

Company No. 295576-U

**AmBank Islamic Berhad**  
(Incorporated in Malaysia)

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

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

		<b>30 June</b>	<b>31 March</b>
		<b>2016</b>	<b>2016</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
Cash and short-term funds		3,736,400	4,098,552
Deposits and placements with banks and other financial institutions		950,000	500,000
Derivative financial assets		41,269	57,273
Financial assets held-for-trading	A8	145,989	174,550
Financial investments available-for-sale	A9	2,368,604	3,177,516
Financial investments held-to-maturity	A10	1,267,268	1,263,639
Financing and advances	A11	26,866,024	27,391,553
Receivables: Investments not quoted in active markets	A12	471,046	468,141
Statutory deposit with Bank Negara Malaysia		866,000	842,000
Other assets	A13	538,354	329,821
Property and equipment		344	351
Intangible assets		163	14
<b>TOTAL ASSETS</b>		<b>37,251,461</b>	<b>38,303,410</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits and placements of banks and other financial institutions	A14	2,007,881	1,443,510
Investment account due to licensed bank	A15	1,000,000	1,000,000
Recourse obligation on financing sold to Cagamas Berhad		1,125,397	1,127,824
Derivative financial liabilities		54,685	67,685
Deposits from customers	A16	26,791,295	28,383,783
Investment accounts of customers	A17	18,638	18,411
Term funding		1,850,000	1,850,000
Subordinated Sukuk		1,399,565	1,399,528
Deferred tax liability		10,952	5,883
Other liabilities	A18	285,089	354,525
Provision for zakat		1,815	1,343
<b>TOTAL LIABILITIES</b>		<b>34,545,317</b>	<b>35,652,492</b>
Share capital		462,922	462,922
Reserves		2,243,222	2,187,996
<b>Equity attributable to equity holder of the Bank</b>		<b>2,706,144</b>	<b>2,650,918</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>37,251,461</b>	<b>38,303,410</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A31	<b>9,925,981</b>	<b>8,365,766</b>
<b>NET ASSETS PER SHARE (RM)</b>		<b>5.85</b>	<b>5.73</b>

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

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

	Note	Individual Quarter		Cumulative Quarter	
		30 June 2016 RM'000	30 June 2015 (Restated) RM'000	30 June 2016 RM'000	30 June 2015 (Restated) RM'000
Income derived from investment of depositors' funds	A19	438,353	447,531	438,353	447,531
Income derived from investment of investment account funds	A20	14,649	16,762	14,649	16,762
Income derived from investment of shareholder's funds	A21	28,784	22,629	28,784	22,629
Allowance for impairment on financing and advances	A22	(9,326)	(35,968)	(9,326)	(35,968)
Writeback of provision for commitments and contingencies		3,946	2,589	3,946	2,589
Transfer to profit equalisation reserve		-	(1,406)	-	(1,406)
Total distributable income		476,406	452,137	476,406	452,137
Income attributable to the depositors and others	A23	(253,390)	(253,219)	(253,390)	(253,219)
Income attributable to the investment account holders	A24	(13,047)	(15,003)	(13,047)	(15,003)
Total net income		209,969	183,915	209,969	183,915
Other operating expenses	A25	(105,659)	(86,324)	(105,659)	(86,324)
Finance cost		(36,692)	(33,377)	(36,692)	(33,377)
<b>Profit before zakat and taxation</b>		<b>67,618</b>	<b>64,214</b>	<b>67,618</b>	<b>64,214</b>
Zakat		(472)	(418)	(472)	(418)
Taxation		(15,081)	(12,923)	(15,081)	(12,923)
<b>Profit for the period</b>		<b>52,065</b>	<b>50,873</b>	<b>52,065</b>	<b>50,873</b>
<b>Basic earnings per share (sen)</b>	A26	<b>11.25</b>	<b>10.99</b>	<b>11.25</b>	<b>10.99</b>

