 March 2018
MFRS 15 Revenue from Contracts with Customers	31 March 2019
MFRS 9 Financial Instruments	31 March 2019
Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions	31 March 2019
MFRS 16 Leases	31 March 2020
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by MASB

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

(a) Standards effective for financial year ending 31 March 2018

Amendments to MFRS 107 Disclosure Initiative

The amendments to MFRS 107 introduce an additional disclosure on changes in liabilities arising from financing activities. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

The amendments are effective for annual periods beginning on or after 1 January 2017 with early adoption permitted.

Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify the requirements for recognising deferred tax assets on unrealised losses arising from deductible temporary difference on asset carried at fair value.

In addition, in evaluating whether an entity will have sufficient taxable profits in future periods against which deductible temporary differences can be utilised, the amendments require an entity to compare the deductible temporary differences with future taxable profits that excludes tax deductions resulting from the reversal of those temporary differences.

The amendments are effective for annual periods beginning on or after 1 January 2017 with early adoption permitted. The amendments shall be applied retrospectively.

EXPLANATORY NOTES (CONT'D.)

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

(b) Standards effective for financial year ending 31 March 2019

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 2018 with early adoption permitted.

MFRS 9 Financial Instruments

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

Due to the complexity of the requirements of MFRS 9, the extent of the financial effects of its adoption are still being assessed by the Group.

Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions

The amendments clarify the measurement basis and the effects of vesting conditions on the measurement of cash-settled share-based payments, as well as the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in MFRS 2 that will require an award to be treated as if it was wholly equity-settled when an employer is obliged to withhold an amount for the employee’s tax obligation associated with a share-based payment and pay that amount to the tax authority.

The amendments are effective for annual periods beginning on or after 1 January 2018 with early adoption permitted. The transition provisions specify that the amendments apply to awards that are not settled as at the date of first application or to modifications that happen after the date of first application, without restatement of prior periods. Notwithstanding, the amendments can be applied retrospectively provided that this is possible without hindsight.

EXPLANATORY NOTES (CONT'D.)

A1. BASIS OF PREPARATION (CONT'D.)

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

(c) Standards effective for financial year ending 31 March 2020

MFRS 16 Leases

MFRS 16 supersedes MFRS 117 *Leases* and the related interpretations.

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense recognised in the profit or loss.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019, with early application permitted provided MFRS 15 is also applied.

(d) Standard effective on a date to be determined by MASB

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.

1.3 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the condensed interim financial statements in accordance with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Judgements, estimates and assumptions are continually evaluated and are based on past experience, reasonable expectations of future events and other factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's and the Bank's accounting policies, the significant judgements, estimates and assumptions made by management were the same as those applied to the annual financial statements for the financial year ended 31 March 2016.

EXPLANATORY NOTES (CONT'D.)

A2. AUDIT QUALIFICATION

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2016 was not qualified.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

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

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

A5. CHANGES IN ESTIMATES

There was no material change in estimates of amounts reported in prior financial years that have a material effect on the financial period ended 30 September 2016.

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

During the financial period, the Bank repaid the Senior Notes of RM325.0 million issued under a Senior Notes Programme of up to RM7.0 billion nominal value upon maturity on 28 April 2016.

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

A7. DIVIDENDS

During the financial quarter, the final single-tier cash dividend of 36.00 sen per ordinary share on 820,363,762 ordinary shares amounting to approximately RM295,330,954 in respect of the financial year ended 31 March 2016 was paid on 25 August 2016.

In respect of the current financial year, the Board of Directors declare an interim single-tier cash dividend of 21.00 sen per ordinary share on 820,363,762 ordinary shares amounting to approximately RM172,276,390.

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A8. FINANCIAL ASSETS HELD-FOR-TRADING

	Group and Bank	
	30 September	31 March
	2016	2016
	RM'000	RM'000
At fair value		
Money market instruments:		
Government Investment Issues	1,012,041	206,757
Foreign Government Investment Issues	22,350	-
Malaysian Government Securities	410,621	287,529
	<u>1,445,012</u>	<u>494,286</u>
Quoted securities:		
<i>In Malaysia:</i>		
Shares	66,096	67,560
Unit trusts	109,417	130,272
Warrants	-	80
Private debt securities	38,885	38,962
	<u>214,398</u>	<u>236,874</u>
<i>Outside Malaysia:</i>		
Shares	118,312	102,101
Unquoted securities:		
<i>In Malaysia:</i>		
Private debt securities	891,560	1,000,756
<i>Outside Malaysia:</i>		
Private debt securities	-	36,410
	<u>2,669,282</u>	<u>1,870,427</u>

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A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
At fair value				
Money market instruments:				
Government Investment Issues	613,765	625,820	613,765	625,820
Islamic Treasury Bills	-	28,723	-	28,723
Malaysian Government Securities	67,390	384,777	67,390	384,777
Negotiable Instruments of Deposit	979,673	2,049,644	979,673	2,049,644
	<u>1,660,828</u>	<u>3,088,964</u>	<u>1,660,828</u>	<u>3,088,964</u>
Quoted securities:				
<i>In Malaysia:</i>				
Shares	3,429	4,204	3,429	4,202
Unit trusts	147,709	137,617	147,709	137,617
	<u>151,138</u>	<u>141,821</u>	<u>151,138</u>	<u>141,819</u>
<i>Outside Malaysia:</i>				
Shares	49	47	8	8
Unquoted securities:				
<i>In Malaysia:</i>				
Private debt securities	4,052,799	3,845,078	4,112,907	3,914,201
<i>Outside Malaysia:</i>				
Private debt securities	215,717	312,740	215,717	312,740
At cost				
Unquoted securities:				
<i>In Malaysia:</i>				
Shares	87,375	87,375	87,330	87,330
<i>Outside Malaysia:</i>				
Shares	182	175	182	175
	<u>6,168,088</u>	<u>7,476,200</u>	<u>6,228,110</u>	<u>7,545,237</u>

As at 30 September 2016, the Bank owns 26.7% (31 March 2016: 26.7%) of AmFirst Real Estate Investment Trust ("REIT"). In accordance with MFRS 128 Investment in Associates and Joint Ventures, it is presumed that the Bank has significant influence over REIT. However, the Bank has no significant influence as it has restricted voting power in the Trust Deed. Accordingly, the investment is recognised as Available-for-sale ("AFS").

In the financial year ended 31 March 2014, the Bank reclassified securities amounting to RM62,181,000 that are not quoted in an active market out of the AFS category to the loans and receivables category as the Bank has the intention to hold the securities until maturity.

As at 30 September 2016, the fair value gain that would have been recognised in other comprehensive income for the current period if the securities had not been reclassified amounted to RM2,143,000 (31 March 2016: RM4,102,000).

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A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group and Bank	
	30 September 2016 RM'000	31 March 2016 RM'000
At amortised cost		
Money market instruments:		
Foreign Treasury Bills	206,668	780,153
Unquoted securities:		
<i>In Malaysia:</i>		
Private debt securities	2,065,962	2,051,609
	<u>2,272,630</u>	<u>2,831,762</u>
Less: Accumulated impairment losses	(3,008)	(3,008)
	<u>2,269,622</u>	<u>2,828,754</u>

A11. LOANS AND ADVANCES

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
At amortised cost:				
Overdraft	2,397,600	2,314,683	2,397,600	2,314,683
Term loans	14,047,198	14,641,244	14,047,198	14,641,244
Housing loan receivables	17,036,974	15,673,465	16,865,549	15,493,600
Hire purchase receivables	12,726,919	12,833,088	12,726,919	12,833,088
Bills receivables	977,269	934,993	977,269	934,993
Trust receipts	1,281,082	1,114,735	1,281,082	1,114,735
Claims on customers under acceptance credits	2,822,135	2,823,822	2,822,135	2,823,822
Card receivables	1,298,913	1,305,021	1,298,913	1,305,021
Revolving credits	7,385,852	7,827,388	7,467,294	7,909,441
Staff loans	110,385	112,094	110,385	112,094
Others	188,403	216,359	188,403	216,359
	<u>60,272,730</u>	<u>59,796,892</u>	<u>60,182,747</u>	<u>59,699,080</u>
Gross loans and advances				
Allowance for impairment on loans and advances:				
- Individual allowance	(77,292)	(251,303)	(77,292)	(251,303)
- Collective allowance	(735,813)	(730,849)	(735,703)	(730,576)
Net loans and advances	<u>59,459,625</u>	<u>58,814,740</u>	<u>59,369,752</u>	<u>58,717,201</u>

Note:

As part of Restricted Investment Account arrangement with AmBank Islamic Berhad ("AmBank Islamic"), the Bank records the amount it provides as financing under the arrangement as investment account. The financing to external parties made by AmBank Islamic is recorded by AmBank Islamic as financing and advances. As losses from the business venture is borne solely by the Bank, the related collective allowance is recorded by the Bank.

