

**AmlInvestment Bank Berhad  
and its subsidiaries  
(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)**

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2014**

	Note	Group		Bank	
		30.06.14	31.03.14	30.06.14	31.03.14
		RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
Cash and short-term funds		928,430	873,290	806,975	745,837
Deposits and placements with banks and other financial institutions		9	735	-	-
Financial assets held-for-trading	9	656	659	656	659
Financial investments available-for-sale	10	537,022	586,802	537,022	584,602
Financial investments held-to-maturity	11	75,100	75,100	75,100	75,100
Loans, advances and financing	12	1,268,626	1,225,899	1,259,639	1,212,304
Statutory deposit with Bank Negara Malaysia		46,021	20,640	46,021	20,640
Deferred tax assets		6,710	14,164	6,710	14,164
Investments in subsidiaries		-	-	103,447	103,447
Investments in associates		812	1,667	100	100
Other assets	13	471,250	673,398	335,285	504,034
Property and equipment		26,964	27,732	23,866	24,442
Intangible assets		13,948	13,054	1,510	1,714
<b>TOTAL ASSETS</b>		<b>3,375,548</b>	<b>3,513,140</b>	<b>3,196,331</b>	<b>3,287,043</b>
<b>LIABILITIES AND EQUITY</b>					
Deposits and placements of banks and other financial institutions	14	2,440,166	2,351,318	2,440,166	2,351,318
Derivative financial liabilities	8	-	10	-	5
Debt capital		77,169	77,716	-	-
Other liabilities	15	371,240	599,343	286,548	476,636
<b>TOTAL LIABILITIES</b>		<b>2,888,575</b>	<b>3,028,387</b>	<b>2,726,714</b>	<b>2,827,959</b>
Share capital		200,000	200,000	200,000	200,000
Reserves		286,973	284,753	269,617	259,084
Equity attributable to equity holder of the Bank		486,973	484,753	469,617	459,084
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>3,375,548</b>	<b>3,513,140</b>	<b>3,196,331</b>	<b>3,287,043</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	23	<b>905,553</b>	<b>529,520</b>	<b>902,800</b>	<b>527,722</b>
<b>NET ASSETS PER ORDINARY SHARE (RM)</b>		<b>2.43</b>	<b>2.42</b>	<b>2.35</b>	<b>2.30</b>

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**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2014 (CONTD.)**

	<b>Note</b>	<b>Group</b>		<b>Bank</b>	
		<b>30.06.14</b>	<b>31.03.14</b>	<b>30.06.14</b>	<b>31.03.14</b>
<b>CAPITAL ADEQUACY</b>	25(a)				
<b>Before deducting proposed dividends</b>					
Common Equity Tier 1 ("CET 1") Capital Ratio		21.932%	24.652%	18.168%	21.207%
Tier 1 Capital Ratio		21.932%	24.652%	18.168%	21.207%
Total Capital Ratio		21.932%	24.652%	18.168%	21.207%
<b>After deducting proposed dividends</b>					
CET 1 Capital Ratio		21.932%	24.652%	18.168%	21.207%
Tier 1 Capital Ratio		21.932%	24.652%	18.168%	21.207%
Total Capital Ratio		21.932%	24.652%	18.168%	21.207%

The Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2014.

**AmlInvestment Bank Berhad**  
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**UNAUDITED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2014**

Group	Note	Individual Quarter		Cumulative Quarter	
		30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
Revenue		86,382	90,678	86,382	90,678
Interest income	16	20,185	19,019	20,185	19,019
Interest expense	17	(15,320)	(11,269)	(15,320)	(11,269)
Net interest income		4,865	7,750	4,865	7,750
Net income from Islamic banking business		3,538	5,587	3,538	5,587
Other operating income	18	62,514	66,010	62,514	66,010
Direct costs	19	(17,017)	(23,059)	(17,017)	(23,059)
Share in results of associates		145	62	145	62
Net income		54,045	56,350	54,045	56,350
Other operating expenses	20	(44,625)	(46,351)	(44,625)	(46,351)
Operating Profit		9,420	9,999	9,420	9,999
(Allowances)/writeback of allowances for impairment on loans, advances and financing	21	970	(512)	970	(512)
Impairment writeback on foreclosed properties		-	100	-	100
Writeback of allowances for doubtful sundry receivables- net		388	9,388	388	9,388
Provision for commitments and contingencies		(73)	(118)	(73)	(118)
Profit before taxation		10,705	18,857	10,705	18,857
Taxation		(7,672)	(2,656)	(7,672)	(2,656)
Profit for the period attributable to equity holder of the Bank		3,033	16,201	3,033	16,201
<b>EARNINGS PER SHARE (SEN)</b>					
Basic		1.52	8.10	1.52	8.10
Fully diluted		1.52	8.10	1.52	8.10

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2014.

**AmlInvestment Bank Berhad**  
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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2014**

<b>Group</b>	<b>Note</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
		<b>30.06.14</b>	<b>30.06.13</b>	<b>30.06.14</b>	<b>30.06.13</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period		3,033	16,201	3,033	16,201
Other comprehensive income/(loss):					
Exchange differences on translation of foreign operations		(613)	453	(613)	453
Net loss on financial investments available-for-sale		(293)	(1,602)	(293)	(1,602)
Income tax relating to the components of other comprehensive income		93	400	93	400
Other comprehensive (loss)/income for the period, net of tax		(813)	(749)	(813)	(749)
Total comprehensive income for the period attributable to equity holders of the Bank		2,220	15,452	2,220	15,452

The Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2014.

**AmlInvestment Bank Berhad**  
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**UNAUDITED CONSOLIDATED INCOME STATEMENTS (CONTD.)**  
**FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2014**

Bank	Note	Individual Quarter		Cumulative Quarter	
		30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
Revenue		80,372	75,528	80,372	75,528
Interest income	16	19,402	17,158	19,402	17,158
Interest expense	17	(14,953)	(10,507)	(14,953)	(10,507)
Net interest income		4,449	6,651	4,449	6,651
Net income from Islamic banking business		3,538	5,587	3,538	5,587
Other operating income	18	57,432	52,783	57,432	52,783
Direct costs	19	(15,340)	(17,814)	(15,340)	(17,814)
Net income		50,079	47,207	50,079	47,207
Other operating expenses	20	(32,302)	(35,454)	(32,302)	(35,454)
Operating Profit		17,777	11,753	17,777	11,753
(Allowances)/writeback of allowances for impairment on loans, advances and financing	21	1,120	(512)	1,120	(512)
Impairment writeback on foreclosed properties		-	100	-	100
Writeback of allowances for doubtful sundry receivables- net		(422)	384	(422)	384
Provision for commitments and contingencies		(73)	(118)	(73)	(118)
Profit before taxation		18,402	11,607	18,402	11,607
Taxation		(7,669)	(2,651)	(7,669)	(2,651)
Profit for the period attributable to equity holder of the Bank		10,733	8,956	10,733	8,956
<b>EARNINGS PER SHARE (SEN)</b>					
Basic		5.37	4.48	5.37	4.48
Fully diluted		5.37	4.48	5.37	4.48

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2014.