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

**UNAUDITED STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2016**

	Individual Quarter		Cumulative Quarter	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	RM'000	RM'000	RM'000	RM'000
Profit for the period	<u>52,065</u>	<u>50,873</u>	<u>52,065</u>	<u>50,873</u>
Other comprehensive income:				
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Net change in revaluation of financial investments available-for-sale	5,253	1,957	5,253	1,957
Transfer (from)/to statement of profit or loss upon disposal	(1,094)	853	(1,094)	853
Income tax relating to the components of other comprehensive income	<u>(998)</u>	<u>(674)</u>	<u>(998)</u>	<u>(674)</u>
Other comprehensive income for the period, net of tax	<u>3,161</u>	<u>2,136</u>	<u>3,161</u>	<u>2,136</u>
Total comprehensive income for the period	<u>55,226</u>	<u>53,009</u>	<u>55,226</u>	<u>53,009</u>

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

UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2016

	Attributable to Equity Holder of the Bank					Retained earnings RM'000	Total equity RM'000
	Non-distributable			Distributable			
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Profit equalisation reserve RM'000	Available-for-sale (deficit)/ reserve RM'000		
At 1 April 2015	462,922	724,185	483,345	3,904	(6,592)	745,114	2,412,878
Profit for the period	-	-	-	-	-	50,873	50,873
Other comprehensive income	-	-	-	-	2,136	-	2,136
Total comprehensive income for the period	-	-	-	-	2,136	50,873	53,009
Net utilisation of profit equalisation reserve	-	-	-	(3,904)	-	3,904	-
Transactions with owner and other equity movements	-	-	-	(3,904)	-	3,904	-
At 30 June 2015	462,922	724,185	483,345	-	(4,456)	799,891	2,465,887
At 1 April 2016	462,922	724,185	483,345	-	(1,589)	982,055	2,650,918
Profit for the period	-	-	-	-	-	52,065	52,065
Other comprehensive income	-	-	-	-	3,161	-	3,161
Total comprehensive income for the period	-	-	-	-	3,161	52,065	55,226
<b>At 30 June 2016</b>	<b>462,922</b>	<b>724,185</b>	<b>483,345</b>	<b>-</b>	<b>1,572</b>	<b>1,034,120</b>	<b>2,706,144</b>

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

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2016**

	<b>30 June 2016</b>	<b>30 June 2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before zakat and taxation	67,618	64,214
Adjustments for non-operating and non-cash items	14,020	41,527
Operating profit before working capital changes	<u>81,638</u>	<u>105,741</u>
Changes in working capital:		
Net change in operating assets	782,697	1,415,012
Net change in operating liabilities	(1,095,808)	(1,979,982)
Taxation paid	(11,591)	(22,241)
Net cash used in operating activities	<u>(243,064)</u>	<u>(481,470)</u>
Net cash generated from investing activities	<u>830,912</u>	<u>724,762</u>
Net increase in cash and cash equivalents	587,848	243,292
Cash and cash equivalents at beginning of the financial year	<u>4,098,552</u>	<u>4,061,682</u>
Cash and cash equivalents at end of the financial period	<u><u>4,686,400</u></u>	<u><u>4,304,974</u></u>
Cash and cash equivalents comprise:		
Cash and short-term funds	3,736,400	4,304,974
Deposits and placements with banks and other financial institutions	950,000	-
	<u>4,686,400</u>	<u>4,304,974</u>
Less: Deposits with original maturity more than 3 months	-	-
	<u><u>4,686,400</u></u>	<u><u>4,304,974</u></u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of 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.

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.

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 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 Bank. 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 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 Bank comply with these requirements.

**A1. BASIS OF PREPARATION (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. As the Bank does not have any associate or joint ventures, this amendment does not have any financial impact on 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.

**(i) 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 is no reclassification of asset between held for sale and held for distribution during the financial quarter ended 30 June 2016.

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

**Annual Improvements to MFRSs 2012-2014 Cycle (Cont'd)**

**(ii) 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.

**(iii) 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. The discount rate applied by the Bank to discount post-employment benefit obligations complies with this requirement.