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A11. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
Domestic banking institutions	157,596	160,533	157,596	160,533
Domestic non-bank financial institutions	1,426,497	1,678,716	1,507,939	1,760,769
Domestic business enterprises				
- Small medium enterprises	8,121,313	7,820,765	8,121,313	7,820,765
- Others	15,728,104	16,546,462	15,728,104	16,546,462
Government and statutory bodies	119,645	104,172	119,645	104,172
Individuals	33,461,778	32,131,490	33,290,353	31,951,625
Other domestic entities	92,598	108,574	92,598	108,574
Foreign individuals and entities	1,165,199	1,246,180	1,165,199	1,246,180
	<u>60,272,730</u>	<u>59,796,892</u>	<u>60,182,747</u>	<u>59,699,080</u>

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

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
In Malaysia	59,761,524	59,161,871	59,671,541	59,064,059
Outside Malaysia	511,206	635,021	511,206	635,021
	<u>60,272,730</u>	<u>59,796,892</u>	<u>60,182,747</u>	<u>59,699,080</u>

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

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
Fixed rate				
- Housing loans	313,853	333,008	142,429	153,143
- Hire purchase receivables	11,684,420	12,058,941	11,684,420	12,058,941
- Other fixed rate loans	5,914,975	5,973,668	5,914,975	5,973,668
Variable rate				
- Base rate and base lending rate plus	26,210,396	24,787,850	26,210,396	24,787,850
- Cost plus	14,192,260	14,913,375	14,273,701	14,995,428
- Other variable rates	1,956,826	1,730,050	1,956,826	1,730,050
	<u>60,272,730</u>	<u>59,796,892</u>	<u>60,182,747</u>	<u>59,699,080</u>

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A11. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
Agriculture	2,348,590	2,576,964	2,348,590	2,576,964
Mining and quarrying	1,318,803	1,447,730	1,318,803	1,447,730
Manufacturing	5,935,460	6,147,509	5,935,460	6,147,509
Electricity, gas and water	326,976	367,281	326,976	367,281
Construction	2,758,976	2,216,717	2,758,976	2,216,717
Wholesale and retail trade and hotel and restaurants	3,552,063	3,390,668	3,552,063	3,390,668
Transport, storage and communication	696,735	1,016,558	696,735	1,016,558
Finance and insurance	1,584,093	1,878,425	1,665,535	1,960,478
Real estate	5,701,034	6,059,302	5,701,034	6,059,302
Business activities	813,652	783,359	813,652	783,359
Education and health	728,867	850,666	728,867	850,666
Household of which:	34,096,952	32,735,468	33,925,527	32,555,603
- purchase of residential properties	16,807,212	15,482,210	16,635,787	15,302,345
- purchase of transport vehicles	12,103,941	12,170,346	12,103,941	12,170,346
- others	5,185,799	5,082,912	5,185,799	5,082,912
Others	410,529	326,245	410,529	326,245
	<u>60,272,730</u>	<u>59,796,892</u>	<u>60,182,747</u>	<u>59,699,080</u>

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

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
Maturing within one year	14,215,732	14,352,180	14,295,875	14,432,934
Over one year to three years	5,907,344	6,864,478	5,899,452	6,856,586
Over three years to five years	7,466,853	7,623,251	7,458,704	7,615,102
Over five years	32,682,801	30,956,983	32,528,716	30,794,458
	<u>60,272,730</u>	<u>59,796,892</u>	<u>60,182,747</u>	<u>59,699,080</u>

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

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
Balance at beginning of the financial year	1,093,403	963,985	1,093,064	963,361
Impaired during the period/year	353,417	1,003,542	353,119	1,002,165
Reclassified as non-impaired	(38,221)	(15,426)	(38,221)	(15,426)
Recoveries	(210,668)	(423,800)	(210,441)	(422,138)
Amount written off	(353,458)	(434,898)	(353,458)	(434,898)
Foreign exchange differences	5,930	-	5,930	-
Balance at end of the financial period/year	<u>850,403</u>	<u>1,093,403</u>	<u>849,993</u>	<u>1,093,064</u>
Gross impaired loans and advances as % of gross loans and advances	<u>1.4%</u>	<u>1.8%</u>	<u>1.4%</u>	<u>1.8%</u>
Loan loss coverage	<u>95.6%</u>	<u>89.8%</u>	<u>95.6%</u>	<u>89.8%</u>

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A11. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
In Malaysia	745,424	992,117	745,014	991,778
Outside Malaysia	104,979	101,286	104,979	101,286
	<u>850,403</u>	<u>1,093,403</u>	<u>849,993</u>	<u>1,093,064</u>

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

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
Agriculture	1,053	2,272	1,053	2,272
Mining and quarrying	91,148	84,987	91,148	84,987
Manufacturing	14,623	155,617	14,623	155,617
Electricity, gas and water	15	265	15	265
Construction	9,101	45,620	9,101	45,620
Wholesale and retail trade and hotel and restaurants	27,525	29,332	27,525	29,332
Transport, storage and communication	6,811	18,272	6,811	18,272
Finance and insurance	452	477	452	477
Real estate	145,849	193,236	145,849	193,236
Business activities	5,909	5,830	5,909	5,830
Education and health	3,204	3,738	3,204	3,738
Household of which:	538,264	547,732	537,854	547,393
- purchase of residential properties	303,003	304,227	302,593	303,888
- purchase of transport vehicles	133,710	151,992	133,710	151,992
- others	101,551	91,513	101,551	91,513
Others	6,449	6,025	6,449	6,025
	<u>850,403</u>	<u>1,093,403</u>	<u>849,993</u>	<u>1,093,064</u>

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

	Group and Bank	
	30 September 2016 RM'000	31 March 2016 RM'000
Individual allowance		
Balance at beginning of the financial year	251,303	167,457
(Reversal from)/Charge to statement of profit or loss, net	(2,990)	111,381
Amount written-off	(171,521)	(27,535)
Foreign exchange differences	500	-
Balance at end of the financial period/year	<u>77,292</u>	<u>251,303</u>

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A11. LOANS AND ADVANCES (CONT'D.)

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
Collective allowance				
Balance at beginning of the financial year	730,849	953,660	730,576	953,480
Charge to statement of profit or loss, net	157,566	185,846	157,729	185,754
Amount transferred to				
AmBank Islamic (a)	-	(17)	-	(17)
Amount written-off	(153,772)	(409,920)	(153,772)	(409,920)
Foreign exchange differences	1,170	1,280	1,170	1,279
Balance at end of the financial period/year (b)	<u>735,813</u>	<u>730,849</u>	<u>735,703</u>	<u>730,576</u>
Collective allowance as % of gross loans and advances less individual allowance	1.2%	1.2%	1.2%	1.2%

(a) On 31 December 2015, a new Restricted Investment Account ("RIA") contract for the sum of RM300,000,000 was entered into by the Bank with AmBank Islamic. Arising from this new contract, AmBank Islamic transferred collective allowance of RM2,461,000 for the financing funded by the Bank. On 15 March 2016, the Bank early redeemed the RIA and derecognised the collective allowance previously recognised in its financial statements of RM2,478,000.

(b) As at 30 September 2016, the gross exposure and collective allowance relating to the RIA financing for the Group and the Bank amounted to RM1,003,656,000 and RM1,474,000 (31 March 2016: RM1,003,979,000 and RM1,473,000) respectively.