**AmlInvestment Bank Berhad**  
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**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2014**

Bank	Note	Individual Quarter		Cumulative Quarter	
		30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
Profit for the period		10,733	8,956	10,733	8,956
Other comprehensive (loss)/income:					
Net loss on financial investments available-for-sale		(293)	(1,602)	(293)	(1,602)
Income tax relating to the components of other comprehensive income		93	400	93	400
Other comprehensive loss for the period, net of tax		(200)	(1,202)	(200)	(1,202)
Total comprehensive income for the period attributable to equity holders of the Bank		10,533	7,754	10,533	7,754

The Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2014.

**AmlInvestment Bank Berhad  
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**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2014**

Group	Attributable to equity holder of the Bank							Total shareholder's equity RM'000
	Non-distributable					Distributable		
	Share capital RM'000	Capital reserve RM'000	Statutory reserve RM'000	Merger reserve RM'000	Available-for- sale reserve RM'000	Exchange fluctuation reserve RM'000	Retained earnings RM'000	
<b>At 1 April 2013</b>	200,000	2,815	200,000	7,656	3,162	29,988	90,519	534,140
Profit for the period	-	-	-	-	-	-	16,201	16,201
Other comprehensive (loss)/income	-	-	-	-	(1,202)	453	-	(749)
Total comprehensive income for the period	-	-	-	-	(1,202)	453	16,201	15,452
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	(26)	(26)
<b>At 30 June 2013</b>	<b>200,000</b>	<b>2,815</b>	<b>200,000</b>	<b>7,656</b>	<b>1,960</b>	<b>30,441</b>	<b>106,694</b>	<b>549,566</b>
<b>At 1 April 2014</b>	200,000	2,815	200,000	7,656	1,759	34,517	38,006	484,753
Profit for the period	-	-	-	-	-	-	3,033	3,033
Other comprehensive (loss)/income	-	-	-	-	(200)	(613)	-	(813)
Total comprehensive income for the period	-	-	-	-	(200)	(613)	3,033	2,220
<b>At 30 June 2014</b>	<b>200,000</b>	<b>2,815</b>	<b>200,000</b>	<b>7,656</b>	<b>1,559</b>	<b>33,904</b>	<b>41,039</b>	<b>486,973</b>

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2014.

**AmlInvestment Bank Berhad  
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**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTD.)  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2014**

	<-----Attributable to equity holder of the Bank----->					
	Non-distributable			Distributable		Total shareholder's equity RM'000
	Share capital RM'000	Statutory reserve RM'000	Available-for- sale reserve RM'000	Retained earnings RM'000		
<b>Bank</b>						
<b>At 1 April 2013</b>	200,000	200,000	3,110	118,307	521,417	
Profit for the period	-	-	-	8,956	8,956	
Other comprehensive loss	-	-	(1,202)	-	(1,202)	
Total comprehensive income for the period	-	-	(1,202)	8,956	7,754	
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	(26)	(26)	
<b>At 30 June 2013</b>	<u>200,000</u>	<u>200,000</u>	<u>1,908</u>	<u>127,237</u>	<u>529,145</u>	
<b>At 1 April 2014</b>	200,000	200,000	1,707	57,377	459,084	
Profit for the period	-	-	-	10,733	10,733	
Other comprehensive loss	-	-	(200)	-	(200)	
Total comprehensive income for the period	-	-	(200)	10,733	10,533	
<b>At 30 June 2014</b>	<u>200,000</u>	<u>200,000</u>	<u>1,507</u>	<u>68,110</u>	<u>469,617</u>	

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2014.



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**UNAUDITED CONDENSED CASH FLOW STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014**

	<b>Group</b>		<b>Bank</b>	
	<b>30.06.14</b>	<b>30.06.13</b>	<b>30.06.14</b>	<b>30.06.13</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation	10,705	18,857	18,402	11,607
Adjustments for non-operating and non cash items	(3,182)	(12,123)	(2,603)	(2,959)
Operating profit before working capital changes	7,523	6,734	15,799	8,648
(Decrease)/increase in operating assets	140,056	(194,019)	99,093	(152,797)
Increase/(decrease) in operating liabilities	(139,250)	318,380	(101,318)	335,187
Cash generated from operations	8,329	131,095	13,574	191,038
Taxation paid	(3,864)	(3,286)	(2,339)	(4,640)
Net cash generated from operating activities	4,465	127,809	11,235	186,398
Net cash (used in)/generated from investing activities	51,923	(6,802)	49,903	(44,084)
Net cash generated from/(used in) financing activities	(547)	24,517	-	-
	51,376	17,715	49,903	(44,084)
Net increase in cash and cash equivalents	55,841	145,524	61,138	142,314
Cash and cash equivalents at beginning of period	873,290	570,797	745,837	545,150
Effect of exchange rate changes	(701)	39	-	-
Cash and cash equivalents at end of period	928,430	716,360	806,975	687,464

The Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2014.

## **EXPLANATORY NOTES :**

### **1. BASIS OF PREPARATION**

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

The financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Group and the Bank for the financial year ended 31 March 2013 which are available upon request from the Company’s registered office at Level 22, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

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

The significant accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2014 except for the adoption of the following financial reporting standards, which did not have significant impact on the accounting policies, financial position or performance of the Group and the Bank.

#### **1.1 Standards effective for financial year ending 31 March 2015:**

- Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities
- Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21: Levies

##### **1.1a Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities**

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under MFRS 10, Consolidated Financial Statements. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss.

##### **1.1b Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities**

These amendments clarify the meaning of “currently has a legally enforceable right to set-off” and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting.

##### **1.1c Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets**

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

##### **1.1d Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting**

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

##### **1.1e IC Interpretation 21: Levies**

IC 21 is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g., MFRS 112, Income Taxes) and fines or other penalties for breaches of legislation.

### **1.1e IC Interpretation 21: Levies (Contd.)**

The interpretation clarifies that an entity recognises a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognised before the specified minimum threshold is reached. The interpretation requires these same principles to be applied in interim financial statements.

### **1.2 Standards issued but not yet effective**

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

#### **1.2a Standards effective for financial periods beginning on or after 1 July 2014:**

- Amendments to MFRS 119, Defined Benefit Plans: Employee Contributions
- Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRSs 2010-2012 Cycle”
- Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRSs 2011-2013 Cycle”-

#### **1.2b Standards effective for dates to be announced by MASB:**

- MFRS 9, Financial Instruments (IFRS 9 issued by IASB in November 2009)
- MFRS 9, Financial Instruments (IFRS 9 issued by IASB in October 2010)
- MFRS 9, Financial Instruments: Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139

#### **1.2c Effect of adoption of standards issued but not yet effective**

The impact to the financial statements of the Group and the Company upon the initial application of the significant MFRSs that have been issued but not yet effective is as described below. The Group and the Company are assessing the financial effects of their adoption.

#### **Amendments to MFRS 119, Defined Benefit Plans: Employee Contributions**

The amendments to MFRS 119 provide a practical expedient in accounting for contributions from employees or third parties to defined benefit plans.