**(iv) MFRS 134 Interim Financial Reporting**

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

**Standards issued but not yet effective**

	Effective for financial year ending
- Amendments to MFRS 107 Disclosure Initiative	31 March 2018
- Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	31 March 2018
- MFRS 15 Revenue from Contracts with Customers	31 March 2019
- MFRS 9 Financial Instruments	31 March 2019
- 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

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

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

### **Standards effective for financial year ending 31 March 2018**

#### **Amendments to MFRS 107 Disclosure Initiative**

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

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

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

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

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

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

### **Standards effective for financial year ending 31 March 2019**

#### **MFRS 15 Revenue from Contracts with Customers**

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

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

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

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

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

**MFRS 9 Financial Instruments**

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

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 AMMB Holdings Berhad ("the AMMB Group").

**Standards effective for financial year ending 31 March 2020**

**MFRS 16 Leases**

MFRS 16 'Leases' 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 income statement.

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.

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

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

There were no unusual items during the current financial quarter.

**A5. CHANGES IN ESTIMATES**

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

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

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

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

**A7. DIVIDENDS**

The director do not recommend the payment of any dividend in respect of the financial quarter ended 30 June 2016 and no dividends were paid in the current financial quarter.

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

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
<b>At fair value:</b>		
Money Market Instruments:		
Government Investment Issues	71,917	84,166
Unquoted Securities:		
In Malaysia:		
Private debt securities	74,072	90,384
	<u>145,989</u>	<u>174,550</u>

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

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
<b>At fair value:</b>		
Money Market Instruments:		
Government Investment Issues	297,207	422,674
Islamic Negotiable instruments of deposit	1,343,695	1,984,615
	<u>1,640,902</u>	<u>2,407,289</u>
Unquoted Securities:		
In Malaysia:		
Private debt securities	727,702	770,227
	<u>2,368,604</u>	<u>3,177,516</u>

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

During financial year 31 March 2015, the Bank had reclassified securities amounting to RM7.6 million out of financial investments available-for-sale category to the financing and receivables category as the Bank has the intention to hold the securities until maturity.

As at 30 June 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 RM130,000 (31 March 2016: RM505,000).

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

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
<b>At amortised cost:</b>		
Unquoted Securities:		
In Malaysia:		
Private debt securities	<u>1,267,268</u>	<u>1,263,639</u>

**A11. FINANCING AND ADVANCES**

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

**30 June 2016**

	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Musharakah Mutanaqisah RM'000	Al-Ijarah Thummah Al- Bai' (AITAB) RM'000	Bai' Al-Inah RM'000	Others RM'000	Total RM'000
<b>At amortised cost:</b>							
Cash lines	-	-	-	-	1,066,393	-	1,066,393
Term financing	2,154,295	2,312,868	10,840	-	3,784,994	78,900	8,341,897
Revolving credit	148,455	1,633,418	-	-	3,064,832	-	4,846,705
Housing financing	2,385,202	-	50,630	-	-	-	2,435,832
Hire purchase receivables	4	-	-	8,933,318	-	-	8,933,322
Bills receivables	-	-	-	-	-	12,290	12,290
Credit card receivables	-	-	-	-	-	266,240	266,240
Trust receipts	-	188,675	-	-	-	-	188,675
Claims on customers under acceptance credits	-	1,025,037	-	-	-	132,428	1,157,465
Gross financing and advances*	<u>4,687,956</u>	<u>5,159,998</u>	<u>61,470</u>	<u>8,933,318</u>	<u>7,916,219</u>	<u>489,858</u>	<u>27,248,819</u>
Allowance for impairment on financing and advances							
- Individual allowance							(65,350)
- Collective allowance							(317,445)
Net financing and advances							<u>26,866,024</u>

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

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

**31 March 2016**

	<b>Bai' Bithaman Ajil RM'000</b>	<b>Murabahah RM'000</b>	<b>Musharakah Mutanaqisah RM'000</b>	<b>Al-Ijarah Thummah Al- Bai' (AITAB) RM'000</b>	<b>Bai' Al-Inah RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>At amortised cost:</b>							
Cash lines	-	-	-	-	1,048,140	-	1,048,140
Term financing	2,359,827	2,251,556	9,987	-	3,925,881	80,224	8,627,475
Revolving credit	191,617	1,585,145	-	-	3,045,921	-	4,822,683
Housing financing	2,113,486	-	47,256	-	-	-	2,160,742
Hire purchase receivables	4	-	-	9,455,955	-	-	9,455,959
Bills receivables	-	-	-	-	-	13,134	13,134
Credit card receivables	-	-	-	-	-	260,129	260,129
Trust receipts	-	152,071	-	-	-	-	152,071
Claims on customers under acceptance credits	-	1,114,116	-	-	-	130,211	1,244,327
Gross financing and advances*	<u>4,664,934</u>	<u>5,102,888</u>	<u>57,243</u>	<u>9,455,955</u>	<u>8,019,942</u>	<u>483,698</u>	<u>27,784,660</u>
Allowance for impairment on financing and advances							
- Individual allowance							(63,715)
- Collective allowance							(329,392)
Net financing and advances							<u>27,391,553</u>

