

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
31 December 2016
(In Ringgit Malaysia)

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

Note	Group		Bank	
	31 December 2016	31 March 2016	31 December 2016	31 March 2016 (Restated)
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Cash and short-term funds	3,703,534	7,605,681	3,473,841	7,380,187
Deposits and placements with banks and other financial institutions	400,000	850,000	400,000	850,000
Investment account	2,000,000	1,000,000	2,000,000	1,000,000
Derivative financial assets	1,537,820	1,894,819	1,537,820	1,894,819
Financial assets held-for-trading	A8 3,518,637	1,870,427	3,518,637	1,870,427
Financial investments available-for-sale	A9 6,655,084	7,476,200	6,709,915	7,545,237
Financial investments held-to-maturity	A10 2,070,331	2,828,754	2,070,331	2,828,754
Loans and advances	A11 61,835,095	58,814,740	61,748,631	58,717,201
Receivables: Investments not quoted in active markets	A12 1,171,642	97,181	1,171,642	97,181
Statutory deposit with Bank Negara Malaysia	1,931,102	1,745,554	1,931,102	1,745,554
Deferred tax assets	991	76,485	-	75,430
Investment in subsidiaries and other investment	-	-	74,277	104,277
Investment in associate	-	-	22	22
Other assets	A13 2,038,094	2,032,171	2,020,435	2,034,781
Property and equipment	160,516	165,900	138,920	143,987
Intangible assets	377,988	350,753	377,986	350,750
Asset held for sale	A14 4,069	3,167	4,069	100
TOTAL ASSETS	87,404,903	86,811,832	87,177,628	86,638,707
LIABILITIES AND EQUITY				
Deposits and placements of banks and other financial institutions	A15 2,119,655	951,138	2,221,510	1,030,888
Recourse obligation on loans sold to Cagamas Berhad	2,666,685	2,807,951	2,666,685	2,807,951
Derivative financial liabilities	1,248,614	2,023,211	1,248,614	2,023,211
Deposits from customers	A16 62,401,003	62,148,465	62,477,813	62,247,524
Term funding	5,519,543	5,549,451	5,519,543	5,549,451
Debt capital	2,694,666	2,694,550	2,694,666	2,694,550
Deferred tax liabilities	109,610	-	109,610	-
Other liabilities	A17 2,100,161	2,374,240	2,088,164	2,353,530
TOTAL LIABILITIES	78,859,937	78,549,006	79,026,605	78,707,105
Share capital	820,364	820,364	820,364	820,364
Reserves	7,724,539	7,442,400	7,330,659	7,111,238
Equity attributable to equity holder of the Bank	8,544,903	8,262,764	8,151,023	7,931,602
Non-controlling interests	63	62	-	-
TOTAL EQUITY	8,544,966	8,262,826	8,151,023	7,931,602
TOTAL LIABILITIES AND EQUITY	87,404,903	86,811,832	87,177,628	86,638,707
COMMITMENTS AND CONTINGENCIES	A31 121,903,980	121,028,342	121,963,839	121,066,632
NET ASSETS PER SHARE (RM)	10.42	10.07	9.94	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 31 DECEMBER 2016**

	Note	Individual Quarter		Cumulative Quarter	
		31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Group					
Operating revenue		1,095,444	1,128,962	3,368,858	3,425,627
Interest income	A18	971,036	1,008,210	2,897,501	3,021,274
Interest expense	A19	(587,136)	(623,474)	(1,771,193)	(1,797,143)
Net interest income		383,900	384,736	1,126,308	1,224,131
Other operating income	A20	124,408	120,752	471,357	404,353
Share in results of associates		-	223	-	830
Net income		508,308	505,711	1,597,665	1,629,314
Other operating expenses	A21	(286,499)	(298,249)	(855,280)	(874,164)
Operating profit		221,809	207,462	742,385	755,150
Writeback of allowance for impairment on loans and advances (Provision for)/Writeback of provision for commitments and contingencies	A22	95,396	46,844	179,733	144,952
Impairment writeback/(loss) on:					
Doubtful sundry receivables, net		(11,431)	(122)	(11,480)	909
Financial investments	A23	-	11,246	-	(11,542)
Foreclosed properties		(71)	(92)	(359)	(198)
Other recoveries		237	388	12,808	1,142
Profit before taxation		311,874	265,122	935,193	893,742
Taxation		(69,117)	(72,693)	(212,265)	(209,936)
Profit for the period		242,757	192,429	722,928	683,806
Attributable to:					
Equity holder of the Bank		242,756	192,428	722,927	683,805
Non-controlling interests		1	1	1	1
Profit for the period		242,757	192,429	722,928	683,806
Earnings per share (sen)	A24				
Basic		29.59	23.46	88.12	83.35

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 31 DECEMBER 2016**

	Individual Quarter		Cumulative Quarter	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Group				
Profit for the period	242,757	192,429	722,928	683,806
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss				
Currency translation on foreign operations	44,162	(11,752)	72,067	60,513
Net gain/(loss) on financial investments available-for-sale	(112,742)	3,321	(57,821)	(64,309)
Net movement on cash flow hedge	3,659	(6,911)	(796)	13,370
Tax effect relating to the components of other comprehensive income	26,179	862	13,882	12,224
Other comprehensive income/(loss), net of tax	(38,742)	(14,480)	27,332	21,798
Total comprehensive income for the period, net of tax	204,015	177,949	750,260	705,604
Attributable to:				
Equity holder of the Bank	204,014	177,948	750,259	705,603
Non-controlling interests	1	1	1	1
	204,015	177,949	750,260	705,604

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 31 DECEMBER 2016**

	Note	Individual Quarter		Cumulative Quarter	
		31 December 2016	31 December 2015 (Restated)	31 December 2016	31 December 2015 (Restated)
		RM'000	RM'000	RM'000	RM'000
Bank					
Operating revenue		1,092,411	1,128,799	3,359,828	3,473,872
Interest income	A18	968,107	1,006,835	2,887,606	3,014,952
Interest expense	A19	(588,061)	(626,162)	(1,773,924)	(1,804,904)
Net interest income		380,046	380,673	1,113,682	1,210,048
Other operating income	A20	124,304	121,964	472,222	458,920
Net income		504,350	502,637	1,585,904	1,668,968
Other operating expenses	A21	(291,906)	(295,919)	(859,426)	(870,414)
Operating profit		212,444	206,718	726,478	798,554
Writeback of allowance for impairment on loans and advances (Provision for)/Writeback of provision for commitments and contingencies	A22	95,410	46,879	179,609	144,938
Impairment writeback/(loss) on:		5,933	(603)	18,112	3,346
Doubtful sundry receivables, net		(11,431)	(122)	(11,470)	909
Financial investments	A23	-	11,246	-	(11,542)
Foreclosed properties		(71)	(92)	(359)	(198)
Other recoveries		237	388	12,808	1,142
Profit before taxation		302,522	264,414	925,178	937,149
Taxation		(68,015)	(72,019)	(209,837)	(207,140)
Profit for the period		234,507	192,395	715,341	730,009
Earnings per share (sen)	A24				
Basic		28.59	23.45	87.20	88.99

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 31 DECEMBER 2016**

	Individual Quarter		Cumulative Quarter	
	31 December 2016	31 December 2015 (Restated)	31 December 2016	31 December 2015 (Restated)
	RM'000	RM'000	RM'000	RM'000
Bank				
Profit for the period	234,507	192,395	715,341	730,009
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss				
Currency translation on foreign operations	40,505	(10,690)	65,974	54,373
Net gain/(loss) on financial investments available-for-sale	(113,463)	3,601	(58,082)	(64,549)
Net movement on cash flow hedge	3,659	(6,910)	(796)	13,370
Income tax relating to the components of other comprehensive income	26,353	794	13,947	12,283
Other comprehensive income/(loss), net of tax	(42,946)	(13,205)	21,043	15,477
Total comprehensive income for the period, net of tax	191,561	179,190	736,384	745,486

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 31 DECEMBER 2016

Group	Attributable to equity holder of the Bank									Non-controlling interests RM'000	Total equity RM'000
	Non-distributable				Distributable			Retained earnings RM'000	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/ (deficit) RM'000	Cash flow hedging (deficit)/ reserve RM'000	Foreign currency translation reserve 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	-	-	-	-	-	-	-	683,805	683,805	1	683,806
Other comprehensive (loss)/income	-	-	-	-	(48,876)	10,161	60,513	-	21,798	-	21,798
Net gain on foreign currency translation	-	-	-	-	-	-	60,513	-	60,513	-	60,513
Net gain on cash flow hedge	-	-	-	-	-	10,161	-	-	10,161	-	10,161
Net loss on financial investments available-for-sale	-	-	-	-	(48,876)	-	-	-	(48,876)	-	(48,876)
Total comprehensive (loss)/income for the period	-	-	-	-	(48,876)	10,161	60,513	683,805	705,603	1	705,604
Transfer of AMMB Holdings Berhad ("AMMB") Executives' Share Scheme ("ESS") shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	-	(869)	(869)	-	(869)
Dividend on ordinary shares:											
- final, financial year ended 31 March 2015	-	-	-	-	-	-	-	(426,589)	(426,589)	-	(426,589)
- interim, financial year ended 31 March 2016	-	-	-	-	-	-	-	(205,091)	(205,091)	-	(205,091)
Transaction with owner and other equity movements	-	-	-	-	-	-	-	(632,549)	(632,549)	-	(632,549)
At 31 December 2015	820,364	942,844	980,969	104,149	(47,669)	9,680	111,050	5,199,156	8,120,543	62	8,120,605