#### **Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRSs 2010-2012 Cycle”**

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

##### **(i) MFRS 2, Share-based Payment**

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

##### **(ii) MFRS 3, Business Combinations**

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

##### **(iii) MFRS 8, Operating Segments**

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

(iv) MFRS 13, Fair Value Measurement

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

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

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

(vi) MFRS 124, Related Party Disclosures

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

**Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRSs 2011-2013 Cycle"**

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

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

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

(ii) MFRS 3, Business Combinations

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

(iii) MFRS 13, Fair Value Measurement

The amendment clarifies that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139, Financial Instruments: Recognition and Measurement or MFRS 9, Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132, Financial Instruments: Presentation.

(iv) MFRS 140, Investment Property

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

**MFRS 9, Financial Instruments**

MFRS 9, Financial Instruments – MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group's and the Company's financial assets, but will not have an impact on the classification and measurement of the Group's and the Company's financial liabilities. The Group and the Company will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

## 2. AUDIT QUALIFICATION

There were no audit qualification in the audited annual financial statements for the year ended 31 March 2014.

## 3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

## 4. UNUSUAL ITEMS

There were no unusual items during the current financial quarter.

## 5. USE OF ESTIMATES

There was no material change in estimates of amounts reported in the prior financial years that have a material effect on the financial quarter ended 30 June 2014.

## 6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

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

## 7. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the current financial quarter.

## 8. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

Group	Contract/ Notional Amount RM'000	30.06.14		Contract/ Notional Amount RM'000	31.03.14		
		Fair value			Fair value		
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000	
<b>Trading derivative</b>							
Foreign exchange related contracts:							
Less than one year	4,869	-	-	4,537	-	5	
Equity related contracts:							
Less than one year	-	-	-	642	-	5	
Total	4,869	-	-	5,179	-	10	
<b>Bank</b>							
<b>Trading derivative</b>							
Foreign exchange related contracts:							
Less than one year	2,116	-	-	2,739	-	-	
Equity related contracts:							
Less than one year	-	-	-	642	-	5	
Total	2,116	-	-	3,381	-	5	

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

	Group		Bank	
	30.06.14	31.03.14	30.06.14	31.03.14
	RM'000	RM'000	RM'000	RM'000
<b>At Fair Value</b>				
Quoted Securities:				
In Malaysia:				
Unit trusts	656	659	656	659
	<u>656</u>	<u>659</u>	<u>656</u>	<u>659</u>

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

	Group		Bank	
	30.06.14	31.03.14	30.06.14	31.03.14
	RM'000	RM'000	RM'000	RM'000
<b>At Fair value</b>				
<b>Money Market Securities:</b>				
Bank Negara Monetary Notes	198,820	547,165	198,820	547,165
Government Investment Issues	301,230	-	301,230	-
	<u>500,050</u>	<u>547,165</u>	<u>500,050</u>	<u>547,165</u>
 Unquoted Securities				
Outside Malaysia:				
Private debt securities	25,177	25,642	25,177	25,642
	<u>25,177</u>	<u>25,642</u>	<u>25,177</u>	<u>25,642</u>
 <b>At Cost</b>				
Unquoted Securities:				
In Malaysia:				
Shares	11,788	13,988	11,788	11,788
	<u>11,788</u>	<u>13,988</u>	<u>11,788</u>	<u>11,788</u>
Outside Malaysia:				
Shares	7	7	7	7
	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
	<u>537,022</u>	<u>586,802</u>	<u>537,022</u>	<u>584,602</u>

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

	Group		Bank	
	30.06.14	31.03.14	30.06.14	31.03.14
	RM'000	RM'000	RM'000	RM'000
<b>At Amortised Cost:</b>				
Unquoted Securities				
In Malaysia:				
Private debt securities	75,100	75,100	75,100	75,100
	<u>75,100</u>	<u>75,100</u>	<u>75,100</u>	<u>75,100</u>

## 12. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	30.06.14 RM'000	31.03.14 RM'000	30.06.14 RM'000	31.03.14 RM'000
<b>At Amortised Cost</b>				
Share margin financing	308,930	304,625	287,957	279,110
Revolving credits	973,644	935,651	973,644	935,651
Staff loans	4,483	4,822	4,483	4,822
Gross loans, advances and financing	1,287,057	1,245,098	1,266,084	1,219,583
Less:				
Allowance for impairment on loans, advances and financing:				
Collective allowance	4,087	4,872	4,087	4,872
Individual allowance	14,344	14,327	2,358	2,407
	18,431	19,199	6,445	7,279
Net loans, advances and financing	1,268,626	1,225,899	1,259,639	1,212,304

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

	Group		Bank	
	30.06.14 RM'000	31.03.14 RM'000	30.06.14 RM'000	31.03.14 RM'000
Domestic :				
Business enterprises:				
Small medium enterprises	54,803	42,480	54,803	42,480
Others	67,868	65,236	67,868	65,236
Individuals	1,148,236	1,126,234	1,128,240	1,101,985
Foreign entities	16,150	11,148	15,173	9,882
	1,287,057	1,245,098	1,266,084	1,219,583

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

	Group		Bank	
	30.06.14 RM'000	31.03.14 RM'000	30.06.14 RM'000	31.03.14 RM'000
In Malaysia	1,249,253	1,203,846	1,249,253	1,203,846
Outside Malaysia	37,804	41,252	16,831	15,737
	1,287,057	1,245,098	1,266,084	1,219,583

(c) Loans, advances and financing analysed by interest rate sensitivity are as follows:

	Group		Bank	
	30.06.14 RM'000	31.03.14 RM'000	30.06.14 RM'000	31.03.14 RM'000
Fixed rate:				
Fixed-rate loans	313,413	309,447	292,440	283,932
Variable rate:				
Cost-plus	973,644	935,651	973,644	935,651
	1,287,057	1,245,098	1,266,084	1,219,583

## 12. LOANS, ADVANCES AND FINANCING (CONTD.)

(d) Loans, advances and financing analysed by sectors are as follows:

	Group		Bank	
	30.06.14 RM'000	31.03.14 RM'000	30.06.14 RM'000	31.03.14 RM'000
Agriculture	15,913	11,302	15,913	11,302
Manufacturing	21,524	12,838	21,524	12,838
Electricity, gas and water	248	-	248	-
Wholesale and retail trade and hotels and restaurant	-	1,093	-	1,093
Real estate	2,251	18,631	2,251	18,631
Business activities	71,518	51,530	70,541	50,264
Education and health	1,520	401	1,520	401
Household, of which:				
Purchase of residential properties	2,925	3,014	2,925	3,014
Purchase of transport vehicles	1,558	1,808	1,558	1,808
Others	1,153,296	1,142,164	1,133,300	1,117,915
Others	16,304	2,317	16,304	2,317
	<u>1,287,057</u>	<u>1,245,098</u>	<u>1,266,084</u>	<u>1,219,583</u>

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

	Group		Bank	
	30.06.14 RM'000	31.03.14 RM'000	30.06.14 RM'000	31.03.14 RM'000
Maturing within one year	1,282,667	1,240,291	1,261,694	1,214,776
One to three years	583	616	583	616
Three to five years	720	999	720	999
Over five years	3,087	3,192	3,087	3,192
	<u>1,287,057</u>	<u>1,245,098</u>	<u>1,266,084</u>	<u>1,219,583</u>