There was no individual allowance provided for the RIA financing as at 30 September 2016 and 31 March 2016.

A12. RECEIVABLES: INVESTMENTS NOT QUOTED IN ACTIVE MARKETS

	Group and Bank	
	30 September 2016 RM'000	31 March 2016 RM'000
At amortised cost:		
Unquoted private debt securities in Malaysia	<u>227,181</u>	<u>97,181</u>

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A13. OTHER ASSETS

	Group		Bank	
	30 September 2016	31 March 2016	30 September 2016	31 March 2016 (Restated)
	RM'000	RM'000	RM'000	RM'000
Other receivables, deposits and prepayments	347,657	344,441	333,910	331,432
Interest receivable	219,938	220,566	219,945	220,582
Amount due from originators	283,621	304,803	283,621	304,803
Amount due from subsidiaries and related companies	139,857	34,794	135,469	40,733
Collateral pledged for derivative transactions	445,337	670,715	445,337	670,715
Foreclosed properties	79,007	78,711	78,699	78,404
Deferred charges	84,130	79,050	84,130	79,050
Tax recoverable *	434,467	347,741	421,927	344,960
	<u>2,034,014</u>	<u>2,080,821</u>	<u>2,003,038</u>	<u>2,070,679</u>
Less: Accumulated impairment losses	(48,768)	(48,650)	(36,200)	(35,898)
	<u>1,985,246</u>	<u>2,032,171</u>	<u>1,966,838</u>	<u>2,034,781</u>

* In the financial year ended 31 March 2015, the Inland Revenue Board ("IRB") had issued notice of income tax assessments for the year of assessment 2008 and 2009 to the Bank and the Bank had appealed against the said notices by filing an application to the High Court for judicial review of the notice of assessment for the year of assessment 2008 and to the Special Commissioners of Income Tax for the notice of assessment for the year of assessment 2009. The tax paid of approximately RM203,500,700 was recognised as tax recoverable as the Bank is of the opinion that it has strong grounds to succeed in its appeals.

The Bank was successful in its appeals for the majority of the tax matters under dispute and had received Notices of Reduced Assessment for year of assessment 2008 from the IRB. For year of assessment 2009, the next case management is scheduled on 8 November 2016.

A14. ASSET HELD FOR SALE

	Group		Bank	
	30 September 2016	31 March 2016	30 September 2016	31 March 2016
	RM'000	RM'000	RM'000	RM'000
Proposed disposal of properties obtained from garnishee proceedings (a)	1,028	-	1,028	-
Proposed disposal of AmTrustee Berhad (b)	-	3,167	-	100
	<u>1,028</u>	<u>3,167</u>	<u>1,028</u>	<u>100</u>

(a) This relates to properties obtained from garnishee proceedings initiated by the Bank. As at 30 September 2016, AmBank had received earnest deposit from the purchaser. The sale is expected to be completed by within the current financial year.

(b) As at 30 September 2016, the above disposal was completed as disclosed in Note A30 (a).

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A15. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30 September 2016	31 March 2016	30 September 2016	31 March 2016 (Restated)
	RM'000	RM'000	RM'000	RM'000
Licensed banks	99,979	334,831	99,979	334,831
Licensed investment banks	160,418	123,953	160,418	123,953
Other financial Institutions	524,024	469,970	624,631	549,720
Bank Negara Malaysia	23,403	22,384	23,403	22,384
	<u>807,824</u>	<u>951,138</u>	<u>908,431</u>	<u>1,030,888</u>

A16. DEPOSIT FROM CUSTOMERS

	Group		Bank	
	30 September 2016	31 March 2016	30 September 2016	31 March 2016
	RM'000	RM'000	RM'000	RM'000
Demand deposits	9,036,125	9,689,196	9,038,572	9,690,746
Savings deposits	3,390,102	3,317,483	3,390,102	3,317,483
Term/Investment deposits	46,998,918	49,141,538	47,069,290	49,239,047
Negotiable instruments of deposits	252	248	252	248
	<u>59,425,397</u>	<u>62,148,465</u>	<u>59,498,216</u>	<u>62,247,524</u>

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A16. DEPOSIT FROM CUSTOMERS (CONT'D.)

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

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
Government and other statutory bodies	2,615,399	4,261,283	2,615,399	4,261,283
Business enterprises	25,978,779	27,963,073	26,051,598	28,062,132
Individuals	26,920,737	27,894,358	26,920,737	27,894,358
Others	3,910,482	2,029,751	3,910,482	2,029,751
	<u>59,425,397</u>	<u>62,148,465</u>	<u>59,498,216</u>	<u>62,247,524</u>

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

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
Due within six months	37,168,722	37,107,011	37,239,094	37,204,520
Over six months to one year	7,155,918	9,325,469	7,155,918	9,325,469
Over one year to three years	2,247,628	2,268,642	2,247,628	2,268,642
Over three years to five years	426,902	440,664	426,902	440,664
	<u>46,999,170</u>	<u>49,141,786</u>	<u>47,069,542</u>	<u>49,239,295</u>

A17. OTHER LIABILITIES

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 (Restated) RM'000
Other payables and accruals	1,087,829	1,095,582	1,071,888	1,074,929
Interest payable	608,947	636,611	608,951	636,618
Amount due to related companies	2	91,790	293	91,788
Collateral received for derivative transactions	125,969	469,030	125,969	469,030
Lease deposits and advance rentals	8,438	8,332	8,438	8,332
Provision for commitments and contingencies	54,892	72,793	54,912	72,813
Provision for taxation	133	102	30	20
	<u>1,886,210</u>	<u>2,374,240</u>	<u>1,870,481</u>	<u>2,353,530</u>

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A18. INTEREST INCOME

	Individual Quarter		Cumulative Quarter	
	30 September	30 September	30 September	30 September
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Group				
Short-term funds and deposits with financial institutions	21,112	43,719	45,437	94,554
Financial assets held-for-trading	21,871	16,343	45,727	32,998
Financial investments available-for-sale	68,298	77,735	143,743	135,017
Financial investments held-to-maturity	20,567	20,516	41,308	40,695
Loans and advances	791,807	819,464	1,594,482	1,648,253
Investment account	12,847	15,891	25,892	30,893
Impaired loans and advances	1,673	3,213	3,814	4,624
Others	10,308	18,372	26,062	26,030
	<u>948,483</u>	<u>1,015,253</u>	<u>1,926,465</u>	<u>2,013,064</u>
Bank				
Short-term funds and deposits with financial institutions	18,338	43,684	41,059	92,358
Financial assets held-for-trading	21,871	16,343	45,727	32,998
Financial investments available-for-sale	69,103	78,827	145,405	137,280
Financial investments held-to-maturity	20,567	20,516	41,308	40,695
Loans and advances	789,689	817,024	1,590,232	1,643,284
Investment account	12,847	15,891	25,892	30,893
Impaired loans and advances	1,673	3,213	3,814	4,624
Others	10,308	18,371	26,062	25,985
	<u>944,396</u>	<u>1,013,869</u>	<u>1,919,499</u>	<u>2,008,117</u>

A19. INTEREST EXPENSE

	Individual Quarter		Cumulative Quarter	
	30 September	30 September	30 September	30 September
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Group				
Deposits from customers	459,859	468,026	927,087	931,400
Deposits and placements of banks and other financial institutions	8,332	10,182	20,152	22,240
Recourse obligation of loans sold to Cagamas Berhad	27,036	10,235	53,868	20,370
Term funding	44,966	50,533	91,976	97,861
Debt capital	44,125	50,629	87,742	99,238
Others	1,730	1,256	3,232	2,560
	<u>586,048</u>	<u>590,861</u>	<u>1,184,057</u>	<u>1,173,669</u>
Bank				
Deposits from customers	459,594	470,791	928,891	934,825
Deposits and placements of banks and other financial institutions	8,334	10,182	20,154	22,241
Recourse obligation of loans sold to Cagamas Berhad	27,036	10,235	53,868	20,370
Term funding	44,966	50,533	91,976	97,861
Debt capital	44,125	51,436	87,742	100,885
Others	1,730	1,256	3,232	2,560
	<u>585,785</u>	<u>594,433</u>	<u>1,185,863</u>	<u>1,178,742</u>