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 31 DECEMBER 2016

Group	Attributable to equity holder of the Bank							Distributable				
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Regulatory reserve RM'000	Merger reserve RM'000	Available-for-sale reserve/ (deficit) RM'000	Cash flow hedging 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 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	-	-	-	-	-	-	-	-	722,927	722,927	1	722,928
Other comprehensive (loss)/income	-	-	-	-	-	(43,946)	(789)	72,067	-	27,332	-	27,332
Net gain on foreign currency translation	-	-	-	-	-	-	-	72,067	-	72,067	-	72,067
Net loss on cash flow hedge	-	-	-	-	-	-	(789)	-	-	(789)	-	(789)
Net loss on financial investments available-for-sale	-	-	-	-	-	(43,946)	-	-	-	(43,946)	-	(43,946)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(43,946)	(789)	72,067	722,927	750,259	1	750,260
Transfer of AMMB ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	-	-	(513)	(513)	-	(513)
Transfer to Regulatory Reserve	-	-	-	69,000	-	-	-	-	(69,000)	-	-	-
Dividend on ordinary shares:												
- final, financial year ended 31 March 2016	-	-	-	-	-	-	-	-	(295,331)	(295,331)	-	(295,331)
- interim, financial year ending 31 March 2017	-	-	-	-	-	-	-	-	(172,276)	(172,276)	-	(172,276)
Transaction with owner and other equity movements	-	-	-	69,000	-	-	-	-	(537,120)	(468,120)	-	(468,120)
At 31 December 2016	820,364	942,844	980,969	69,000	104,149	(32,195)	2,846	135,373	5,521,553	8,544,903	63	8,544,966

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 31 DECEMBER 2016

Bank	Note	Attributable to equity holder of the Bank						Distributable		Total equity RM'000
		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	
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	A34	-	-	-	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		-	-	-	-	-	-	-	730,009	730,009
Other comprehensive (loss)/income		-	-	-	-	(49,057)	10,161	54,373	-	15,477
Net gain on foreign currency translation		-	-	-	-	-	-	54,373	-	54,373
Net gain on cash flow hedge		-	-	-	-	-	10,161	-	-	10,161
Net loss on financial investments available-for-sale		-	-	-	-	(49,057)	-	-	-	(49,057)
Total comprehensive income/(loss) for the period		-	-	-	-	(49,057)	10,161	54,373	730,009	745,486
Effect arising from the pooling of interests		-	-	-	14,834	-	-	-	(57,979)	(43,145)
Transfer of AMMB ESS shares recharged - difference on purchase price for shares vested		-	-	-	-	-	-	-	(860)	(860)
Dividend on ordinary shares:										
- final, financial year ended 31 March 2015		-	-	-	-	-	-	-	(426,589)	(426,589)
- interim, financial year ended 31 March 2016		-	-	-	-	-	-	-	(205,091)	(205,091)
Transaction with owner and other equity movements		-	-	-	14,834	-	-	-	(690,519)	(675,685)
At 31 December 2015		820,364	942,844	980,969	26,988	(47,734)	9,680	104,958	4,913,577	7,751,646

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 31 DECEMBER 2016

Bank	Note	Attributable to equity holder of the Bank							Distributable		Total equity RM'000
		Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Regulatory reserve RM'000	Merger reserve RM'000	Available-for-sale reserve/ (deficit) 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	-	-	11,951	3,635	61,296	5,080,500	7,901,559
Effect arising from the pooling of interests As restated	A34	-	-	-	-	30,043	-	-	-	-	30,043
		820,364	942,844	980,969	-	30,043	11,951	3,635	61,296	5,080,500	7,931,602
Profit for the period		-	-	-	-	-	-	-	-	715,341	715,341
Other comprehensive (loss)/income		-	-	-	-	-	(44,142)	(789)	65,974	-	21,043
Net gain on foreign currency translation		-	-	-	-	-	-	-	65,974	-	65,974
Net loss on cash flow hedge		-	-	-	-	-	-	(789)	-	-	(789)
Net loss on financial investments available-for-sale		-	-	-	-	-	(44,142)	-	-	-	(44,142)
Total comprehensive (loss)/income for the period		-	-	-	-	-	(44,142)	(789)	65,974	715,341	736,384
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		-	-	-	-	-	-	-	-	(513)	(513)
Transfer to Regulatory Reserve		-	-	-	69,000	-	-	-	-	(69,000)	-
Dividend on ordinary shares:											
- final, financial year ended 31 March 2016		-	-	-	-	-	-	-	-	(295,331)	(295,331)
- interim, financial year ending 31 March 2017		-	-	-	-	-	-	-	-	(172,276)	(172,276)
Transaction with owner and other equity movements		-	-	-	69,000	(30,043)	-	-	-	(555,920)	(516,963)
At 31 December 2016		820,364	942,844	980,969	69,000	-	(32,191)	2,846	127,270	5,239,921	8,151,023

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 CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2016**

	Group		Bank	
	31 December 2016	31 December 2015 (Restated)	31 December 2016	31 December 2015 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	935,193	893,742	925,178	937,149
Adjustments for non-operating and non-cash items	160,417	893,735	153,518	841,396
Operating profit before working capital changes	1,095,610	1,787,477	1,078,696	1,778,545
Changes in working capital:				
Net change in operating assets	(6,445,625)	1,337,166	(6,445,803)	1,281,644
Net change in operating liabilities	617,008	485,066	602,778	488,872
Tax paid	(94,327)	(339,191)	(76,967)	(337,118)
Net cash (used in)/generated from operating activities	(4,827,334)	3,270,518	(4,841,296)	3,211,943
Net cash generated from/(used in) investing activities	389,503	(3,486,797)	399,266	(3,414,947)
Net cash used in financing activities	(467,607)	(631,680)	(467,607)	(631,680)
Net decrease in cash and cash equivalents	(4,905,438)	(847,959)	(4,909,637)	(834,684)
Cash and cash equivalents at beginning of the financial year	8,455,681	8,618,118	8,230,187	8,342,916
Effect of exchange rate changes	3,291	38	3,291	59
Cash and cash equivalents at end of financial period	3,553,534	7,770,197	3,323,841	7,508,291
Cash and cash equivalents comprise:				
Cash and short-term funds	3,703,534	7,653,257	3,473,841	7,391,351
Deposits and placements with banks and other financial institutions	400,000	450,000	400,000	450,000
	4,103,534	8,103,257	3,873,841	7,841,351
Less: Deposits and placements with original maturity of more than 3 months	(550,000)	(333,060)	(550,000)	(333,060)
	3,553,534	7,770,197	3,323,841	7,508,291

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 31 December 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. The 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
Annual Improvements to MFRSs 2014-2016 Cycle (amendments to MFRS 12)	31 March 2018
MFRS 15 Revenue from Contracts with Customers	31 March 2019
MFRS 9 Financial Instruments	31 March 2019
Amendments to MFRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	31 March 2019
Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions	31 March 2019
Amendments to MFRS 140 Transfers of Investment Property	31 March 2019
Annual Improvements to MFRSs 2014-2016 Cycle (amendments to MFRS 1 and MFRS 128)	31 March 2019
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	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 statement of financial position 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.)

A1. BASIS OF PREPARATION (CONT'D.)

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

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

Annual Improvements to MFRSs 2014-2016 Cycle

The Annual Improvements to MFRSs 2014-2016 Cycle include minor amendments affecting 3 MFRSs, in which one of them is effective for annual periods beginning on or after 1 January 2017, as summarised below:

(i) MFRS 12 Disclosure of Interests in Other Entities

The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities classified as held for sale except for summarised financial information. Previously, it was unclear whether all other MFRS 12 requirements were applicable for these interests.

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 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

The amendments addresses the concerns about the different effective dates of MFRS 9 and the forthcoming new MFRS on insurance contracts by providing 2 different solutions for insurers which are optional; a temporary exemption from MFRS 9 for entities that meet specific requirements, and the "overlay approach".

The temporary exemption allows insurers to continue to apply MFRS 139 instead of adopting MFRS 9 for annual periods beginning before 1 January 2021 if their activities are "predominantly connected with insurance"; the eligibility is assessed based on the significance of the carrying amounts of liabilities arising from contracts within the scope of MFRS 4 and liabilities connected with insurance as at the annual reporting date that immediately precedes 1 April 2016.