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

	Group		Bank	
	30.06.14 RM'000	31.03.14 RM'000	30.06.14 RM'000	31.03.14 RM'000
Balance at beginning of period/year	21,678	3,854	9,758	3,854
Impaired during the period/year	150	18,484	-	6,564
Recoveries	(6,612)	(660)	(6,612)	(660)
Amount written off	(788)	-	(788)	-
Foreign exchange differences	(84)	-	-	-
Balance at end of period/year	<u>14,344</u>	<u>21,678</u>	<u>2,358</u>	<u>9,758</u>
Gross impaired loans, advances and financing as % of gross loans, advances and financing	<u>1.11%</u>	<u>1.74%</u>	<u>0.19%</u>	<u>0.80%</u>
Loan loss coverage (excluding collateral values)	<u>128.49%</u>	<u>88.56%</u>	<u>273.32%</u>	<u>74.60%</u>



## 12. LOANS, ADVANCES AND FINANCING (CONTD.)

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

	Group		Bank	
	30.06.14 RM'000	31.03.14 RM'000	30.06.14 RM'000	31.03.14 RM'000
In Malaysia	2,358	9,758	2,358	9,758
Outside Malaysia	11,986	11,920	-	-
	<u>14,344</u>	<u>21,678</u>	<u>2,358</u>	<u>9,758</u>

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

	Group		Bank	
	30.06.14 RM'000	31.03.14 RM'000	30.06.14 RM'000	31.03.14 RM'000
Household, of which:				
Others	11,986	18,484	-	6,564
Business activities	2,358	3,194	2,358	3,194
	<u>14,344</u>	<u>21,678</u>	<u>2,358</u>	<u>9,758</u>

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

	Group		Bank	
	30.06.14 RM'000	31.03.14 RM'000	30.06.14 RM'000	31.03.14 RM'000
<b>Collective allowance</b>				
Balance at beginning of year	4,872	3,664	4,872	3,664
Allowance made/(written back) during the period/year	4	1,208	4	1,208
Amount written off	(788)	-	(788)	-
Foreign exchange differences	(1)	-	(1)	-
Balance at end of period/year	<u>4,087</u>	<u>4,872</u>	<u>4,087</u>	<u>4,872</u>
% of total loans, advances and financing less individual allowance	<u>0.32%</u>	<u>0.40%</u>	<u>0.32%</u>	<u>0.40%</u>
<b>Individual allowance</b>				
Balance at beginning of year	14,327	2,831	2,407	2,831
Net charge to income statements	101	11,319	(49)	(424)
Foreign exchange differences	(84)	177	-	-
Balance at end of period/year	<u>14,344</u>	<u>14,327</u>	<u>2,358</u>	<u>2,407</u>

### 13. OTHER ASSETS

	Group		Bank	
	30.06.14 RM'000	31.03.14 RM'000	30.06.14 RM'000	31.03.14 RM'000
Trade receivables, net of allowance for doubtful debts	349,666	579,130	225,295	417,222
Other receivables, deposits and prepayments, net of allowance for doubtful debts	42,951	33,684	35,308	25,943
Interest/Dividends receivable	2,810	1,804	2,803	1,794
Income tax recoverable	53,097	50,881	53,097	50,881
Amount due from brokers	6,929	141	-	-
Amount due from:				
Ultimate holding company	3,111	1,269	2,944	1,269
Subsidiaries	-	-	2,234	207
Related companies	12,686	6,489	13,604	6,718
	<u>471,250</u>	<u>673,398</u>	<u>335,285</u>	<u>504,034</u>

Trade receivables mainly relate to the stock and share-broking operations of the Bank and its subsidiaries, and represent amount outstanding from purchase contracts net of allowance for impairment. Included in trade receivables of the Group and the Bank are amounts due from brokers amounting to RM108,617,000 (March 2014: RM84,633,000) and RM70,860,000 (March 2014: RM19,044,000) respectively which is settled net of amount due to brokers of RM92,419,000 (March 2014: RM342,704,000) and RM45,437,000 (March 2014: RM274,610,000) respectively in Note 15 under a netting arrangement.

Amounts due from ultimate holding company, subsidiaries and other related companies are unsecured, non-interest bearing, are repayable on demand and represent expenses paid on behalf.

### 14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30.06.14 RM'000	31.03.14 RM'000	30.06.14 RM'000	31.03.14 RM'000
Licensed banks:				
Related	<u>2,440,166</u>	<u>2,351,318</u>	<u>2,440,166</u>	<u>2,351,318</u>

### 15. OTHER LIABILITIES

	Group		Bank	
	30.06.14 RM'000	31.03.14 RM'000	30.06.14 RM'000	31.03.14 RM'000
Trade payables	283,168	507,893	203,691	392,616
Other payables and accruals	64,647	65,870	60,003	59,379
Interest payables	15,010	17,013	14,773	16,777
Provision for commitments and contingencies	1,085	1,012	1,085	1,012
Amount due to subsidiaries	-	-	138	507
Amount due to related companies	7,292	6,758	6,820	6,307
Zakat payable	38	38	38	38
Bank Overdraft	-	759	-	-
	<u>371,240</u>	<u>599,343</u>	<u>286,548</u>	<u>476,636</u>

## 15. OTHER LIABILITIES (CONTD.)

Trade payables mainly relate to the stock and share-broking operations of the Bank and its subsidiaries and represent amount payable in outstanding sales contracts. Included in trade payables of the Group and the Bank are amounts due to brokers amounting to RM92,419,000 (March 2014: RM342,704,000) and RM45,437,000 (March 2014: RM274,610,000) respectively which is settled net of amount due from brokers of RM108,617,000 (March 2014: RM84,633,000) and RM70,860,000 (March 2014: RM19,044,000) respectively as disclosed in note 13 under a netting arrangement.

Amount due to subsidiaries and related companies are unsecured, non-interest bearing, are repayable on demand and represent expenses paid on behalf.