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A20. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30 September 2016 RM'000	30 September 2015 RM'000	30 September 2016 RM'000	30 September 2015 RM'000
Fee and commission income:				
Bancassurance commission	7,027	6,776	12,930	14,227
Brokerage fees, commission and rebates	452	588	1,033	1,328
Card operation charges	-	3,479	3,821	8,521
Fees on loans, advances and securities	36,311	32,764	80,966	70,585
Fees, service and commission charges	7,816	8,256	15,398	15,919
Guarantee fees	15,552	13,363	30,389	26,991
Remittances	4,471	5,308	10,123	10,936
Other fee and commission	8,417	4,632	12,899	10,189
	<u>80,046</u>	<u>75,166</u>	<u>167,559</u>	<u>158,696</u>
Investment and trading income:				
Foreign exchange gain/(loss) *	5,248	5,322	(1,235)	49,096
Gross dividend income from:				
Financial assets held-for-trading	1	425	949	1,303
Financial investments available-for-sale	198	198	2,736	7,254
Net gain/(loss) on sale/redemption of:				
Financial assets held-for-trading	89,945	(11,016)	105,656	(11,668)
Financial investments available-for-sale	18,035	(1,717)	21,626	19,528
Financial investments held-to-maturity	47	-	47	-
Net gain/(loss) on revaluation of financial assets held-for-trading	1,143	(42,845)	4,224	(25,774)
Net gain/(loss) on derivatives	(10,968)	95,465	12,395	64,202
Gain on disposal of an associate	-	-	1,399	-
Others	4,967	(2,184)	11,029	(2,025)
	<u>108,616</u>	<u>43,648</u>	<u>158,826</u>	<u>101,916</u>
Other income:				
Net gain on disposal of property and equipment	39	18	58	53
Net non trading foreign exchange gain/(loss)	37	(617)	741	(1,304)
Profit from sale of goods and services	5,343	8,934	13,848	18,584
Rental income	876	904	1,788	1,941
Others	1,981	3,599	4,129	3,715
	<u>8,276</u>	<u>12,838</u>	<u>20,564</u>	<u>22,989</u>
	<u>196,938</u>	<u>131,652</u>	<u>346,949</u>	<u>283,601</u>

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

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A20. OTHER OPERATING INCOME (CONT'D.)

	Individual Quarter		Cumulative Quarter	
	30 September 2016 RM'000	30 September 2015 (Restated) RM'000	30 September 2016 RM'000	30 September 2015 (Restated) RM'000
Bank				
Fee and commission income:				
Bancassurance commission	7,027	6,774	12,923	14,224
Brokerage fees, commission and rebates	452	588	1,033	1,328
Card operation charges	-	3,479	3,821	8,521
Fees on loans, advances and securities	36,236	32,585	80,792	70,276
Fees, service and commission charges	7,866	8,355	15,517	16,168
Guarantee fees	15,552	13,363	30,389	26,991
Remittances	4,471	5,308	10,123	10,936
Other fee and commission	8,417	4,632	12,899	10,189
	<u>80,021</u>	<u>75,084</u>	<u>167,497</u>	<u>158,633</u>
Investment and trading income:				
Foreign exchange gain/(loss) *	5,248	5,322	(1,235)	49,096
Gross dividend income from:				
Financial assets held-for-trading	1	425	949	1,303
Financial investments available-for-sale	198	198	2,736	7,254
Subsidiaries	-	51,209	-	51,209
Net gain/(loss) on sale/redemption of:				
Financial assets held-for-trading	89,945	(11,016)	105,656	(11,668)
Financial investments available-for-sale	18,032	(1,763)	21,623	19,716
Financial investments held-to-maturity	47	-	47	-
Net gain/(loss) on revaluation of financial assets held-for-trading	1,143	(42,845)	4,224	(25,774)
Net gain/(loss) on derivatives	(10,968)	95,465	12,395	64,202
Gain on disposal of an associate	-	-	2,179	-
Others	4,967	(1,940)	11,347	(1,395)
	<u>108,613</u>	<u>95,055</u>	<u>159,921</u>	<u>153,943</u>
Other income:				
Net gain on disposal of property and equipment	38	18	57	53
Net non trading foreign exchange gain	39	198	746	350
Profit from sale of goods and services	5,343	8,934	13,848	18,584
Rental income	758	784	1,550	1,702
Others	2,127	3,627	4,299	3,691
	<u>8,305</u>	<u>13,561</u>	<u>20,500</u>	<u>24,380</u>
	<u>196,939</u>	<u>183,700</u>	<u>347,918</u>	<u>336,956</u>

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

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A21. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	30 September 2016 RM'000	30 September 2015 RM'000	30 September 2016 RM'000	30 September 2015 RM'000
Personnel costs:				
Medical	1,974	4,802	6,110	8,878
Insurance	5,397	4,973	11,030	7,972
Contributions to Employees' Provident Fund	27,286	24,433	53,763	47,700
Salaries, bonuses, allowances and incentives	172,897	163,116	348,102	309,450
Share and options granted under ESS - charge/ (writeback)	(13,177)	(1,733)	(13,391)	949
Social security costs	1,614	1,276	2,983	2,546
Recruitment costs	2,968	1,926	4,496	3,843
Training	621	2,362	1,941	3,984
Others	965	1,512	4,253	5,518
Expenses capitalised	-	(2,161)	-	(5,841)
	<u>200,545</u>	<u>200,506</u>	<u>419,287</u>	<u>384,999</u>
Establishment costs:				
Amortisation of intangible assets	20,236	18,068	39,708	34,887
Cleaning, maintenance and security	5,696	7,638	11,771	13,563
Computerisation cost	39,661	44,758	79,258	87,381
Depreciation of property and equipment	10,098	10,185	20,231	19,908
Rental of premises	21,150	20,648	42,423	43,722
Others	8,503	9,006	18,864	18,351
Expenses capitalised	-	(953)	(24)	(1,519)
	<u>105,344</u>	<u>109,350</u>	<u>212,231</u>	<u>216,293</u>
Marketing and communication expenses:				
Advertising and marketing	7,694	8,212	11,518	14,638
Commission	2,865	2,868	6,225	4,708
Communication	9,790	14,603	18,948	26,058
Others	1,516	1,871	3,334	3,624
	<u>21,865</u>	<u>27,554</u>	<u>40,025</u>	<u>49,028</u>
Administration and general expenses:				
Bank charges	1,683	1,890	3,216	3,134
Insurance	2,116	719	2,862	1,497
Professional services	18,849	19,772	33,384	45,136
Travelling	806	1,365	2,281	2,416
Subscriptions, newspaper and periodicals	438	870	1,931	1,432
Others	17,476	10,889	34,272	25,700
	<u>41,368</u>	<u>35,505</u>	<u>77,946</u>	<u>79,315</u>
Service transfer pricing recovery - net	(92,821)	(74,133)	(181,009)	(156,879)
Acquisition and business efficiency costs - charge/(writeback)	(471)	1,816	301	3,159
	<u>275,830</u>	<u>300,598</u>	<u>568,781</u>	<u>575,915</u>

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A21. OTHER OPERATING EXPENSES (CONT'D.)