EXPLANATORY NOTES (CONT'D.)

A1. BASIS OF PREPARATION (CONT'D.)

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

(b) Standards effective for financial year ending 31 March 2019 (Cont'd.)

Amendments to MFRS 4 Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts (Cont'd.)

The "overlay approach" allows insurers that applies MFRS 9 to to reclassify, in respect of certain eligible financial assets, the difference between the amount that is reported in profit or loss under MFRS 9 and the amount that would have been reported in profit or loss under MFRS 139 to other comprehensive income. Financial assets are eligible for designation, on an instrument-by-instrument basis, for the "overlay approach" if they are measured at fair value through profit or loss under MFRS 9 but not so measured under MFRS 139, and not held in respect of an activity that is unconnected with contracts within the scope of MFRS 4.

Both approaches are are effective for annual periods beginning on or after 1 January 2018 and are expected to cease to be applicable when the new MFRS on insurance contracts becomes effective. The Group is not eligible to apply the temporary exemption from MFRS 9 as its activities are not "predominantly connected with insurance". Nevertheless, the amendments provide the Group an exemption from applying uniform accounting policies when applying the equity method under MFRS 128 to account for its investments in associates or joint ventures that apply the temporary exemption from MFRS 9.

Both approaches are are effective for annual periods beginning on or after 1 January 2018 and are expected to cease to be applicable when the new MFRS on insurance contracts becomes effective. The Group is not eligible to apply the temporary exemption from MFRS 9 as its activities are not "predominantly connected with insurance". Nevertheless, the amendments provide the Group an exemption from applying uniform accounting policies when applying the equity method under MFRS 128 to account for its investments in associates or joint ventures that apply the temporary exemption from MFRS 9.

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 this, the amendments can be applied retrospectively provided that this is possible without hindsight.

Amendments to MFRS 140 Transfers of Investment Property

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets, or has ceased to meet, the definition of investment property. This change must be supported by evidence; a change in intention in isolation is not enough to support a transfer.

The amendments are effective for annual periods beginning on or after 1 January 2018 with early adoption permitted. The amendments shall be applied prospectively and any impact from the reclassification of properties at the date of initial application would be treated as an adjustment to opening retained earnings. 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.)

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

Annual Improvements to MFRSs 2014-2016 Cycle

The Annual Improvements to MFRSs 2014-2016 Cycle include minor amendments affecting 3 MFRSs, in which two of them is effective for annual periods beginning on or after 1 January 2018, as summarised below:

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

The amendments deleted short-term exemptions covering transition provisions of MFRS 7, MFRS 10, and MFRS 119. These transition provisions were available to entities for past reporting periods and are therefore no longer applicable.

(ii) MFRS 128 Investments in Associates and Joint Ventures

MFRS 128 allows venture capital organisations, mutual funds, unit trusts and similar entities to elect measuring their investments in associates or joint ventures at fair value through profit or loss. The amendments clarified that this election should be made separately for each associate or joint venture at initial recognition.

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The Interpretation provides guidance on how to determine the date of the transaction when applying MFRS 121 in situations where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. For the purpose of determining the exchange rate to use on initial recognition of the related item, the Interpretation states that the date of the transaction shall be the date on which an entity initially recognises the non-monetary asset or liability arising from the advance consideration.

The amendments are effective for annual periods beginning on or after 1 January 2018 with early adoption permitted. Entities can choose to apply the Interpretation retrospectively, prospectively to items that are initially recognised on or after the beginning of the reporting period in which the Interpretation is first applied, or prospectively from the beginning of a prior reporting period presented as comparative information.

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 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 31 December 2016.

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

During the financial period, the Bank repaid the Senior Notes with nominal value 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 period:

- (i) 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.
- (ii) the interim single-tier cash dividend of 21.00 sen per ordinary share on 820,363,762 ordinary shares amounting to approximately RM172,276,390 in respect of the current financial year was paid on 14 December 2016.

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A8. FINANCIAL ASSETS HELD-FOR-TRADING

	Group and Bank	
	31 December 2016 RM'000	31 March 2016 RM'000
At fair value		
Money market instruments:		
Bank Negara Monetary Notes	33,708	-
Government Investment Issues	518,629	206,757
Foreign Government Investment Issues	36,007	-
Islamic Treasury Bills	237,912	-
Malaysian Treasury Bills	545,471	-
Malaysian Government Securities	<u>1,047,239</u>	<u>287,529</u>
	<u>2,418,966</u>	<u>494,286</u>
Quoted securities:		
<i>In Malaysia:</i>		
Shares	65,756	67,560
Unit trusts	57,941	130,272
Warrants	-	80
Corporate bonds	<u>38,088</u>	<u>38,962</u>
	<u>161,785</u>	<u>236,874</u>
<i>Outside Malaysia:</i>		
Shares	109,241	102,101
Unquoted securities:		
<i>In Malaysia:</i>		
Corporate bonds and sukuk	818,654	1,000,756
<i>Outside Malaysia:</i>		
Corporate bonds	9,991	36,410
	<u>3,518,637</u>	<u>1,870,427</u>

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A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group		Bank	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 2016 RM'000	31 March 2016 RM'000
At fair value				
Money market instruments:				
Government Investment Issues	564,111	625,820	564,111	625,820
Islamic Treasury Bills	-	28,723	-	28,723
Malaysian Government Securities	566,629	384,777	566,629	384,777
Negotiable Instruments of Deposit	999,089	2,049,644	999,089	2,049,644
	<u>2,129,829</u>	<u>3,088,964</u>	<u>2,129,829</u>	<u>3,088,964</u>
Quoted securities:				
<i>In Malaysia:</i>				
Shares	2,880	4,204	2,880	4,202
Unit trusts	142,204	137,617	142,204	137,617
	<u>145,084</u>	<u>141,821</u>	<u>145,084</u>	<u>141,819</u>
<i>Outside Malaysia:</i>				
Shares	47	47	8	8
Unquoted securities:				
<i>In Malaysia:</i>				
Corporate bonds and sukuk	4,079,302	3,845,078	4,134,217	3,914,201
<i>Outside Malaysia:</i>				
Corporate bonds and sukuk	213,261	312,740	213,261	312,740
At cost				
Unquoted securities:				
<i>In Malaysia:</i>				
Shares	87,375	87,375	87,330	87,330
<i>Outside Malaysia:</i>				
Shares	186	175	186	175
	<u>6,655,084</u>	<u>7,476,200</u>	<u>6,709,915</u>	<u>7,545,237</u>

As at 31 December 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 the 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 31 December 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 RM3,232,000 (31 March 2016: RM4,102,000).

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A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group and Bank	
	31 December 2016 RM'000	31 March 2016 RM'000
At amortised cost		
Money market instruments:		
Foreign Treasury Bills	-	780,153
Unquoted securities:		
<i>In Malaysia:</i>		
Corporate bonds and sukuk	2,073,339	2,051,609
	<u>2,073,339</u>	<u>2,831,762</u>
Less: Accumulated impairment losses	(3,008)	(3,008)
	<u>2,070,331</u>	<u>2,828,754</u>

A11. LOANS AND ADVANCES

	Group		Bank	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 2016 RM'000	31 March 2016 RM'000
At amortised cost:				
Overdraft	2,477,278	2,314,683	2,477,278	2,314,683
Term loans	14,329,534	14,641,244	14,329,534	14,641,244
Housing loan receivables	17,852,666	15,673,465	17,683,075	15,493,600
Hire purchase receivables	12,722,434	12,833,088	12,722,434	12,833,088
Bills receivables	1,456,473	934,993	1,456,473	934,993
Trust receipts	1,493,862	1,114,735	1,493,862	1,114,735
Claims on customers under acceptance credits	2,840,615	2,823,822	2,840,615	2,823,822
Card receivables	1,365,199	1,305,021	1,365,199	1,305,021
Revolving credits	7,748,711	7,827,388	7,831,715	7,909,441
Staff loans	107,609	112,094	107,609	112,094
Others	223,797	216,359	223,797	216,359
	<u>62,618,178</u>	<u>59,796,892</u>	<u>62,531,591</u>	<u>59,699,080</u>
Gross loans and advances				
Allowance for impairment on loans and advances:				
- Individual allowance	(77,952)	(251,303)	(77,952)	(251,303)
- Collective allowance	(705,131)	(730,849)	(705,008)	(730,576)
Net loans and advances	<u>61,835,095</u>	<u>58,814,740</u>	<u>61,748,631</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	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 2016 RM'000	31 March 2016 RM'000
Domestic banking institutions	208,431	160,533	208,431	160,533
Domestic non-bank financial institutions	1,585,887	1,678,716	1,668,890	1,760,769
Domestic business enterprises				
- Small medium enterprises	9,486,106	7,820,765	9,486,106	7,820,765
- Others	15,483,220	16,546,462	15,483,220	16,546,462
Government and statutory bodies	121,574	104,172	121,574	104,172
Individuals	34,425,976	32,131,490	34,256,386	31,951,625
Other domestic entities	91,171	108,574	91,171	108,574
Foreign individuals and entities	1,215,813	1,246,180	1,215,813	1,246,180
	<u>62,618,178</u>	<u>59,796,892</u>	<u>62,531,591</u>	<u>59,699,080</u>