## 16. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
Short-term funds and deposits with financial institutions	2,727	3,946	2,727	3,946
Financial investments available-for-sale	3,155	400	3,155	400
Securities held-to-maturity	780	780	780	780
Loans, advances and financing				
- Interest income other than recoveries from impaired loans	10,738	10,673	10,738	10,673
Others	90	1,667	90	1,667
Gross interest income	17,490	17,466	17,490	17,466
Accretion of discounts less amortisation of premiums	2,695	1,553	2,695	1,553
	20,185	19,019	20,185	19,019
Bank	Individual Quarter		Cumulative Quarter	
	30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
Short-term funds and deposits with financial institutions	2,276	3,485	2,276	3,485
Financial investments available-for-sale	3,155	400	3,155	400
Securities held-to-maturity	780	780	780	780
Loans and advances				
- Interest income other than recoveries from impaired loans	10,457	10,673	10,457	10,673
Others	39	267	39	267
Gross interest income	16,707	15,605	16,707	15,605
Accretion of discounts less amortisation of premiums	2,695	1,553	2,695	1,553
	19,402	17,158	19,402	17,158

## 17. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
Deposit of banks and other financial institutions	14,953	10,507	14,953	10,507
Subordinated deposits and term loans	313	-	313	-
Others	54	762	54	762
	<u>15,320</u>	<u>11,269</u>	<u>15,320</u>	<u>11,269</u>

  

Bank	Individual Quarter		Cumulative Quarter	
	30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
Deposit of banks and other financial institutions	14,953	10,507	14,953	10,507

## 18. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
Fee and commission income:				
Brokerage fees and commissions	30,057	43,894	30,057	43,894
Corporate advisory	6,987	4,011	6,987	4,011
Fees on loans and securities	4,146	3,548	4,146	3,548
Guarantee fees	84	118	84	118
Portfolio management fees	142	111	142	111
Underwriting commission	7,438	1	7,438	1
Wealth management fees	11,176	9,097	11,176	9,097
Other fee and commission income	1,666	913	1,666	913
	<u>61,696</u>	<u>61,693</u>	<u>61,696</u>	<u>61,693</u>
Investment and trading income:				
Gross dividend income from:				
Financial assets held-for-trading	-	39	-	39
Financial investments available-for-sale	-	1,208	-	1,208
Net foreign exchange (loss)/gain	(298)	44	(298)	44
Net (loss)/gain from sale of financial assets held-for-trading	(10)	196	(10)	196
Net loss on revaluation of derivatives	(7)	(294)	(7)	(294)
Net gain on revaluation of financial assets held-for-trading	18	192	18	192
Portfolio income	-	1,742	-	1,742
	<u>(297)</u>	<u>3,127</u>	<u>(297)</u>	<u>3,127</u>
Other income:				
Net gain on disposal of property and equipment	2	61	2	61
Non-trading foreign exchange gain	75	175	75	175
Rental income	600	578	600	578
Others	438	376	438	376
	<u>1,115</u>	<u>1,190</u>	<u>1,115</u>	<u>1,190</u>
	<u>62,514</u>	<u>66,010</u>	<u>62,514</u>	<u>66,010</u>

## 18. OTHER OPERATING INCOME (CONTD.)

Bank	Individual Quarter		Cumulative Quarter	
	30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
Fee and commission income:				
Brokerage fees and commissions	24,511	31,289	24,511	31,289
Corporate advisory	6,987	4,011	6,987	4,011
Fees on loans and securities	4,146	3,548	4,146	3,548
Guarantee fees	84	118	84	118
Portfolio management fees	142	111	142	111
Underwriting commission	7,411	1	7,411	1
Wealth management fees	11,176	9,097	11,176	9,097
Other fee and commission income	1,433	654	1,433	654
	<u>55,890</u>	<u>48,829</u>	<u>55,890</u>	<u>48,829</u>
Investment and trading income:				
Gross dividend income from:				
Unquoted associated company	1,000	-	1,000	-
Financial assets held-for-trading	-	39	-	39
Financial investments available-for-sale	-	1,208	-	1,208
Net foreign exchange (loss)/gain	(299)	41	(299)	41
Net gain from sale of financial assets held-for-trading	3	208	3	208
Net loss on revaluation of derivatives	(7)	(294)	(7)	(294)
Net gain on revaluation of financial assets held-for-trading	18	192	18	192
Portfolio income	-	1,742	-	1,742
	<u>715</u>	<u>3,136</u>	<u>715</u>	<u>3,136</u>
Other income:				
Net gain on disposal of property and equipment	2	61	2	61
Non-trading foreign exchange gain	-	4	-	4
Rental income	600	578	600	578
Others	225	175	225	175
	<u>827</u>	<u>818</u>	<u>827</u>	<u>818</u>
	<u>57,432</u>	<u>52,783</u>	<u>57,432</u>	<u>52,783</u>

## 19. DIRECT COSTS

Group	Individual Quarter		Cumulative Quarter	
	30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
Dealers incentive	2,821	3,877	2,821	3,877
Brokerage commission	7,945	12,823	7,945	12,823
Others	6,251	6,359	6,251	6,359
	<u>17,017</u>	<u>23,059</u>	<u>17,017</u>	<u>23,059</u>
Bank	Individual Quarter		Cumulative Quarter	
	30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
Dealers incentive	2,821	3,877	2,821	3,877
Brokerage commission	6,268	7,579	6,268	7,579
Others	6,251	6,358	6,251	6,358
	<u>15,340</u>	<u>17,814</u>	<u>15,340</u>	<u>17,814</u>

## 20. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	25,060	27,047	25,060	27,047
- Scheme shares and options granted under AMMB Executives' Share Scheme	183	1,338	183	1,338
- Others	7,444	7,568	7,444	7,568
	<u>32,687</u>	<u>35,953</u>	<u>32,687</u>	<u>35,953</u>
Establishment costs				
- Amortisation of intangible assets	223	219	223	219
- Computerisation costs	1,550	1,965	1,550	1,965
- Depreciation of property and equipment	983	942	983	942
- Rental	3,451	3,514	3,451	3,514
- Others	1,397	1,875	1,397	1,875
	<u>7,604</u>	<u>8,515</u>	<u>7,604</u>	<u>8,515</u>
Marketing and communication expenses				
- Advertising and marketing	186	212	186	212
- Sales commission	127	345	127	345
- Travel and entertainment	777	853	777	853
- Others	1,383	1,446	1,383	1,446
	<u>2,473</u>	<u>2,856</u>	<u>2,473</u>	<u>2,856</u>
Administration and general expenses				
- Professional fees	945	503	945	503
- Others	1,829	2,387	1,829	2,387
	<u>2,774</u>	<u>2,890</u>	<u>2,774</u>	<u>2,890</u>
Service transfer pricing recovery, net	(913)	(3,863)	(913)	(3,863)
	<u>44,625</u>	<u>46,351</u>	<u>44,625</u>	<u>46,351</u>

**20. OTHER OPERATING EXPENSES (CONTD.)**

Bank	Individual Quarter		Cumulative Quarter	
	30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	20,615	21,928	20,615	21,928
- Scheme shares and options granted under AMMB Executives' Share Scheme	218	1,230	218	1,230
- Others	5,069	5,815	5,069	5,815
	<u>25,902</u>	<u>28,973</u>	<u>25,902</u>	<u>28,973</u>
Establishment costs				
- Amortisation of intangible assets	215	215	215	215
- Computerisation costs	12	53	12	53
- Depreciation of property and equipment	738	779	738	779
- Rental	2,327	2,435	2,327	2,435
- Others	627	1,111	627	1,111
	<u>3,919</u>	<u>4,593</u>	<u>3,919</u>	<u>4,593</u>
Marketing and communication expenses				
- Advertising and marketing	177	204	177	204
- Sales commission	127	345	127	345
- Travel and entertainment	660	687	660	687
- Others	1,156	1,155	1,156	1,155
	<u>2,120</u>	<u>2,391</u>	<u>2,120</u>	<u>2,391</u>
Administration and general expenses				
- Professional fees	746	454	746	454
- Others	1,362	1,925	1,362	1,925
	<u>2,108</u>	<u>2,379</u>	<u>2,108</u>	<u>2,379</u>
Service transfer pricing recovery, net	(1,747)	(2,882)	(1,747)	(2,882)
	<u>32,302</u>	<u>35,454</u>	<u>32,302</u>	<u>35,454</u>