	Individual Quarter		Cumulative Quarter	
	30 September 2016	30 September 2015 (Restated)	30 September 2016	30 September 2015 (Restated)
	RM'000	RM'000	RM'000	RM'000
Bank				
Personnel costs:				
Medical	1,970	4,798	6,105	8,871
Insurance	5,378	4,970	11,010	7,961
Contributions to Employees' Provident Fund	27,265	24,574	53,742	47,486
Salaries, bonuses, allowances and incentives	172,769	164,065	347,048	308,181
Share and options granted under ESS - charge/ (writeback)	(12,953)	(1,733)	(13,315)	949
Social security costs	1,611	1,275	2,979	2,543
Recruitment costs	2,968	1,926	4,496	3,843
Training	621	2,363	1,941	3,985
Others	964	1,510	4,256	5,517
Expenses capitalised	-	(2,161)	-	(5,841)
	<u>200,593</u>	<u>201,587</u>	<u>418,262</u>	<u>383,495</u>
Establishment costs:				
Amortisation of intangible assets	20,235	18,066	39,707	34,884
Cleaning, maintenance and security	5,476	7,390	11,443	13,168
Computerisation cost	39,661	44,758	79,258	87,381
Depreciation of property and equipment	9,974	10,056	19,983	19,676
Rental of premises	21,695	21,181	43,501	44,788
Others	8,359	8,847	18,540	18,031
Expenses capitalised	-	(953)	(24)	(1,519)
	<u>105,400</u>	<u>109,345</u>	<u>212,408</u>	<u>216,409</u>
Marketing and communication expenses:				
Advertising and marketing	7,694	8,211	11,518	14,638
Commission	2,864	2,869	6,224	4,707
Communication	9,789	14,602	18,947	26,054
Others	1,516	1,869	3,328	3,620
	<u>21,863</u>	<u>27,551</u>	<u>40,017</u>	<u>49,019</u>
Administration and general expenses:				
Bank Charges	1,682	1,890	3,215	3,134
Insurance	2,105	719	2,852	1,497
Professional services	18,744	19,916	33,202	45,167
Travelling	805	1,365	2,280	2,414
Subscriptions, newspaper and periodicals	438	870	1,931	1,432
Others	17,373	10,846	34,073	25,672
	<u>41,147</u>	<u>35,606</u>	<u>77,553</u>	<u>79,316</u>
Service transfer pricing recovery - net	(92,820)	(74,144)	(181,021)	(156,903)
Acquisition and business efficiency costs - charge/(writeback)	(471)	1,816	301	3,159
	<u>275,712</u>	<u>301,761</u>	<u>567,520</u>	<u>574,495</u>

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A22. WRITEBACK OF ALLOWANCE FOR IMPAIRMENT ON LOANS AND ADVANCES

	Individual Quarter		Cumulative Quarter	
	30 September 2016 RM'000	30 September 2015 RM'000	30 September 2016 RM'000	30 September 2015 RM'000
Group				
Allowance/(writeback of allowance) for impaired loans and advances:				
Individual allowance, net	(9,216)	14,008	(2,990)	9,174
Collective allowance, net	79,661	83,669	157,566	161,160
Impaired loans and advances recovered, net	(109,600)	(170,359)	(238,913)	(268,442)
	<u>(39,155)</u>	<u>(72,682)</u>	<u>(84,337)</u>	<u>(98,108)</u>
Bank				
Allowance/(writeback of allowance) for impaired loans and advances:				
Individual allowance, net	(9,216)	14,008	(2,990)	9,174
Collective allowance, net	79,840	83,729	157,729	161,218
Impaired loans and advances recovered, net	(109,625)	(170,368)	(238,938)	(268,451)
	<u>(39,001)</u>	<u>(72,631)</u>	<u>(84,199)</u>	<u>(98,059)</u>

A23. IMPAIRMENT LOSS/(WRITEBACK) ON FINANCIAL INVESTMENTS

	Individual Quarter		Cumulative Quarter	
	30 September 2016 RM'000	30 September 2015 RM'000	30 September 2016 RM'000	30 September 2015 RM'000
Group and Bank				
Financial investments available-for-sale	-	25,688	-	25,688
Financial investments held-to-maturity	-	(2,900)	-	(2,900)
	<u>-</u>	<u>22,788</u>	<u>-</u>	<u>22,788</u>

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A24. EARNINGS PER SHARE ("EPS")

Basic

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholder of the Bank by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	30 September 2016	30 September (Restated) 2015	30 September 2016	30 September (Restated) 2015
Group				
Net profit attributable to shareholder of the Bank (RM'000)	254,595	239,238	480,171	491,377
Number of ordinary shares at beginning of the financial year and end of period representing weighted average number of ordinary shares in issue ('000)	820,364	820,364	820,364	820,364
Basic earnings per share (sen)	31.03	29.16	58.53	59.90
Bank				
Net profit attributable to shareholder of the Bank (RM'000)	251,338	286,326	480,834	537,614
Number of ordinary shares at beginning of the financial year and end of period representing weighted average number of ordinary shares in issue ('000)	820,364	820,364	820,364	820,364
Basic earnings per share (sen)	30.64	34.90	58.61	65.53

A25. BUSINESS SEGMENT ANALYSIS

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

The Group comprises the following main business segments:

(a) Retail Banking

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

(b) Wholesale Banking

Wholesale Banking comprises Corporate and Commercial Banking, Markets and Investment Banking, as follows:

- (i) Corporate and Commercial Banking offers a full range of products and services of corporate lending, trade finance, offshore banking, and cash management solutions to wholesale banking clients.
- (ii) Markets includes proprietary trading as well as providing full range of products and services relating to treasury activities, including foreign exchange, derivatives, and fixed income.
- (iii) Investment Banking develops and trades equity derivatives such as structured warrants listed on Bursa Malaysia Securities Berhad. It also offers customised equity linked solutions, for high net worth individuals and corporate clients, to cater for their unique investment management strategy.

(c) Group Funding and Others

Group Funding and Others comprise activities to maintain the liquidity of the Group as well as support operations of its main business units and non-core operations of the Group.

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A25. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group For the financial period ended 30 September 2016	Wholesale Banking					Total RM'000
	Retail Banking RM'000	Corporate and Commercial Banking RM'000	Markets RM'000	Investment Banking RM'000	Group Funding and Others RM'000	
External revenue	1,058,061	722,208	246,399	77,246	169,500	2,273,414
Revenue from other segments	(77,433)	70,675	(117,794)	(14,243)	138,795	-
Total operating revenue	980,628	792,883	128,605	63,003	308,295	2,273,414
Net interest income	399,826	248,551	25,910	9,018	59,103	742,408
Other operating income	111,409	75,697	90,137	53,985	14,322	345,550
Gain on disposal of an associate	-	-	-	-	1,399	1,399
Income	511,235	324,248	116,047	63,003	74,824	1,089,357
Other operating expenses	(329,129)	(91,665)	(35,645)	(4,973)	(107,369)	(568,781)
of which:						
<i>Depreciation of Property and Equipment</i>	(12,126)	(569)	(414)	(28)	(7,160)	(20,297)
<i>Amortisation of Intangible Assets</i>	(4,596)	(1,268)	(3,179)	(13)	(31,028)	(40,084)
Profit/(Loss) before impairment losses	182,106	232,583	80,402	58,030	(32,545)	520,576
Writeback of/(allowance for) impairment losses on loans and advances	32,778	67,714	-	2,894	(19,049)	84,337
(Allowance for)/Writeback of impairment losses on other assets	(3)	(288)	-	-	(46)	(337)
(Allowance for)/Writeback of provision for commitments and contingencies	2,279	12,406	-	(1,734)	(6,779)	6,172
Other recoveries	2	12,068	-	-	501	12,571
Profit/(Loss) before taxation	217,162	324,483	80,402	59,190	(57,918)	623,319
Taxation	(52,014)	(73,831)	(19,297)	(14,034)	16,028	(143,148)
Profit/(Loss) for the financial period	165,148	250,652	61,105	45,156	(41,890)	480,171
Other information						
Total segment assets	35,097,833	25,043,019	6,600,653	1,364,845	14,388,044	82,494,394
Total segment liabilities	30,531,001	30,772,821	1,583,362	12,328	11,081,646	73,981,158
Cost to income ratio	64.4%	28.3%	30.7%	7.9%	143.5%	52.2%
Gross loans and advances	34,288,779	24,815,087	-	1,099,776	69,088	60,272,730
Net loans and advances	33,965,251	24,648,489	-	1,094,199	(248,314)	59,459,625
Impaired loans and advances	563,779	286,624	-	-	-	850,403
Total deposits	29,963,420	30,077,397	185,838	-	6,566	60,233,221
Additions to:						
Property and equipment	10,627	259	25	4	15,576	26,491
Intangible assets	11,892	5,711	3	47	32,869	50,522