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

	Group		Bank	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 2016 RM'000	31 March 2016 RM'000
In Malaysia	62,088,518	59,161,871	62,001,931	59,064,059
Outside Malaysia	529,660	635,021	529,660	635,021
	<u>62,618,178</u>	<u>59,796,892</u>	<u>62,531,591</u>	<u>59,699,080</u>

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

	Group		Bank	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 2016 RM'000	31 March 2016 RM'000
Fixed rate				
- Housing loans	306,467	333,008	136,876	153,143
- Hire purchase receivables	11,736,143	12,058,941	11,736,143	12,058,941
- Other fixed rate loans	6,546,587	5,973,668	6,546,587	5,973,668
Variable rate				
- Base rate and base lending rate plus	27,091,537	24,787,850	27,091,537	24,787,850
- Cost plus	14,748,854	14,913,375	14,831,858	14,995,428
- Other variable rates	2,188,590	1,730,050	2,188,590	1,730,050
	<u>62,618,178</u>	<u>59,796,892</u>	<u>62,531,591</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	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 2016 RM'000	31 March 2016 RM'000
Agriculture	2,268,071	2,576,964	2,268,071	2,576,964
Mining and quarrying	1,491,781	1,447,730	1,491,781	1,447,730
Manufacturing	6,079,975	6,147,509	6,079,975	6,147,509
Electricity, gas and water	325,991	367,281	325,991	367,281
Construction	2,820,258	2,216,717	2,820,258	2,216,717
Wholesale and retail trade and hotel and restaurants	3,761,940	3,390,668	3,761,940	3,390,668
Transport, storage and communication	740,593	1,016,558	740,593	1,016,558
Finance and insurance	1,794,317	1,878,425	1,877,321	1,960,478
Real estate	5,886,735	6,059,302	5,886,735	6,059,302
Business activities	1,089,751	783,359	1,089,751	783,359
Education and health	958,117	850,666	958,117	850,666
Household of which:	35,093,256	32,735,468	34,923,665	32,555,603
- purchase of residential properties	17,594,722	15,482,210	17,425,131	15,302,345
- purchase of transport vehicles	12,104,691	12,170,346	12,104,691	12,170,346
- others	5,393,843	5,082,912	5,393,843	5,082,912
Others	307,393	326,245	307,393	326,245
	<u>62,618,178</u>	<u>59,796,892</u>	<u>62,531,591</u>	<u>59,699,080</u>

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

	Group		Bank	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 2016 RM'000	31 March 2016 RM'000
Maturing within one year	15,409,701	14,352,180	15,490,927	14,432,934
Over one year to three years	5,086,057	6,864,478	5,078,165	6,856,586
Over three years to five years	8,287,445	7,623,251	8,279,296	7,615,102
Over five years	33,834,975	30,956,983	33,683,203	30,794,458
	<u>62,618,178</u>	<u>59,796,892</u>	<u>62,531,591</u>	<u>59,699,080</u>

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

	Group		Bank	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 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	488,099	1,003,542	487,492	1,002,165
Reclassified as non-impaired	(37,615)	(15,426)	(37,615)	(15,426)
Recoveries	(288,483)	(423,800)	(287,645)	(422,138)
Amount written off	(429,806)	(434,898)	(429,806)	(434,898)
Foreign exchange differences	15,173	-	15,173	-
Balance at end of the financial period/year	<u>840,771</u>	<u>1,093,403</u>	<u>840,663</u>	<u>1,093,064</u>
Gross impaired loans and advances as % of gross loans and advances	<u>1.34%</u>	<u>1.83%</u>	<u>1.34%</u>	<u>1.83%</u>
Loan loss coverage	<u>93.1%</u>	<u>89.8%</u>	<u>93.1%</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	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 2016 RM'000	31 March 2016 RM'000
In Malaysia	730,669	992,117	730,561	991,778
Outside Malaysia	110,102	101,286	110,102	101,286
	<u>840,771</u>	<u>1,093,403</u>	<u>840,663</u>	<u>1,093,064</u>

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

	Group		Bank	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 2016 RM'000	31 March 2016 RM'000
Agriculture	1,133	2,272	1,133	2,272
Mining and quarrying	113,800	84,987	113,800	84,987
Manufacturing	10,184	155,617	10,184	155,617
Electricity, gas and water	-	265	-	265
Construction	8,318	45,620	8,318	45,620
Wholesale and retail trade and hotel and restaurants	26,898	29,332	26,898	29,332
Transport, storage and communication	6,929	18,272	6,929	18,272
Finance and insurance	157	477	157	477
Real estate	128,172	193,236	128,172	193,236
Business activities	6,794	5,830	6,794	5,830
Education and health	3,313	3,738	3,313	3,738
Household of which:	529,738	547,732	529,630	547,393
- purchase of residential properties	296,647	304,227	296,539	303,888
- purchase of transport vehicles	131,818	151,992	131,818	151,992
- others	101,273	91,513	101,273	91,513
Others	5,335	6,025	5,335	6,025
	<u>840,771</u>	<u>1,093,403</u>	<u>840,663</u>	<u>1,093,064</u>

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

	Group and Bank	
	31 December 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	(2,517)	111,381
Amount written-off	(172,831)	(27,535)
Foreign exchange differences	1,997	-
Balance at end of the financial period/year	<u>77,952</u>	<u>251,303</u>

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A11. LOANS AND ADVANCES (CONT'D.)

	Group		Bank	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 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	202,140	185,846	202,290	185,754
Amount transferred to				
AmBank Islamic (a)	-	(17)	-	(17)
Amount written-off	(230,568)	(409,920)	(230,568)	(409,920)
Foreign exchange differences	2,710	1,280	2,710	1,279
Balance at end of the financial period/year (b)	<u>705,131</u>	<u>730,849</u>	<u>705,008</u>	<u>730,576</u>
Collective allowance (including regulatory reserve) as % of gross loans and advances less individual allowance	<u>1.24%</u>	<u>1.23%</u>	<u>1.24%</u>	<u>1.23%</u>

(a) On 31 December 2015, a Restricted Investment Account ("RIA") contract for the sum of RM300,000,000 was entered into by the Bank with AmBank Islamic. Arising from this 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 31 December 2016, the gross exposure and collective allowance relating to the RIA financing for the Group and the Bank amounted to RM2,006,014,000 and RM1,871,000 (31 March 2016: RM1,003,979,000 and RM1,473,000) respectively.

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

A12. RECEIVABLES: INVESTMENTS NOT QUOTED IN ACTIVE MARKETS

	Group and Bank	
	31 December 2016 RM'000	31 March 2016 RM'000
At amortised cost:		
Unquoted corporate bonds and sukuk in Malaysia	<u>1,171,642</u>	<u>97,181</u>

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A13. OTHER ASSETS

	Group		Bank	
	31 December 2016	31 March 2016	31 December 2016	31 March 2016 (Restated)
	RM'000	RM'000	RM'000	RM'000
Other receivables, deposits and prepayments	477,912	344,441	464,154	331,432
Interest receivable	191,000	220,566	191,012	220,582
Amount due from originators	164,920	304,803	164,920	304,803
Amount due from related companies	35,521	34,794	31,162	40,733
Collateral pledged for derivative transactions	622,170	670,715	622,170	670,715
Foreclosed properties	79,081	78,711	78,774	78,404
Deferred charges	87,191	79,050	87,191	79,050
Tax recoverable *	428,841	347,741	417,027	344,960
	<u>2,086,636</u>	<u>2,080,821</u>	<u>2,056,410</u>	<u>2,070,679</u>
Less: Accumulated impairment losses	(48,542)	(48,650)	(35,975)	(35,898)
	<u>2,038,094</u>	<u>2,032,171</u>	<u>2,020,435</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. The Bank's application to the Special Commissioners of Income Tax for the notice of assessment for the year of assessment 2009 is still pending and awaiting for court hearing.

A14. ASSET HELD FOR SALE

		Group		Bank	
		31 December 2016	31 March 2016	31 December 2016	31 March 2016
		RM'000	RM'000	RM'000	RM'000
Proposed disposal of properties obtained from garnishee proceedings	(a)	4,069	-	4,069	-
Proposed disposal of MTrustee Berhad (formerly known as AmTrustee Berhad)	(b)	-	3,167	-	100
		<u>4,069</u>	<u>3,167</u>	<u>4,069</u>	<u>100</u>

(a) This relates to properties obtained from garnishee proceedings initiated by the Bank pending completion of sale.

(b) The above disposal was completed during the financial period as disclosed in Note A30 (a).