**21. (ALLOWANCE)/WRITEBACK OF ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING**

Group	Individual Quarter		Cumulative Quarter	
	30.06.14 RM'000	30.06.13 RM'000	30.06.14 RM'000	30.06.13 RM'000
(Allowance)/writeback of allowance for impairment on loans, advances and financing:				
Collective allowance	(4)	(662)	(4)	(662)
Individual allowance	(101)	150	(101)	150
Impaired loans, advances and financing recovered	1,075	-	1,075	-
	<u>970</u>	<u>(512)</u>	<u>970</u>	<u>(512)</u>
<b>Bank</b>				
(Allowance)/writeback of allowance for impairment on loans, advances and financing:				
Collective allowance	(4)	(662)	(4)	(662)
Individual allowance	49	150	49	150
Impaired loans, advances and financing recovered	1,075	-	1,075	-
	<u>1,120</u>	<u>(512)</u>	<u>1,120</u>	<u>(512)</u>

## 22. BUSINESS SEGMENT ANALYSIS

<b>30.06.2014 Group</b>	<b>Wholesale Banking RM'000</b>	<b>Operating Segments RM'000</b>	<b>Total RM'000</b>
Revenue	75,416	10,966	86,382
Income	58,032	(4,132)	53,900
Share in results of associates	-	145	145
Other operating expenses	(40,133)	(4,492)	(44,625)
<i>of which:</i>			
<i>Depreciation of property and equipment</i>	(797)	(186)	(983)
<i>Amortisation of intangible assets</i>	(223)	-	(223)
Profit/(loss) before provisions	17,899	(8,479)	9,420
Provisions	1,279	6	1,285
Profit/(loss) before taxation	19,178	(8,473)	10,705
Taxation and zakat	(6,328)	(1,344)	(7,672)
Profit/(loss) after taxation	12,850	(9,817)	3,033
<b>Other information:</b>			
Total segment assets	1,817,038	1,558,510	3,375,548
Total segment liabilities	405,528	2,483,047	2,888,575
Cost to income ratio	69.2%	-108.7%	82.8%
Gross loans, advances and financing	1,282,574	4,483	1,287,057
Net loans, advances and financing	1,264,945	3,681	1,268,626
Impaired loans, advances and financing	14,344	-	14,344
Total deposits	-	2,440,166	2,440,166



**22. BUSINESS SEGMENT ANALYSIS (CONTD.)**

<b>30.06.2013 Group</b>	<b>Wholesale Banking RM'000</b>	<b>Group Functions and Others RM'000</b>	<b>Total RM'000</b>
Revenue	80,311	10,367	90,678
Income	56,469	(181)	56,288
Share in results of associates	-	62	62
Other operating expenses	(41,603)	(4,748)	(46,351)
<i>of which:</i>			
<i>Depreciation of property and equipment</i>	(764)	(179)	(943)
<i>Amortisation of intangible assets</i>	(217)	(1)	(218)
Profit/(loss) before provisions	14,866	(4,867)	9,999
Provisions	8,852	6	8,858
Profit/(loss) before taxation	23,718	(4,861)	18,857
Taxation and zakat	(4,134)	1,478	(2,656)
Profit/(loss) after taxation	19,584	(3,383)	16,201
<b>Other information:</b>			
Total segment assets	2,082,111	1,131,067	3,213,178
Total segment liabilities	764,892	1,898,719	2,663,611
Cost to income ratio	73.7%	-2623.2%	82.3%
Gross loans, advances and financing	1,124,039	5,998	1,130,037
Net loans, advances and financing	1,117,126	5,903	1,123,029
Impaired loans, advances and financing	3,706	-	3,706
Total deposits	11,657	1,851,815	1,863,472

Included in the above is Islamic banking business profit before taxation of RM2.7 million for the Group and the Bank for the period ended 30 June 2014 (RM4.6 million for the Group and the Bank for the period ended 30 June 2013).

The Group's activities are principally conducted in Malaysia except for AmFrasers International Pte. Ltd. and its subsidiaries, activities of which are principally conducted in Singapore, which contributed to a loss before tax of RM4.2 million for the period ended 30 June 2014 (Profit before tax RM 7.5 million for the period ended 30 June 2013).

## 23. COMMITMENTS AND CONTINGENCIES

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

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

	<b>30.06.14</b>	<b>31.03.14</b>
<b>Group</b>	<b>Principal Amount RM'000</b>	<b>Principal Amount RM'000</b>
<b>Commitments</b>		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	387,489	387,900
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	19	19
Forward purchase commitments	3,853	-
	<u>391,361</u>	<u>387,919</u>
<b>Contingent Liabilities</b>		
Direct credit substitutes	114,947	114,947
Obligations under an on-going underwriting agreement	394,276	21,375
Others	100	100
	<u>509,323</u>	<u>136,422</u>
<b>Derivative Financial Instruments</b>		
Foreign exchange related contracts:		
- One year or less	4,869	4,537
Equity related contracts:		
- One year or less	-	642
	<u>4,869</u>	<u>5,179</u>
	<u>905,553</u>	<u>529,520</u>
<b>Bank</b>		
<b>Commitments</b>		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	387,489	387,900
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	19	19
Forward purchase commitments	3,853	-
	<u>391,361</u>	<u>387,919</u>
<b>Contingent Liabilities</b>		
Direct credit substitutes	114,947	114,947
Obligations under an on-going underwriting agreement	394,276	21,375
Others	100	100
	<u>509,323</u>	<u>136,422</u>
<b>Derivative Financial Instruments</b>		
Foreign exchange related contracts:		
- One year or less	2,116	2,739
Equity related contracts:		
- One year or less	-	642
	<u>2,116</u>	<u>3,381</u>
	<u>902,800</u>	<u>527,722</u>

### **23. COMMITMENTS AND CONTINGENCIES (CONTD.)**

AmTrustee Berhad ("AmTrustee"), an associated company of the Bank was served with a Writ and Statement of Claim dated 12 December 2005 by solicitors acting for Meridian Asset Management Sdn Bhd ("Meridian") for alleged loss and damage amounting to RM27.6 million together with interest and costs arising from the provision of custodian services by AmTrustee to Meridian ("Meridian Suit").

AmTrustee was served on 24 March 2006 with a Writ and Statement of Claim dated 25 January 2006 by solicitors acting for Malaysian Assurance Alliance Berhad ("MAA") for alleged loss and damages amounting to approximately RM19.6 million together with interest and costs ("MAA Suit").