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A25. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group For the financial period ended 30 September 2015	Wholesale Banking					Total RM'000
	Retail Banking RM'000	Corporate and Commercial Banking RM'000	Markets RM'000	Investment Banking RM'000	Group Funding and Others RM'000	
External revenue	1,095,822	763,446	173,547	15,857	247,993	2,296,665
Revenue from other segments	(25,035)	61,514	(109,776)	(8,579)	81,876	-
Total operating revenue	<u>1,070,787</u>	<u>824,960</u>	<u>63,771</u>	<u>7,278</u>	<u>329,869</u>	<u>2,296,665</u>
Net interest income	455,258	295,969	14,490	7,686	65,992	839,395
Other operating income	137,686	66,157	34,306	(407)	45,859	283,601
Share in results of associates	-	-	-	-	607	607
Income	<u>592,944</u>	<u>362,126</u>	<u>48,796</u>	<u>7,279</u>	<u>112,458</u>	<u>1,123,603</u>
Other operating expenses	(326,255)	(82,573)	(33,688)	(9,576)	(123,823)	(575,915)
of which:						
<i>Depreciation of Property and Equipment</i>	(11,446)	(618)	(438)	(29)	(7,420)	(19,951)
<i>Amortisation of Intangible Assets</i>	(4,521)	(1,433)	(3,522)	(5)	(25,776)	(35,257)
Profit/(Loss) before impairment losses	266,689	279,553	15,108	(2,297)	(11,365)	547,688
(Allowance for)/Writeback of impairment losses on loans and advances	(8,371)	89,916	-	704	15,859	98,108
Writeback of/(Allowance for) impairment losses on other assets	(31)	(106)	(209)	-	(21,517)	(21,863)
(Allowance for)/Writeback of provision for commitments and contingencies	(2,863)	6,660	-	153	(17)	3,933
Other recoveries	-	-	-	-	754	754
Profit/(Loss) before taxation	<u>255,424</u>	<u>376,023</u>	<u>14,899</u>	<u>(1,440)</u>	<u>(16,286)</u>	<u>628,620</u>
Taxation	(61,196)	(84,114)	(3,576)	1,615	10,028	(137,243)
Profit/(Loss) for the financial period	<u>194,228</u>	<u>291,909</u>	<u>11,323</u>	<u>175</u>	<u>(6,258)</u>	<u>491,377</u>
Other information						
Total segment assets	32,376,943	25,739,182	9,561,759	2,938,018	17,089,742	87,705,644
Total segment liabilities	31,866,457	31,012,750	6,189,645	3,920	10,485,087	79,557,859
Cost to income ratio	55.0%	22.8%	69.0%	131.6%	110.1%	51.3%
Gross loans and advances	31,774,246	25,611,849	-	1,265,358	83,898	58,735,351
Net loans and advances	31,375,934	25,263,816	-	1,262,206	(225,284)	57,676,672
Impaired loans and advances	668,736	385,255	-	-	-	1,053,991
Total deposits	31,187,053	30,169,493	288,617	-	1,356,798	63,001,961
Additions to:						
Property and equipment	9,055	413	77	-	29,128	38,673
Intangible assets	6,495	1,210	95	-	47,812	55,612

Notes:

- The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia.

A26. PERFORMANCE REVIEW FOR THE PERIOD ENDED 30 SEPTEMBER 2016

The Group registered a profit before taxation ("pre-tax profit") of RM623.3 million, representing marginal decrease of RM5.3 million or 0.8% compared to the pre-tax profit for the corresponding period last year.

For current financial period, the decrease in pre-tax profit was attributable to lower net interest income by RM97.0 million or 11.6% and lower writeback of allowance for impairment on loans and advances by RM13.8 million or 14.0%. It was mitigated with higher other operating income by RM63.4 million or 22.4%, impairment loss on financial investments of RM22.8 million recorded in the corresponding period in the previous financial year, higher other recoveries of RM11.8 million and lower other operating expenses by RM7.1 million.

Lower net interest income mainly from loans and advances and placement of short term funds and deposits with financial institution. Higher other operating income mainly contributed by higher gain on disposal/redemption of securities offset by foreign exchange loss compared to gain in the corresponding period in previous financial year.

The Group and the Bank remained well capitalised with Risk Weighted capital adequacy ratios of 16.668% and 15.940% respectively.

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

A27. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2017

In the second quarter of 2016, the Malaysian economy registered 4.6% growth (1Q2016: 4.2%) supported by private consumption, which grew by 6.3% (1Q2016: 5.3%) driven by wage inflation, employment growth as well as additional disposable income from several Government initiatives. Private investment grew moderately by 5.6% (1Q2016: 2.2%) led by capital spending in services and manufacturing services.

For the calendar year 2016, the Gross Domestic Product has been forecasted to grow at between 4.0% - 4.5% (2015: 5.0%) supported by healthy government spending, relief from the stabilisation of oil prices and private expenditure. These are expected to cushion weaker exports clouded by subdued global growth and weak private consumption. Inflation is projected between 2.0% - 2.5% for 2016. In the short term, the banking system's net interest margin is expected to contract given the timing difference between the downward adjustment in floating interest rates and re-pricing of fixed deposit rates before normalising.

Loans and deposits are expected to grow at a moderate pace as business outlook is improving among various business activities. We expect credit costs to normalise from lower recoveries, while some sectors may experience stress in asset quality.

Despite the earlier headwinds, there are some bright spots and opportunities in the economy and amongst them will be the SME sector; which has consistently outpaced the GDP growth since 2005, and still has room for growth. The Budget 2017 provides continued impetus to domestic consumption with emphasis on affordable homes and infrastructure projects.

Our asset quality remains well positioned with loans growing at system or less as we continue to uphold the Group's disciplined risk-based pricing framework and underwriting strategies targeting growth in better quality assets.

For Retail Banking, the Group will continue to focus on the secondary and primary mortgage markets via strategic business partnerships and improvement of sales productivity. For our credit cards business, we aim to increase the issuance of cards to preferred segments, grow receivables and expand acquiring merchant business through new focused solutions. Branches and sales teams will focus more on sales especially on bancassurance and wealth management.

Growing deposits focusing on CASA continues to be a core agenda for FY2017 as we tap into our existing and new customer base to ensure our customers "bank" with AmBank. Ongoing process simplification initiatives will support this growth as we look towards enhancing the customer experience with online deposit functionality as part of our virtual banking aspirations.

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A27. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2017 (CONT'D.)

Wholesale Banking continues to focus on building and developing strong relationships with clients and continuously strives for excellence in offering innovative, quality and differentiated products solutions and services. The continued support for SMEs to expand as demonstrated in the Budget 2017 paves the way for higher market penetration opportunities for our new core segment. We have built up new capabilities and have 70 liability led SME ready branches and 12 full fledged SME ready branches.

We have kept and will continue to keep a tighter rein on costs as we strive to operate more efficiently through our "running the bank better" and "changing the bank" initiatives. The Group remains focused on our 4 year strategic growth themes.

A28. VALUATION OF PROPERTY AND EQUIPMENT

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

A29. SIGNIFICANT EVENT

Transfer of card operations from AmCard Services Berhad ("AmCard") to the Bank

On 4 May 2016, the Board had approved the proposal to assume the card operation management and processes ("the Business Transfer") from the Bank's wholly-owned subsidiary, AmCard. The Business Transfer is part of the Group's internal reorganisation plans to achieve operational efficiencies in the cards business whereby the card operations are currently outsourced to AmCard.

The Business Transfer which involved the acquisition of assets and liabilities of the card operations was completed on 1 July 2016 and the acquisition price was payable by cash amounting to approximately of RM32.0 million based on the book value of the net assets transferred.

The Business Transfer had been accounted for by the Bank via pooling of interests method. Under the pooling of interests method, the results and financial position of the the Business Transfer are included in the financial statements as if the merger had been effected prior to and throughout the current financial period.

The effect of pooling of interests method for the current financial period is as follows:

	Bank RM'000
Operating revenue	<u>3,821</u>
Other operating income	3,821
Other operating expenses	<u>20,915</u>
Operating profit	24,736
Taxation	<u>(5,936)</u>
Profit for the period	<u>18,800</u>

The effect of pooling of interests method for the comparative period is disclosed in Note A35.