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A15. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	31 December 2016	31 March 2016	31 December 2016	31 March 2016 (Restated)
	RM'000	RM'000	RM'000	RM'000
Licensed banks	1,460,001	334,831	1,460,001	334,831
Licensed investment banks	149,738	123,953	149,738	123,953
Other financial Institutions	484,118	469,970	585,973	549,720
Bank Negara Malaysia	25,798	22,384	25,798	22,384
	<u>2,119,655</u>	<u>951,138</u>	<u>2,221,510</u>	<u>1,030,888</u>

A16. DEPOSIT FROM CUSTOMERS

	Group		Bank	
	31 December 2016	31 March 2016	31 December 2016	31 March 2016
	RM'000	RM'000	RM'000	RM'000
Demand deposits	9,363,430	9,689,196	9,365,985	9,690,746
Savings deposits	3,383,867	3,317,483	3,383,867	3,317,483
Term/Investment deposits	49,653,451	49,141,538	49,727,706	49,239,047
Negotiable instruments of deposits	255	248	255	248
	<u>62,401,003</u>	<u>62,148,465</u>	<u>62,477,813</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	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 2016 RM'000	31 March 2016 RM'000
Government and other statutory bodies	2,352,348	4,261,283	2,352,348	4,261,283
Business enterprises	31,662,108	27,963,073	31,738,918	28,062,132
Individuals	25,818,430	27,894,358	25,818,430	27,894,358
Others	2,568,117	2,029,751	2,568,117	2,029,751
	<u>62,401,003</u>	<u>62,148,465</u>	<u>62,477,813</u>	<u>62,247,524</u>

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

	Group		Bank	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 2016 RM'000	31 March 2016 RM'000
Due within six months	39,667,476	37,107,011	39,741,731	37,204,520
Over six months to one year	8,395,424	9,325,469	8,395,424	9,325,469
Over one year to three years	1,092,364	2,268,642	1,092,364	2,268,642
Over three years to five years	498,442	440,664	498,442	440,664
	<u>49,653,706</u>	<u>49,141,786</u>	<u>49,727,961</u>	<u>49,239,295</u>

A17. OTHER LIABILITIES

	Group		Bank	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 2016 RM'000	31 March 2016 (Restated) RM'000
Other payables and accruals	1,097,846	1,095,582	1,080,721	1,074,929
Interest payable	575,138	636,611	575,144	636,618
Amount due to related companies	121,018	91,790	126,238	91,788
Collateral received for derivative transactions	247,815	469,030	247,815	469,030
Lease deposits and advance rentals	8,833	8,332	8,833	8,332
Provision for commitments and contingencies	49,357	72,793	49,378	72,813
Provision for taxation	154	102	35	20
	<u>2,100,161</u>	<u>2,374,240</u>	<u>2,088,164</u>	<u>2,353,530</u>

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A18. INTEREST INCOME

	Individual Quarter		Cumulative Quarter	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Group				
Short-term funds and deposits and placements with financial institutions	18,979	55,857	64,416	150,411
Financial assets held-for-trading	23,789	17,999	69,516	50,997
Financial investments available-for-sale	65,682	64,159	209,425	199,176
Financial investments held-to-maturity	20,781	22,835	62,089	63,530
Loans and advances	809,425	812,348	2,403,907	2,460,602
Investment account	14,598	16,034	40,490	46,927
Impaired loans and advances	1,850	2,016	5,664	6,640
Others	15,932	16,962	41,994	42,991
	<u>971,036</u>	<u>1,008,210</u>	<u>2,897,501</u>	<u>3,021,274</u>
Bank				
Short-term funds and deposits and placements with financial institutions	17,366	55,820	58,425	148,178
Financial assets held-for-trading	23,789	17,999	69,516	50,997
Financial investments available-for-sale	66,426	65,167	211,831	202,447
Financial investments held-to-maturity	20,781	22,835	62,089	63,530
Loans and advances	807,365	810,002	2,397,597	2,453,286
Investment account	14,598	16,034	40,490	46,927
Impaired loans and advances	1,850	2,016	5,664	6,640
Others	15,932	16,962	41,994	42,947
	<u>968,107</u>	<u>1,006,835</u>	<u>2,887,606</u>	<u>3,014,952</u>

A19. INTEREST EXPENSE

	Individual Quarter		Cumulative Quarter	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Group				
Deposits from customers	453,749	481,272	1,380,836	1,412,672
Deposits and placements of banks and other financial institutions	12,830	16,493	32,982	38,733
Recourse obligation of loans sold to Cagamas Berhad	27,059	23,575	80,927	43,945
Term funding	48,047	50,330	140,023	148,191
Debt capital	44,097	50,399	131,839	149,637
Others	1,354	1,405	4,586	3,965
	<u>587,136</u>	<u>623,474</u>	<u>1,771,193</u>	<u>1,797,143</u>
Bank				
Deposits from customers	454,673	484,169	1,383,564	1,418,994
Deposits and placements of banks and other financial institutions	12,831	16,494	32,985	38,735
Recourse obligation of loans sold to Cagamas Berhad	27,059	23,575	80,927	43,945
Term funding	48,047	50,330	140,023	148,191
Debt capital	44,097	50,189	131,839	151,074
Others	1,354	1,405	4,586	3,965
	<u>588,061</u>	<u>626,162</u>	<u>1,773,924</u>	<u>1,804,904</u>

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A20. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Fee and commission income:				
Bancassurance commission	8,451	6,868	21,381	21,094
Brokerage fees, commission and rebates	452	787	1,485	2,115
Card operation charges	-	5,671	3,821	14,192
Fees on loans, advances and securities	51,723	37,708	132,689	108,293
Fees, service and commission charges	10,934	8,410	26,332	24,329
Guarantee fees	16,599	13,927	46,988	40,918
Remittances	5,151	5,475	15,274	16,411
Other fee and commission	4,490	3,603	17,388	13,793
	<u>97,800</u>	<u>82,449</u>	<u>265,358</u>	<u>241,145</u>
Investment and trading income:				
Foreign exchange gain *	45,030	24,519	43,795	73,615
Gross dividend income from:				
Financial assets held-for-trading	5,995	3,420	6,944	4,723
Financial investments available-for-sale	309	(4,160)	3,045	3,094
Net gain/(loss) on sale/redemption of:				
Financial assets held-for-trading	(21,597)	2,386	84,059	(9,282)
Financial investments available-for-sale	(322)	544	21,304	20,072
Financial investments held-to-maturity	-	-	47	-
Net gain/(loss) on revaluation of financial assets held-for-trading	(28,665)	11,186	(24,441)	(14,588)
Net gain/(loss) on derivatives	22,308	(25,174)	34,703	39,028
Gain on disposal of an associate	-	-	1,399	-
Others	(1,807)	10,289	9,223	8,264
	<u>21,251</u>	<u>23,010</u>	<u>180,078</u>	<u>124,926</u>
Other income:				
Net gain on disposal of property and equipment	4	79	62	132
Net non trading foreign exchange gain/(loss)	106	247	847	(1,057)
Profit from sale of goods and services	2,481	10,425	16,329	29,009
Rental income	810	878	2,598	2,819
Others	1,956	3,664	6,085	7,379
	<u>5,357</u>	<u>15,293</u>	<u>25,921</u>	<u>38,282</u>
	<u>124,408</u>	<u>120,752</u>	<u>471,357</u>	<u>404,353</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	
	31 December 2016	31 December 2015 (Restated)	31 December 2016	31 December 2015 (Restated)
	RM'000	RM'000	RM'000	RM'000
Bank				
Fee and commission income:				
Bancassurance commission	8,449	6,868	21,372	21,092
Brokerage fees, commission and rebates	452	787	1,485	2,115
Card operation charges	-	5,671	3,821	14,192
Fees on loans, advances and securities	51,632	37,571	132,424	107,847
Fees, service and commission charges	10,970	8,507	26,487	24,675
Guarantee fees	16,599	13,927	46,988	40,918
Remittances	5,151	5,475	15,274	16,411
Other fee and commission	4,480	3,591	17,379	13,780
	<u>97,733</u>	<u>82,397</u>	<u>265,230</u>	<u>241,030</u>
Investment and trading income:				
Foreign exchange gain *	45,030	24,519	43,795	73,615
Gross dividend income from:				
Financial assets held-for-trading	5,995	3,420	6,944	4,723
Financial investments available-for-sale	309	(4,160)	3,045	3,094
Subsidiaries	-	1,314	-	52,523
Net gain/(loss) on sale/redemption of:				
Financial assets held-for-trading	(21,597)	2,386	84,059	(9,282)
Financial investments available-for-sale	(322)	544	21,301	20,260
Financial investments held-to-maturity	-	-	47	-
Net gain/(loss) on revaluation of financial assets held-for-trading	(28,665)	11,186	(24,441)	(14,588)
Net gain/(loss) on derivatives	22,308	(25,174)	34,703	39,028
Gain on disposal of an associate	-	-	2,179	-
Others	(1,807)	10,542	9,540	9,147
	<u>21,251</u>	<u>24,577</u>	<u>181,172</u>	<u>178,520</u>
Other income:				
Net gain on disposal of property and equipment	4	79	61	132
Net non trading foreign exchange gain	111	37	857	387
Profit from sale of goods and services	2,481	10,425	16,329	29,009
Rental income	688	759	2,238	2,461
Others	2,036	3,690	6,335	7,381
	<u>5,320</u>	<u>14,990</u>	<u>25,820</u>	<u>39,370</u>
	<u>124,304</u>	<u>121,964</u>	<u>472,222</u>	<u>458,920</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	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Personnel costs:				
Medical	5,871	5,325	11,981	14,203
Insurance	6,908	4,698	17,938	12,670
Contributions to Employees' Provident Fund	26,898	24,797	80,661	72,497
Salaries, bonuses, allowances and incentives	168,437	164,135	516,538	473,585
Share and options granted under ESS - charge/ (writeback)	4,572	3,063	(8,819)	4,012
Social security costs	1,584	1,272	4,567	3,819
Recruitment costs	3,337	5,920	7,834	9,763
Training	1,046	1,759	2,987	5,744
Others	1,086	3,875	5,339	9,391
Expenses capitalised	(3,055)	(3,005)	(3,055)	(8,846)
	<u>216,684</u>	<u>211,839</u>	<u>635,971</u>	<u>596,838</u>
Establishment costs:				
Amortisation of intangible assets	20,466	18,009	60,174	52,896
Cleaning, maintenance and security	5,137	5,608	16,908	19,171
Computerisation cost	30,513	43,615	109,771	130,995
Depreciation of property and equipment	9,779	10,152	30,010	30,060
Rental of premises	19,662	21,016	62,085	64,738
Others	8,637	9,183	27,501	27,535
Expenses capitalised	-	(691)	(24)	(2,210)
	<u>94,194</u>	<u>106,892</u>	<u>306,425</u>	<u>323,185</u>
Marketing and communication expenses:				
Advertising and marketing	5,459	8,561	16,977	23,199
Commission	2,216	4,758	8,441	9,467
Communication	8,699	7,526	27,647	33,583
Others	1,698	2,138	5,032	5,762
	<u>18,072</u>	<u>22,983</u>	<u>58,097</u>	<u>72,011</u>
Administration and general expenses:				
Bank charges	1,606	1,474	4,822	4,608
Insurance	868	2,424	3,730	3,921
Professional services	18,492	22,783	51,876	67,919
Travelling	1,030	1,663	3,311	4,079
Subscriptions and periodicals	47	1,426	1,978	2,858
Others	16,776	15,089	51,048	40,789
	<u>38,819</u>	<u>44,859</u>	<u>116,765</u>	<u>124,174</u>
Service transfer pricing recovery - net	(81,501)	(88,860)	(262,510)	(245,739)
Acquisition and business efficiency costs	231	536	532	3,695
	<u>286,499</u>	<u>298,249</u>	<u>855,280</u>	<u>874,164</u>