AmTrustee was also served with a copy of a Third Party Notice dated 12 August 2009 by solicitors acting for Meridian. The Third Party Notice was taken against AmTrustee by Meridian to indemnify Meridian on a suit filed by Kumpulan Wang Persaraan (DiPerbadankan) ("KWAP") against Meridian in 2007. AmTrustee's application to strike out the Third Party Notice was allowed by the court. Meridian's appeal against this decision to the Court of Appeal was dismissed. Decision was handed down by the High Court against Meridian in KWAP's claim for a sum of approximately RM7.3 million with interest to the date of judgment and a further interest of 8% on the said sum from the date of judgment to the date of settlement of the judgment sum.

MAA had appointed Meridian as an external fund manager for certain of its insurance funds, and part of the insurance funds were deposited by Meridian with AmTrustee. The claim by MAA in the MAA Suit is part of the portion of the claim as mentioned in the above Meridian Suit. Just before the trial proceeded, MAA added Meridian as a Co-Defendant in the MAA Suit.

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

Parties have filed several interim applications in the Meridian Suit amongst which was an Application by Meridian to add the Bank to the Meridian Suit as the Co-Defendant and also to increase the alleged loss and damage from RM27.6 million to RM37.0 million.

The High Court dismissed Meridian's application to add the Bank as a party to the Meridian's Suit "Order" but allowed Meridian's application to increase its claim against AmTrustee to approximately RM37.0 million. No appeal was filed by Meridian against this "Order", hence no litigation is pending today against the Bank by Meridian.

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

On 11 April 2013, the court decided as follows ("Decision"):

In the MAA Suit:

- the court dismissed MAA's claim against AmTrustee with costs of RM100,000 and interest at 5% on the cost from the date of the decision to the date of settlement. Meridian on the other hand was found to be fully liable to MAA and was ordered to pay the sum of RM19.6 million with interest from the date of filing of the writ to the date of realization and costs of RM100,000 with interest at 5% on the cost from the date of the decision to the date of settlement.

In the Meridian Suit:

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

This essentially means that Meridian has to pay MAA and KWAP for all the damages claimed by MAA and KWAP and AmTrustee has to pay 40% of that amount that Meridian has paid to MAA and KWAP. Court further awarded Meridian to pay AmTrustee cost of RM20,000.

### **23. COMMITMENTS AND CONTINGENCIES (CONTD.)**

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

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

The Court of Appeal had fixed the appeals for further case management on 5 September 2013 for parties to update Court of Appeal on the status of their appeals. On 5 September 2013 the Court of Appeal fixed 29 January 2014 for the parties to file Written Submissions. The Court of Appeal also had fixed the hearing on the appeals and cross appeals on 19 May 2014.

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

In the MAA Suit:

- MAA's appeal against the High Court Decision was allowed;
- Meridian's appeal against the High Decision was dismissed;
- AmTrustee's cross-appeal against MAA's appeals were dismissed;
- AmTrustee's cross-appeal against Meridian's appeal was dismissed.

In the Meridian Suit:

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

MAA and AmTrustee had agreed to the stay of execution of the Court of Appeal Decision pending the disposal of AmTrustee's application for leave to appeal to Federal Court ('Leave Application'). As at the end of the reporting period, AmTrustee had filed its notice of motion for the Leave Application at Federal Court. The Federal Court has yet to fix a date to hear AmTrustee's Leave Application.

### **24. 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.

**24. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTD.)**

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

(a) Financial instruments not measured at fair value (excluding those financial instruments where the carrying amounts are reasonable approximation of their fair values)

	< ----- Group ----- >				< ----- Bank ----- >			
	30.06.14		31.03.2014		30.06.14		31.03.2014	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
<b>Financial Assets</b>								
Financial investments held-to-maturity	75,100	69,850	75,100	69,708	75,100	69,850	75,100	69,708

(b) Financial instruments measured at fair value

	< ----- Group ----- >				< ----- Bank ----- >			
	30.06.2014				30.06.2014			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Assets measured at fair value</b>								
Financial assets held-for-trading								
- Equities	656	-	-	656	656	-	-	656
Financial investments available-for-sale								
- Money market securities	-	500,050	-	500,050	-	500,050	-	500,050
- Unquoted private debt securities	-	25,177	-	25,177	-	25,177	-	25,177
	656	525,227	-	525,883	656	525,227	-	525,883

**Assets for which fair values are disclosed**

Financial investments held-to-maturity								
- Unquoted private debt securities	-	69,750	100	69,850	-	69,750	100	69,850

	< ----- Group ----- >				< ----- Bank ----- >			
	31.03.2014				31.03.2014			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Assets measured at fair value</b>								
Financial assets held-for-trading								
- Equities	659	-	-	659	659	-	-	659
Financial investments available-for-sale								
- Money market securities	-	547,165	-	547,165	-	547,165	-	547,165
- Unquoted private debt securities	-	25,642	-	25,642	-	25,642	-	25,642
	659	572,807	-	573,466	659	572,807	-	573,466

**Assets for which fair values are disclosed**

Financial investments held-to-maturity								
- Unquoted private debt securities	-	69,608	100	69,708	-	69,608	100	69,708

**Liabilities measured at fair value**

Derivative financial liabilities	10	-	-	10	5	-	-	5
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## 25. CAPITAL ADEQUACY

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

	<b>Group</b>		<b>Bank</b>	
	<b>30.06.14</b>	<b>31.03.14</b>	<b>30.06.14</b>	<b>31.03.14</b>
Before deducting proposed dividends:				
CET 1 Capital Ratio	21.932%	24.652%	18.168%	21.207%
Tier 1 Capital Ratio	21.932%	24.652%	18.168%	21.207%
Total Capital Ratio	21.932%	24.652%	18.168%	21.207%
<hr/>				
After deducting proposed dividend:				
CET 1 Capital Ratio	21.932%	24.652%	18.168%	21.207%
Tier 1 Capital Ratio	21.932%	24.652%	18.168%	21.207%
Total Capital Ratio	21.932%	24.652%	18.168%	21.207%

The capital adequacy ratio of the Group refers to the consolidated capital base as a ratio of the consolidated risk-weighted assets of the Bank and its subsidiaries. The capital adequacy ratio of the Bank refers to the combined capital base as a ratio of the risk-weighted assets of the Bank for the financial quarter.