A30. CHANGES IN THE COMPOSITION OF THE GROUP

(a) Disposal of investment in AmTrustee Berhad

On 23 June 2016, the Bank and its wholly-owned subsidiary, AmCard completed the disposal of the Group's entire 40% (20% each held by the Bank and AmCard) shareholding in AmTrustee Berhad ("AmTrustee"), previously classified as Asset held for sale, for a total cash consideration of RM4.6 million. The disposal resulted in a gain of RM1.4 million and RM2.2 million to the Group and the Bank respectively.

(b) Withdrawal of investment in a collective investment scheme, AmCash Premium

On 30 June 2016, the Bank had fully withdrawn its investment in a collective investment scheme, AmCash Premium. Accordingly, the Bank ceased to have control over AmCash Premium.

(c) Dissolution of a wholly-owned dormant subsidiary, Everflow Credit & Leasing Corporation Sdn Bhd

The Bank's wholly owned dormant subsidiary, Everflow Credit & Leasing Corporation Sdn Bhd had been dissolved by way of member's voluntary winding-up ("MVWU") pursuant to Section 254(1)(b) of the Companies Act, 1965 on 13 September 2016.

There has been no other significant changes in the composition of the Group for the financial quarter and period ended 30 September 2016.

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A31. COMMITMENTS AND CONTINGENCIES

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

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

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
Contingent Liabilities				
Direct credit substitutes	2,124,645	2,014,648	2,124,645	2,014,648
Transaction related contingent items	5,072,087	4,305,652	5,072,087	4,305,652
Short term self liquidating trade related contingencies	637,558	528,516	637,558	528,516
Obligations under on-going underwriting agreements	30,000	60,000	30,000	60,000
	<u>7,864,290</u>	<u>6,908,816</u>	<u>7,864,290</u>	<u>6,908,816</u>
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	13,106,680	11,841,565	13,145,124	11,879,905
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	3,964,872	3,703,251	3,964,872	3,703,251
Unutilised credit card lines	2,615,831	2,369,650	2,615,831	2,369,650
Forward asset purchase	588,607	856,526	588,607	856,526
Others	-	200	50	150
	<u>20,275,990</u>	<u>18,771,192</u>	<u>20,314,484</u>	<u>18,809,482</u>
Derivative Financial Instruments				
Foreign exchange related contracts				
- One year or less	33,311,624	42,733,469	33,311,624	42,733,469
- Over one year to five years	1,042,343	1,125,883	1,042,343	1,125,883
- Over five years	1,905,091	1,980,369	1,905,091	1,980,369
Interest rate related contracts				
- One year or less	5,755,881	8,175,391	5,755,881	8,175,391
- Over one year to five years	33,104,573	31,003,999	33,104,573	31,003,999
- Over five years	8,450,512	9,423,151	8,450,512	9,423,151
Credit related contracts				
- One year or less	-	337,027	-	337,027
- Over one year to five years	347,520	336,367	347,520	336,367
Equity and commodity related contracts				
- One year or less	191,521	159,106	191,521	159,106
- Over one year to five years	77,975	73,572	77,975	73,572
	<u>84,187,040</u>	<u>95,348,334</u>	<u>84,187,040</u>	<u>95,348,334</u>
Total	<u>112,327,320</u>	<u>121,028,342</u>	<u>112,365,814</u>	<u>121,066,632</u>

A32. FAIR VALUES OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

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

- 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.

Financial assets and liabilities measured using valuation techniques based on assumptions that are supported by prices from observable current market transactions are assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Group's own models whereby the majority of assumptions are market observable.

Non market observable inputs means that fair values are determined, in whole or in part, using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument, nor are they based on available market data. The main asset classes in this category are unlisted equity investments and debt instruments. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Group and the Bank. Therefore, unobservable inputs reflect the Group's and the Bank's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Group's and the Bank's own data.

About 0.6% (31 March 2016 : 0.6%) of the Bank's total financial assets recorded at fair value, are based on estimates and recorded as Level 3 investments. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. While such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not change the fair value significantly.

A32. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)

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

	Group				Bank			
	Valuation techniques			Total RM'000	Valuation techniques			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
30 September 2016								
Assets measured at fair value								
Derivative financial assets	246	1,102,061	-	1,102,307	246	1,102,061	-	1,102,307
Financial assets held-for-trading								
- Money market securities	-	1,445,012	-	1,445,012	-	1,445,012	-	1,445,012
- Equities	293,825	-	-	293,825	293,825	-	-	293,825
- Quoted private debt securities	38,885	-	-	38,885	38,885	-	-	38,885
- Unquoted private debt securities	-	891,560	-	891,560	-	891,560	-	891,560
Financial investments available-for-sale								
- Money market securities	-	1,660,828	-	1,660,828	-	1,660,828	-	1,660,828
- Equities	151,187	-	-	151,187	151,146	-	-	151,146
- Unquoted private debt securities	-	4,268,516	-	4,268,516	-	4,268,516	60,108	4,328,624
	<u>484,143</u>	<u>9,367,977</u>	<u>-</u>	<u>9,852,120</u>	<u>484,102</u>	<u>9,367,977</u>	<u>60,108</u>	<u>9,912,187</u>
Liabilities measured at fair value								
Derivative financial liabilities	529	1,054,025	-	1,054,554	529	1,054,025	-	1,054,554

A32. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)

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

	Group				Bank			
	Valuation techniques			Total RM'000	Valuation techniques			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
31 March 2016								
Assets measured at fair value								
Derivative financial assets	31	1,894,788	-	1,894,819	31	1,894,788	-	1,894,819
Financial assets held-for-trading								
- Money market securities	-	494,286	-	494,286	-	494,286	-	494,286
- Equities	300,013	-	-	300,013	300,013	-	-	300,013
- Quoted private debt securities	38,962	-	-	38,962	38,962	-	-	38,962
- Unquoted private debt securities	-	1,037,166	-	1,037,166	-	1,037,166	-	1,037,166
Financial investments available-for-sale								
- Money market securities	-	3,088,964	-	3,088,964	-	3,088,964	-	3,088,964
- Equities	141,868	-	-	141,868	141,827	-	-	141,827
- Unquoted private debt securities	-	4,157,818	-	4,157,818	-	4,157,818	69,123	4,226,941
	<u>480,874</u>	<u>10,673,022</u>	<u>-</u>	<u>11,153,896</u>	<u>480,833</u>	<u>10,673,022</u>	<u>69,123</u>	<u>11,222,978</u>
Liabilities measured at fair value								
Derivative financial liabilities	<u>1,988</u>	<u>2,021,223</u>	<u>-</u>	<u>2,023,211</u>	<u>1,988</u>	<u>2,021,223</u>	<u>-</u>	<u>2,023,211</u>

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

A32. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)

Movements In Level 3 financial instruments measured at fair value

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

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
Financial investments available-for-sale:				
Balance at beginning of the financial year	-	-	69,123	95,076
Total gains recognised in profit or loss:				
- other operating income	-	1,235	-	1,235
- impairment writeback	-	10,956	-	10,956
- other comprehensive income	-	-	458	111
Settlements	-	(12,191)	(9,473)	(38,255)
Balance at end of the financial period/year	-	-	60,108	69,123

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

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
Financial investments available-for-sale:				
Total gains included in:				
- impairment writeback	-	10,956	-	10,956
- other comprehensive income	-	-	458	111

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

Impact on fair value of Level 3 financial instruments measured at fair value arising from changes to key assumptions.

Changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

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A33. CAPITAL ADEQUACY

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

	Group		Bank	
	30 September	31 March	30 September	31 March (Restated)
	2016	2016	2016	2016
Before deducting proposed dividends				
Common Equity Tier 1 ("CET 1") Capital Ratio	12.158%	11.701%	11.482%	11.108%
Tier 1 Capital Ratio	13.638%	13.182%	12.946%	12.580%
Total Capital Ratio	16.927%	16.435%	16.196%	15.792%
After deducting proposed dividends				
CET 1 Capital Ratio	11.899%	11.257%	11.227%	10.667%
Tier 1 Capital Ratio	13.379%	12.738%	12.690%	12.139%
Total Capital Ratio	16.668%	15.991%	15.940%	15.351%

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 2016, pursuant to BNM's guideline on Capital Adequacy Framework (Capital Components) issued on 13 October 2015, the minimum capital adequacy ratio to be maintained under the guideline remained at 4.5% for CET1 capital, 6% for Tier 1 capital and 8% for total capital ratio. Banking Institutions are also required to maintain capital buffers. The capital buffers shall comprise the sum of the following:

- (a) a Capital Conservation Buffer ("CCB") of 2.5%; and
- (b) a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the Bank has credit exposures.

The CCB requirements under transitional arrangements shall be phased-in starting from 1 January 2016 as follows:

	CCB
Calendar year 2016	0.625%
Calendar year 2017	1.25%
Calendar year 2018	1.875%
Calendar year 2019 onwards	2.5%

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A33. CAPITAL ADEQUACY (CONT'D.)

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

	Group		Bank	
	30 September 2016	31 March 2016	30 September 2016	31 March 2016 (Restated)
	RM'000	RM'000	RM'000	RM'000
CET 1 Capital				
Ordinary shares	820,364	820,364	820,364	820,364
Share premium	942,844	942,844	942,844	942,844
Retained earnings	5,501,945	5,335,746	5,246,699	5,080,500
Available-for-sale reserve	53,490	11,751	54,041	11,951
Foreign currency translation reserve	91,211	63,306	86,765	61,296
Statutory reserve	980,969	980,969	980,969	980,969
Merger reserve	104,149	104,149	-	30,043
Cash flow hedging reserve	65	3,635	65	3,635
Qualifying non-controlling interests	-	2	-	-
Less: Regulatory adjustments applied on CET1 Capital				
- Intangible assets	(370,504)	(350,753)	(370,501)	(350,750)
- Deferred tax assets	-	(116,234)	-	(115,179)
- 55% of cumulative gains of available- for-sale financial instruments	(29,419)	(6,463)	(29,723)	(6,573)
- Cash flow hedging reserve	(65)	(3,635)	(65)	(3,635)
- Investment in ordinary shares of unconsolidated financial entities	-	-	(5,106)	(23,106)
Total CET1 Capital	8,095,049	7,785,681	7,726,352	7,432,359
Additional Tier 1 Capital				
Additional Tier 1 Capital instruments (subject to gradual phase-out treatment)	985,000	985,000	985,000	985,000
Qualifying CET1, Additional Tier 1 capital instruments held by third parties	5	-	-	-
Total Tier 1 Capital	9,080,054	8,770,681	8,711,352	8,417,359
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	400,000	400,000	400,000	400,000
Tier 2 Capital instruments (subject to gradual phase-out treatment)	1,180,680	1,180,680	1,180,680	1,180,680
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	1	1	-	-
Collective allowance and regulatory reserve	609,435	583,699	609,413	583,675
Less : Regulatory adjustments applied on Tier 2 Capital	-	-	(3,404)	(15,404)
Total Tier 2 capital	2,190,116	2,164,380	2,186,689	2,148,951
Total Capital	11,270,170	10,935,061	10,898,041	10,566,310

The breakdown of the risk-weighted assets ("RWA") in various categories of risk is as follows:

	Group		Bank	
	30 September 2016	31 March 2016	30 September 2016	31 March 2016 (Restated)
	RM'000	RM'000	RM'000	RM'000
Credit RWA	59,835,743	59,276,073	60,602,425	60,047,250
Market RWA	2,251,177	2,231,172	2,250,775	2,231,172
Operational RWA	4,494,377	5,029,942	4,434,991	4,629,614
Total RWA	66,581,297	66,537,187	67,288,191	66,908,036

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A34. CREDIT EXPOSURE ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

	Group		Bank	
	30 September 2016 RM'000	31 March 2016 RM'000	30 September 2016 RM'000	31 March 2016 RM'000
Outstanding credit exposures with connected parties (RM'000)	3,314,165	2,214,847	3,384,612	2,282,395
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures (%)	4.49	3.02	4.59	3.12
Percentage of outstanding credit exposures with connected parties which is non-performing or in default (%)	-	0.13	-	0.12

The credit exposures above are based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

A35. RESTATEMENT OF COMPARATIVE INFORMATION

Certain comparative figures were restated arising from:

- the transfer of card operations from AmCard to the Bank as mentioned in Note A29.
- restatement of deposits and placements with banks and other financial institutions with original maturity of less than 3 months to conform with current financial period of presentation of the statement of cash flows.

The effect arising from the restatement of comparative information is as follows:

(i) Reconciliation of statement of financial position as at 31 March 2016

	As previously reported RM'000	Effect of pooling of interests method RM'000	Elimination RM'000	As restated RM'000
Bank				
Cash and short-term funds	7,380,187	225	(225)	7,380,187
Other assets	2,032,443	2,338	-	2,034,781
Property and equipment	121,819	22,168	-	143,987
Intangible assets	344,944	5,806	-	350,750
Deposits and placements of banks and other financial institutions	(1,031,113)	-	225	(1,030,888)
Other liabilities	(2,353,036)	(494)	-	(2,353,530)
Reserves	7,081,195	30,043	-	7,111,238

A35. RESTATEMENT OF COMPARATIVE INFORMATION (CONT'D.)

(ii) Reconciliation of statement of profit or loss

	As previously reported RM'000	Effect of pooling of interests method RM'000	As restated RM'000
Statement of profit or loss for the cumulative quarter ended 30 September 2015			
Bank			
Operating revenue	2,336,543	8,530	2,345,073
Other operating income	328,426	8,530	336,956
Other operating expenses	(618,394)	43,899	(574,495)
Taxation	(122,538)	(12,583)	(135,121)
	<u> </u>	<u> </u>	<u> </u>
Statement of profit or loss for the individual quarter ended 30 September 2015			
Bank			
Operating revenue	1,194,082	3,487	1,197,569
Other operating income	180,213	3,487	183,700
Other operating expenses	(317,108)	15,347	(301,761)
Taxation	(61,899)	(4,520)	(66,419)
	<u> </u>	<u> </u>	<u> </u>

(iii) Reconciliation of statements of changes in equity

	As previously reported RM'000	Effect of pooling of interests method RM'000	As restated RM'000
Bank			
As at 31 March 2016			
Merger reserve	-	30,043	30,043
	<u> </u>	<u> </u>	<u> </u>
As at 30 September 2015			
Merger reserve	-	24,082	24,082
	<u> </u>	<u> </u>	<u> </u>
As at 31 March 2015			
Merger reserve	-	12,154	12,154
	<u> </u>	<u> </u>	<u> </u>

A35. RESTATEMENT OF COMPARATIVE INFORMATION (CONT'D.)

(iv) Reconciliation of condensed statements of cash flows for the financial period ended 30 September 2015

Group	As previously reported RM'000	Effect of pooling of interests method RM'000	Other restatements RM'000	As restated RM'000
Net change in operating assets	2,206,957	-	(2,020,612)	186,345
Bank				
Profit before taxation	620,306	52,429	-	672,735
Adjustments for non-operating and non-cash items	692,700	3,256	-	695,956
Net change in operating assets	2,156,716	(443)	(2,020,612)	135,661
Net change in operating liabilities	(1,574,480)	(50,409)	-	(1,624,889)
Net cash generated from/(used in) from investing activities	(1,169,393)	(4,834)	-	(1,174,227)

(v) Capital adequacy ratios as at 31 March 2016

Bank	As previously reported	Effect of pooling of interests method	As restated
Before deducting proposed dividends			
Common Equity Tier 1 ("CET 1") Capital Ratio	11.082%	0.026%	11.108%
Tier 1 Capital Ratio	12.555%	0.025%	12.580%
Total Capital Ratio	15.770%	0.022%	15.792%
After deducting proposed dividends			
CET 1 Capital Ratio	10.640%	0.027%	10.667%
Tier 1 Capital Ratio	12.114%	0.025%	12.139%
Total Capital Ratio	15.328%	0.023%	15.351%