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A21. OTHER OPERATING EXPENSES (CONT'D.)

	Individual Quarter		Cumulative Quarter	
	31 December 2016	31 December 2015 (Restated)	31 December 2016	31 December 2015 (Restated)
	RM'000	RM'000	RM'000	RM'000
Bank				
Personnel costs:				
Medical	5,867	5,323	11,972	14,194
Insurance	6,908	4,695	17,918	12,656
Contributions to Employees' Provident Fund	27,634	24,478	81,376	71,964
Salaries, bonuses, allowances and incentives	173,034	162,151	520,082	470,332
Share and options granted under ESS - charge/ (writeback)	4,572	3,063	(8,743)	4,012
Social security costs	1,584	1,272	4,563	3,815
Recruitment costs	3,337	5,920	7,834	9,763
Training	1,046	1,759	2,987	5,744
Others	1,084	3,875	5,339	9,392
Expenses capitalised	(3,055)	(3,005)	(3,055)	(8,846)
	<u>222,011</u>	<u>209,531</u>	<u>640,273</u>	<u>593,026</u>
Establishment costs:				
Amortisation of intangible assets	20,466	18,008	60,173	52,892
Cleaning, maintenance and security	4,912	5,465	16,355	18,633
Computerisation cost	30,513	43,615	109,771	130,996
Depreciation of property and equipment	9,657	10,024	29,640	29,700
Rental of premises	20,207	21,549	63,708	66,337
Others	8,532	9,033	27,072	27,064
Expenses capitalised	-	(691)	(24)	(2,210)
	<u>94,287</u>	<u>107,003</u>	<u>306,695</u>	<u>323,412</u>
Marketing and communication expenses:				
Advertising and marketing	5,458	8,561	16,976	23,199
Commission	2,215	4,758	8,439	9,465
Communication	8,696	7,518	27,643	33,572
Others	1,698	2,136	5,026	5,756
	<u>18,067</u>	<u>22,973</u>	<u>58,084</u>	<u>71,992</u>
Administration and general expenses:				
Bank Charges	1,606	1,473	4,821	4,607
Insurance	823	2,399	3,675	3,896
Professional services	18,455	22,732	51,657	67,899
Travelling	1,028	1,661	3,308	4,075
Subscriptions and periodicals	47	1,426	1,978	2,858
Others	16,860	15,061	50,933	40,733
	<u>38,819</u>	<u>44,752</u>	<u>116,372</u>	<u>124,068</u>
Service transfer pricing recovery - net	(81,509)	(88,876)	(262,530)	(245,779)
Acquisition and business efficiency costs	231	536	532	3,695
	<u>291,906</u>	<u>295,919</u>	<u>859,426</u>	<u>870,414</u>

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A22. WRITEBACK OF ALLOWANCE FOR IMPAIRMENT ON LOANS AND ADVANCES

	Individual Quarter		Cumulative Quarter	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Group				
Allowance/(writeback of allowance) for impaired loans and advances:				
Individual allowance, net	473	28,013	(2,517)	37,187
Collective allowance, net	44,575	22,496	202,140	183,656
Impaired loans and advances recovered, net	(140,444)	(95,764)	(379,356)	(364,206)
Recovery from loans sold to Danaharta	-	(1,589)	-	(1,589)
	<u>(95,396)</u>	<u>(46,844)</u>	<u>(179,733)</u>	<u>(144,952)</u>
Bank				
Allowance/(writeback of allowance) for impaired loans and advances:				
Individual allowance, net	473	28,013	(2,517)	37,187
Collective allowance, net	44,561	22,452	202,290	183,670
Impaired loans and advances recovered, net	(140,444)	(95,755)	(379,382)	(364,206)
Recovery from loans sold to Danaharta	-	(1,589)	-	(1,589)
	<u>(95,410)</u>	<u>(46,879)</u>	<u>(179,609)</u>	<u>(144,938)</u>

A23. IMPAIRMENT LOSS/(WRITEBACK) ON FINANCIAL INVESTMENTS

	Individual Quarter		Cumulative Quarter	
	31 December 2016 RM'000	31 December 2015 RM'000	31 December 2016 RM'000	31 December 2015 RM'000
Group and Bank				
Financial investments available-for-sale	-	(10,956)	-	14,732
Financial investments held-to-maturity	-	(290)	-	(3,190)
	<u>-</u>	<u>(11,246)</u>	<u>-</u>	<u>11,542</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	
	31 December 2016	31 December (Restated) 2015	31 December 2016	31 December (Restated) 2015
Group				
Net profit attributable to shareholder of the Bank (RM'000)	242,756	192,428	722,927	683,805
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)	29.59	23.46	88.12	83.35
Bank				
Net profit attributable to shareholder of the Bank (RM'000)	234,507	192,395	715,341	730,009
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)	28.59	23.45	87.20	88.99

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 continues to focus on building mass affluent, affluent and small business customers. Retail Banking offers products and financial solutions which includes auto finance, mortgages, 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, Global Markets and Capital Markets and Private Banking as follows:

(i) Corporate and Commercial Banking

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) Global Markets

Global Markets includes proprietary trading as well as providing full range of products and services relating to treasury activities, including foreign exchange, derivatives, fixed income and structured warrants. It also offers customised investment solutions for customers.

(iii) Capital Markets and Private Banking

Capital Markets is focused on providing integrated financing solutions to our corporate and institutional clients. It offers a full suite of customized debt and capital financing solutions which includes corporate bond issuances, loan syndication, structured finance, capital and project advisory services and primary syndication and underwriting services. Private Banking primarily services high net worth clients and offers financing and deposit products.