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

	<b>Calendar Year</b>		
	<b>2013</b>	<b>2014</b>	<b>2015</b>
CET 1 Capital Ratio	3.5%	4.0%	4.5%
Tier 1 Capital Ratio	4.5%	5.5%	6.0%
Total Capital Ratio	8.0%	8.0%	8.0%

## 25. CAPITAL ADEQUACY RATIO (CONTD.)

(b) The components of Tier I and Tier II Capital of the Group and the Bank are as follows:

	Group		Bank	
	30.06.14 RM'000	31.03.14 RM'000	30.06.14 RM'000	31.03.14 RM'000
<b><u>Common Equity Tier 1 ("CET1") Capital</u></b>				
Ordinary shares	200,000	200,000	200,000	200,000
Retained earnings	38,006	38,006	57,377	57,377
Unrealised gains on available-for-sale ("AFS") financial instruments	1,560	1,760	1,507	1,707
Foreign exchange translation reserve	33,904	34,517	-	-
Statutory reserve fund	200,000	200,000	200,000	200,000
Capital reserve	2,815	2,815	-	-
Merger reserve	7,656	7,656	-	-
Less : Regulatory adjustments applied on CET1 capital				
Goodwill	(11,243)	(11,243)	-	-
Other intangibles	(2,704)	(1,811)	(1,511)	(1,714)
Deferred tax assets	(6,710)	(14,164)	(6,710)	(14,164)
55% of cumulative gains of AFS financial instruments	(858)	(968)	(829)	(939)
Investments in ordinary shares of unconsolidated financial and insurance/takaful entities	(163)	(333)	(20,408)	(20,408)
Deduction in excess of Tier 2 *	(21,740)	(22,891)	(102,723)	(103,190)
<b>CET1 capital</b>	<b>440,523</b>	<b>433,344</b>	<b>326,703</b>	<b>318,669</b>
<b>Tier 1 ("T1") capital</b>	<b>440,523</b>	<b>433,344</b>	<b>326,703</b>	<b>318,669</b>
<b><u>Tier 2 ("T2") capital</u></b>				
Collective impairment provisions and regulatory reserves #	4,087	4,085	4,087	4,085
Less : Regulatory adjustments applied on Tier 2 capital	(4,087)	(4,085)	(4,087)	(4,085)
<b>Tier 2 capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital</b>	<b>440,523</b>	<b>433,344</b>	<b>326,703</b>	<b>318,669</b>

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

#Excludes collective allowance on impaired loans restricted from Tier 2 capital of the Group and the Bank of RM796,015.(31 March 2013 : RM787,973)

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

	Group		Bank	
	30.06.14 RM'000	31.03.14 RM'000	30.06.14 RM'000	31.03.14 RM'000
Credit risk	1,148,455	1,290,468	997,182	1,097,505
Market risk	445,229	38,768	445,227	38,766
Operational risk	414,907	428,605	355,801	366,407
	<b>2,008,591</b>	<b>1,757,841</b>	<b>1,798,210</b>	<b>1,502,678</b>

## 26. OPERATIONS OF ISLAMIC BANKING

The statements of financial position as at 30 June 2013 and the results for the period ended 30 June 2013 of the Islamic banking business of the Group and the Bank, included in the financial statements, after elimination of intercompany transactions and balances are summarised as follows:

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	<b>Group and Bank</b>	
	<b>30.06.14</b>	<b>31.03.14</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
Cash and short-term funds	179,781	479,614
Other receivables, deposits and prepayments	13,818	16,687
Deferred tax assets	181	292
Property and equipment	25	29
Intangible assets	2	2
<b>TOTAL ASSETS</b>	<b>193,807</b>	<b>496,624</b>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>		
Deposits and placements of banks and other financial institutions	-	301,500
Other liabilities	31,971	35,314
Total Liabilities	31,971	336,814
<b>ISLAMIC BANKING FUNDS</b>		
Capital funds	30,000	30,000
Reserves	131,836	129,810
Islamic Banking Funds	161,836	159,810
<b>TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS</b>	<b>193,807</b>	<b>496,624</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>77,650</b>	<b>77,650</b>



**26. OPERATIONS OF ISLAMIC BANKING (CONTD.)**

**UNAUDITED INCOME STATEMENTS  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2013**

<b>Group and Bank</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30.06.14</b>	<b>30.06.13</b>	<b>30.06.14</b>	<b>30.06.13</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds and others	323	320	323	320
Total attributable income	323	320	323	320
Income attributable to depositors	(914)	(6)	(914)	(6)
Profit attributable to the Group and the Bank	(591)	314	(591)	314
Income derived from investment of Islamic banking funds	4,146	5,303	4,146	5,303
Direct costs	(17)	(30)	(17)	(30)
Total net income	3,538	5,587	3,538	5,587
Other operating expenses	(816)	(946)	(816)	(946)
Profit before taxation	2,722	4,641	2,722	4,641
Taxation	(696)	(1,058)	(696)	(1,058)
Profit after taxation	2,026	3,583	2,026	3,583

**26. OPERATIONS OF ISLAMIC BANKING (CONTD.)**

**26a. OTHER LIABILITIES**

	<b>Group and Bank</b>	
	<b>30.06.14</b>	<b>31.03.14</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade payables	387	559
Other payables and accruals	799	5,455
Amount due to head office	4,241	3,341
Taxation and zakat payable	26,544	25,959
	<u>31,971</u>	<u>35,314</u>

## **27. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP AND THE BANK FOR THE PERIOD**

The Group reported a pretax profit of RM10.7 million (RM18.9 million for the period ended 30 June 2013) and the Bank reported a pretax profit of RM18.4 million (RM11.6 million for the period ended 30 June 2013), and in respect of the non-Islamic business, are attributable to:

- (i) Lower net interest income of RM4.9 million and RM4.4 million (RM7.8 million and RM6.7 million for the period ended 30 June 2013) for the Group and Bank, respectively due to higher interest expense on deposits of banks and other financial institutions.
- (ii) Higher fee income of RM55.9 million (RM48.8 million for the period ended 30 June 2013), for the Bank, from higher underwriting fee commission. Fee income for the Group remain relatively unchanged at RM61.7m (RM61.7m for the period ended 30 June 2013).
- (iii) Investment and trading loss of RM0.3 million (RM3.1 million income for the period ended 30 June 2013), for the Group and lower investment and trading income of RM 0.7 million (RM3.1 million for the period ended 30 June 2013), for the Bank due to nil portfolio income and nil gross dividend income from financial assets available-for-sale.
- (iv) Writeback of allowance for impairment on loan and financing of RM1.0 million for the Group and RM1.1 million for the Bank (Allowance for impairment of RM0.5 million for the period ended 30 June 2013 for the Group and the Bank) due to recovery of impaired loans.

Lower net income from Islamic banking business of RM3.5 million for the Group and the Bank (RM5.6 million for the period ended 30 June 2013 for the Group and the Bank) due to lower fee income.

Shareholder's equity stood at RM0.5 billion (RM0.5 billion as at 31 March 2014) for the Group and the Bank, respectively.

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

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

## **28. CURRENT PERIOD PROSPECTS**

The Malaysian economy registered a strong growth of 6.2% year-on-year in first quarter 2014 (5.1% year-on-year growth in fourth quarter 2013), driven by stronger exports and stable domestic demand.

Moving into 2H2014, domestic economic growth is anticipated to moderate on lower contribution from domestic demand, whilst exports will remain healthy from improving demand from our major trading partners, stable prices, pick up in volume growth for selected export products and weak RM/US\$. Inflation is expected to remain above the historical long-term average given the cost-push pressures.

In the banking sector, loans growth is anticipated to moderate in line with economic outlook and measures to address household debt concerns. Asset quality may come under pressure more from rising inflation and interest rates than potential capital flow risk.

For FY2015 – 2017, AmBank Group's strategic agenda is designed to (1) Deliver on focused organic growth; (2) Leverage strategic partnerships and deliver on acquisitions; (3) Continue to optimise efficiency; and (4) Build sustainability.

## **29. VALUATIONS OF PROPERTY AND EQUIPMENT**

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

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

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