(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 31 December 2016	Wholesale Banking				Group Funding and Others RM'000	Total RM'000
	Retail Banking RM'000	Corporate and Commercial Banking RM'000	Global Markets RM'000	Capital Markets and Private Banking RM'000		
External revenue	1,579,346	1,108,530	328,869	95,752	256,361	3,368,858
Revenue from other segments	(149,206)	122,893	(182,091)	(5,842)	214,246	-
Total operating revenue	1,430,140	1,231,423	146,778	89,910	470,607	3,368,858
Net interest income	600,993	394,768	39,011	13,996	77,540	1,126,308
Other operating income	162,259	121,811	91,642	62,511	31,735	469,958
Gain on disposal of an associate	-	-	-	-	1,399	1,399
Income	763,252	516,579	130,653	76,507	110,674	1,597,665
Other operating expenses	(489,280)	(132,104)	(50,716)	(10,711)	(172,469)	(855,280)
<i>of which:</i>						
<i>Depreciation of Property and Equipment</i>	(18,064)	(835)	(584)	(41)	(10,593)	(30,117)
<i>Amortisation of Intangible Assets</i>	(8,344)	(1,721)	(4,617)	(19)	(46,038)	(60,739)
Profit before impairment losses	273,972	384,475	79,937	65,796	(61,795)	742,385
Writeback of impairment losses on loans and advances	47,518	85,342	-	2,737	44,136	179,733
(Allowance for)/Writeback of impairment losses on other assets	(11,427)	(592)	-	-	180	(11,839)
(Allowance for)/Writeback of provision for commitments and contingencies	4,190	16,631	-	(1,936)	(6,779)	12,106
Other recoveries	3	12,068	-	-	737	12,808
Profit/(loss) before taxation	314,256	497,924	79,937	66,597	(23,521)	935,193
Taxation	(75,316)	(111,947)	(19,185)	(15,321)	9,504	(212,265)
Profit/(loss) for the financial period	238,940	385,977	60,752	51,276	(14,017)	722,928
Other information						
Total segment assets	35,945,318	26,996,928	9,246,564	1,357,290	13,858,803	87,404,903
Total segment liabilities	28,816,034	34,631,506	1,908,112	827,701	12,676,584	78,859,937
Cost to income ratio	64.1%	25.6%	38.8%	14.0%	155.8%	53.5%
Gross loans and advances	35,060,685	26,348,741	-	1,141,637	67,115	62,618,178
Net loans and advances	34,713,381	26,176,152	-	1,135,116	(189,554)	61,835,095
Impaired loans and advances	543,288	297,483	-	-	-	840,771
Total deposits	28,159,121	34,043,186	204,047	818,546	1,295,758	64,520,658
Additions to:						
Property and equipment	15,999	559	-	6	18,089	34,653
Intangible assets	22,347	8,043	-	2	45,455	75,847

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A25. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group For the financial period ended 31 December 2015	Wholesale Banking				Group Funding and Others RM'000	Total RM'000
	Retail Banking RM'000	Corporate and Commercial Banking RM'000	Global Markets RM'000	Capital Markets and Private Banking RM'000		
External revenue	1,613,212	1,143,467	291,408	26,182	351,358	3,425,627
Revenue from other segments	(61,154)	109,081	(171,754)	(217)	124,044	-
Total operating revenue	1,552,058	1,252,548	119,654	25,965	475,402	3,425,627
Net interest income	655,811	434,306	23,035	13,156	97,823	1,224,131
Other operating income	197,345	103,039	74,401	849	28,719	404,353
Share in results of associates	-	-	-	-	830	830
Income	853,156	537,345	97,436	14,005	127,372	1,629,314
Other operating expenses	(508,833)	(126,595)	(50,358)	(14,487)	(173,891)	(874,164)
<i>of which:</i>						
<i>Depreciation of Property and Equipment</i>	(17,191)	(924)	(656)	(45)	(11,309)	(30,125)
<i>Amortisation of Intangible Assets</i>	(6,825)	(2,221)	(5,010)	(8)	(39,374)	(53,438)
Profit before impairment losses	344,323	410,750	47,078	(482)	(46,519)	755,150
Writeback of impairment losses on loans and advances	32,611	73,707	-	1,253	37,381	144,952
Writeback of/(Allowance for) impairment losses on other assets	(78)	10,759	(209)	-	(21,303)	(10,831)
(Allowance for)/Writeback of provision for commitments and contingencies	(2,643)	5,938	-	51	(17)	3,329
Other recoveries	112	-	-	-	1,030	1,142
Profit/(loss) before taxation	374,325	501,154	46,869	822	(29,428)	893,742
Taxation	(89,684)	(110,951)	(11,249)	1,658	290	(209,936)
Profit/(loss) for the financial period	284,641	390,203	35,620	2,480	(29,138)	683,806
Other information						
Total segment assets	32,960,899	25,364,540	7,984,938	1,495,491	20,549,250	88,355,118
Total segment liabilities	31,198,451	31,602,690	3,078,673	737,443	13,617,256	80,234,513
Cost to income ratio	59.6%	23.6%	51.7%	103.4%	136.5%	53.7%
Gross loans and advances	32,133,847	25,284,392	-	1,169,025	82,010	58,669,274
Net loans and advances	31,780,106	24,888,246	-	1,165,905	(182,584)	57,651,673
Impaired loans and advances	615,335	321,878	-	-	-	937,213
Total deposits	30,602,629	30,783,162	261,566	728,464	1,137,893	63,513,714
Additions to:						
Property and equipment	15,849	618	96	4	31,011	47,578
Intangible assets	8,776	1,657	95	-	73,609	84,137

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 31 DECEMBER 2016

The Group registered a profit before taxation ("pre-tax profit") of RM935.2 million, representing an increase of RM41.5 million or 4.6% compared to the pre-tax profit for the corresponding period last year.

For current financial period, the increase in pre-tax profit was attributable to higher other operating income by RM67.0 million or 16.6%, higher writeback of allowance on loans advances by RM34.8 million or 24.0%, lower other operating expenses by RM18.9 million or 2.2%, higher other recoveries by RM11.7 million and writeback of provision for commitments and contingencies. It was offset by lower net interest income by RM97.9 million or 8.0% mainly from loans and advances and placement of short term funds and deposits with financial institution.

Higher other operating income mainly contributed by higher fee income from loans and guarantee, higher gain disposal/redemption of securities, partly offset by lower foreign exchange gain.

The Group and the Bank remained well capitalised with Risk Weighted capital adequacy ratios of 15.7% and 15.0% 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 third quarter of 2016, the Malaysian economy registered 4.3% growth (Second Quarter 2016: 4.0%) supported by private consumption, which grew by 6.4% (Second Quarter 2016: 6.3%) reinforced by wage and employment growth as well as the increase in minimum wage with effect from 1 July 2016. Private investment moderated to 4.7% (Second Quarter 2016: 5.6%) led by capital spending in services and manufacturing. For the calendar year 2017, the Gross Domestic Product has been forecasted to grow at 4.0%–5.0% (2016: 4.2%) led by the domestic demand, primarily coming from the private sector while the public sector continues to consolidate. Exports will complement growth on the back of steady demand and stabilising commodity prices. Inflation is envisaged to average around 2.0%–3.0% in 2017.

For the banking system, margin compression is expected to continue due to deposit competition which will impact deposit rates, whilst the high loan to deposit ratio of the banks may lead to banks raising funding from longer term securities which could add upwards pressure on funding costs. The system's loans and deposits are expected to grow at a moderate pace on the back of a modest economic growth. We expect credit costs to normalise from lower recoveries, while some sectors may experience stress in asset quality.

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

We are making good progress on the initial phase of our "Top4", four year strategy plan. Retail Bank's strategic priorities will focus on mass affluent, affluent and SME propositions, supported by wealth management, merchant and cards solutions, and CASA growth via payroll. Wholesale Banking will continue its focus on expanding its transaction banking capabilities, and developing stronger client relationships with new innovative product solutions and services, particularly in the SME and mid corporate segments. The recent National Budget 2017's commitment to SME provides for higher market penetration opportunities for our new "SME" core segment. To support the growth of our SME segment, we equipped all our Retail Branches to be SME-Ready.

We are anticipating our loans growth to be slightly below system as we remain cautious on our growth in preferred sectors. With active recovery efforts, consistent credit underwriting standards and portfolio rebalancing strategy, our asset quality remains well positioned. CASA remains a core focus as we work towards enhancing customer experience with online deposit functionality and process simplification initiatives as part of our virtual banking aspirations.

We are well capitalised to support our strategic agenda and subject to market conditions, we will continuously strive to deliver optimal returns for our shareholders as we progress towards achieving our Top4 strategy plan.

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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 operations 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	3,821
Other operating income	3,821
Other operating expenses	20,915
Operating profit	24,736
Taxation	(5,936)
Profit for the period	18,800

The effect of pooling of interests method for the comparative period is disclosed in Note A34.

A30. CHANGES IN THE COMPOSITION OF THE GROUP

- (a) Disposal of investment in MTrustee Berhad (formerly known as 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 MTrustee Berhad (formerly known as AmTrustee Berhad), 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 100% equity interest in investment in a collective investment scheme, AmCash Premium.

- (c) Dissolution of a wholly-owned dormant subsidiaries

The Bank's wholly owned dormant subsidiaries, Everflow Credit & Leasing Corporation Sdn. Bhd. and Economical Enterprises Sendirian Berhad have 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 and 22 December 2016 respectively.

There has been no other significant changes in the composition of the Group for the financial quarter and period ended 31 December 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	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 2016 RM'000	31 March 2016 RM'000
Contingent Liabilities				
Direct credit substitutes	2,231,570	2,014,648	2,231,570	2,014,648
Transaction related contingent items	5,223,520	4,305,652	5,245,950	4,305,652
Short term self liquidating trade related contingencies	892,160	528,516	892,160	528,516
Obligations under on-going underwriting agreements	-	60,000	-	60,000
	<u>8,347,250</u>	<u>6,908,816</u>	<u>8,369,680</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	14,327,977	11,841,565	14,365,356	11,879,905
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	3,631,986	3,703,251	3,631,986	3,703,251
Unutilised credit card lines	2,676,685	2,369,650	2,676,685	2,369,650
Forward asset purchase	49,850	856,526	49,850	856,526
Others	-	200	50	150
	<u>20,686,498</u>	<u>18,771,192</u>	<u>20,723,927</u>	<u>18,809,482</u>
Derivative Financial Instruments				
Foreign exchange related contracts				
- One year or less	40,400,358	42,733,469	40,400,358	42,733,469
- Over one year to five years	1,051,233	1,125,883	1,051,233	1,125,883
- Over five years	2,172,781	1,980,369	2,172,781	1,980,369
Interest rate related contracts				
- One year or less	9,707,199	8,175,391	9,707,199	8,175,391
- Over one year to five years	31,171,367	31,003,999	31,171,367	31,003,999
- Over five years	7,721,303	9,423,151	7,721,303	9,423,151
Credit related contracts				
- One year or less	-	337,027	-	337,027
- Over one year to five years	364,260	336,367	364,260	336,367
Equity and commodity related contracts				
- One year or less	197,147	159,106	197,147	159,106
- Over one year to five years	84,584	73,572	84,584	73,572
	<u>92,870,232</u>	<u>95,348,334</u>	<u>92,870,232</u>	<u>95,348,334</u>
Total	<u>121,903,980</u>	<u>121,028,342</u>	<u>121,963,839</u>	<u>121,066,632</u>

A32. FAIR VALUE MEASUREMENTS 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 VALUE MEASUREMENTS 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 technique			Total RM'000	Valuation technique			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 December 2016								
Assets measured at fair value								
Derivative financial assets	91	1,537,729	-	1,537,820	91	1,537,729	-	1,537,820
Financial assets held-for-trading								
- Money market securities	-	2,418,966	-	2,418,966	-	2,418,966	-	2,418,966
- Equities	232,938	-	-	232,938	232,938	-	-	232,938
- Quoted private debt securities	38,088	-	-	38,088	38,088	-	-	38,088
- Unquoted private debt securities	-	828,645	-	828,645	-	828,645	-	828,645
Financial investments available-for-sale								
- Money market securities	-	2,129,829	-	2,129,829	-	2,129,829	-	2,129,829
- Equities	145,131	-	-	145,131	145,092	-	-	145,092
- Unquoted private debt securities	-	4,292,563	-	4,292,563	-	4,292,563	54,915	4,347,478
	<u>416,248</u>	<u>11,207,732</u>	<u>-</u>	<u>11,623,980</u>	<u>416,209</u>	<u>11,207,732</u>	<u>54,915</u>	<u>11,678,856</u>
Liabilities measured at fair value								
Derivative financial liabilities	854	1,247,760	-	1,248,614	854	1,247,760	-	1,248,614

A32. FAIR VALUE MEASUREMENTS 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 technique			Total RM'000	Valuation technique			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 VALUE MEASUREMENTS 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	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 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	-	-	(268)	111
Settlements	-	(12,191)	(13,940)	(38,255)
Balance at end of the financial period/year	-	-	54,915	69,123

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

	Group		Bank	
	31 December 2016 RM'000	31 March 2016 RM'000	31 December 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	-	-	(268)	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	
	31 December 2016	31 March 2016	31 December 2016	31 March 2016 (Restated)
Before deducting proposed dividends				
Common Equity Tier 1 ("CET 1") Capital Ratio	11.117%	11.701%	10.478%	11.108%
Tier 1 Capital Ratio	12.514%	13.182%	11.861%	12.580%
Total Capital Ratio	15.677%	16.435%	14.985%	15.792%
After deducting proposed dividends				
CET 1 Capital Ratio	11.117%	11.257%	10.478%	10.667%
Tier 1 Capital Ratio	12.514%	12.738%	11.861%	12.139%
Total Capital Ratio	15.677%	15.991%	14.985%	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 ratios to be maintained under the guideline are 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	
	31 December 2016	31 March 2016	31 December 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	5,260,669	5,335,746	5,005,423	5,080,500
Available-for-sale reserve	(32,195)	11,751	(32,191)	11,951
Foreign currency translation reserve	135,373	63,306	127,270	61,296
Statutory reserve	980,969	980,969	980,969	980,969
Regulatory reserve	69,000	-	69,000	-
Merger reserve	104,149	104,149	-	30,043
Cash flow hedging reserve	2,846	3,635	2,846	3,635
Qualifying non-controlling interests	-	2	-	-
Less: Regulatory adjustments applied on CET1 Capital				
- Intangible assets	(377,988)	(350,753)	(377,986)	(350,750)
- Deferred tax assets	-	(116,234)	-	(115,179)
- 55% of cumulative gains of available- for-sale financial instruments	-	(6,463)	-	(6,573)
- Cash flow hedging reserve	(2,846)	(3,635)	(2,846)	(3,635)
- Regulatory reserve attributable to loans	(69,000)	-	(69,000)	-
- Investment in ordinary shares of unconsolidated financial entities	-	-	(5,106)	(23,106)
Total CET1 Capital	7,834,185	7,785,681	7,461,587	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	8,819,190	8,770,681	8,446,587	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	647,882	583,699	647,865	583,675
Less : Regulatory adjustments applied on Tier 2 Capital	-	-	(3,404)	(15,404)
Total Tier 2 capital	2,228,563	2,164,380	2,225,141	2,148,951
Total Capital	11,047,753	10,935,061	10,671,728	10,566,310

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

	Group		Bank	
	31 December 2016	31 March 2016	31 December 2016	31 March 2016 (Restated)
	RM'000	RM'000	RM'000	RM'000
Credit RWA	64,248,789	59,276,073	65,017,274	60,047,250
Market RWA	1,893,691	2,231,172	1,893,274	2,231,172
Operational RWA	4,330,722	5,029,942	4,303,820	4,629,614
Total RWA	70,473,202	66,537,187	71,214,368	66,908,036

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A34. RESTATEMENT OF COMPARATIVE INFORMATION

Certain comparative figures were restated arising from:

- (a) the transfer of card operations from AmCard to the Bank as mentioned in Note A29.
- (b) 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

(ii) Reconciliation of statement of profit or loss

	As previously reported RM'000	Effect of pooling of interests method RM'000	Elimination RM'000	As restated RM'000
Statement of profit or loss for the cumulative quarter ended 31 December 2015				
Bank				
Operating revenue	3,459,668	14,204	-	3,473,872
Other operating income	444,716	144,588	(130,384)	458,920
Other operating expenses	(932,498)	(68,300)	130,384	(870,414)
Taxation	(188,831)	(18,309)	-	(207,140)

Statement of profit or loss for the individual quarter ended 31 December 2015

	As previously reported RM'000	Effect of pooling of interests method RM'000	Elimination RM'000	As restated RM'000
Bank				
Operating revenue	1,123,125	5,674	-	1,128,799
Other operating income	116,290	46,861	(41,187)	121,964
Other operating expenses	(314,104)	(23,002)	41,187	(295,919)
Taxation	(66,293)	(5,726)	-	(72,019)

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A34. RESTATEMENT OF COMPARATIVE INFORMATION (CONT'D.)**(iii) Reconciliation of statement 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
As at 31 December 2015			
Merger reserve	-	26,988	26,988
As at 31 March 2015			
Merger reserve	-	12,154	12,154

(iv) Reconciliation of condensed statements of cash flows for the financial period ended 31 December 2015

	As previously reported RM'000	Effect of pooling of interests method RM'000	Other restatements RM'000	As restated RM'000
Group				
Net change in operating assets	3,895,164	-	(2,557,998)	1,337,166
Bank				
Profit before taxation	860,861	76,288	-	937,149
Adjustments for non-operating and non-cash items	836,154	5,242	-	841,396
Net change in operating assets	3,841,322	(1,680)	(2,557,998)	1,281,644
Net change in operating liabilities	559,685	(70,813)	-	488,872
Net cash used in investing activities	(3,405,910)	(9,037)	-	(3,414,947)

(v) Capital adequacy ratios as at 31 March 2016

	As previously reported	Effect of pooling of interests method	As restated
Bank			
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%