\* Included in financing and advances are exposures to the RIA arrangements between the Bank and AmBank (M) Berhad ("AmBank") amounting to RM1,003.8 million (31 March 2016: RM1,004.0 million). Under the RIA contract, the profit is shared based on a pre-agreed ratio. AmBank is exposed to the risks and rewards on the RIA financing and it shall account for all allowance for impairment arising from the RIA financing. Further details of the RIA are disclosed in Note A15.

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

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

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
Domestic banking institution	4,390	-
Domestic non-bank financial institutions	455,001	457,764
Domestic business enterprises		
- Small medium enterprises	4,597,487	4,608,019
- Others	8,493,174	8,762,780
Government and statutory bodies	811,243	833,361
Individuals	12,761,175	12,990,697
Other domestic entities	38,807	43,815
Foreign individuals and entities	87,542	88,224
	<u>27,248,819</u>	<u>27,784,660</u>

A11c. All financing and advances reside in Malaysia.

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

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
Fixed rate		
- Housing financing	237,537	241,629
- Hire purchase receivables	8,305,469	8,783,117
- Other financing	2,980,858	3,091,632
Variable rate		
- Base rate and base financing rate plus	5,301,451	5,127,588
- Cost plus	9,338,858	9,498,853
- Other variable rates	1,084,646	1,041,841
	<u>27,248,819</u>	<u>27,784,660</u>

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

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

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
Agriculture	1,617,688	1,549,925
Mining and quarrying	1,544,994	1,546,980
Manufacturing	2,803,384	2,854,552
Electricity, gas and water	112,764	129,373
Construction	1,686,228	1,931,581
Wholesale and retail trade and hotel and restaurants	1,036,542	958,268
Transport, storage and communication	827,629	775,103
Finance and insurance	459,391	457,858
Real estate	2,599,263	2,698,165
Business activities	416,807	458,730
Education and health	1,197,953	1,252,321
Household of which:	12,846,801	13,064,790
- Purchase of residential properties	2,417,901	2,149,764
- Purchase of transport vehicles	8,573,413	9,060,015
- Others	1,855,487	1,855,011
Others	99,375	107,014
	<u>27,248,819</u>	<u>27,784,660</u>

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

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
Maturing within one year	9,351,840	9,416,629
Over one year to three years	3,015,718	3,144,241
Over three years to five years	5,676,789	5,460,974
Over five years	9,204,472	9,762,816
	<u>27,248,819</u>	<u>27,784,660</u>

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

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

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
Balance at beginning of the financial year	605,200	606,455
Impaired during the period/year	107,283	414,127
Reclassified as non-impaired	(39,265)	(59,820)
Recoveries	(40,881)	(126,010)
Amount written off	(51,364)	(229,552)
Balance at end of the financial period/year	<u>580,973</u>	<u>605,200</u>
Gross impaired financing and advances as % of gross financing and advances	<u>2.1%</u>	<u>2.2%</u>
Financing loss coverage	<u>65.9%</u>	<u>65.0%</u>

A11h. All impaired financing and advances reside in Malaysia.

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

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
Agriculture	90	150
Mining and quarrying	4,057	3,450
Manufacturing	30,643	29,434
Electricity, gas and water	10,489	16,233
Construction	14,004	4,813
Wholesale and retail trade and hotel and restaurants	3,908	4,350
Transport, storage and communication	3,936	6,998
Finance and insurance	8	-
Real estate	367,743	378,700
Business activities	2,760	2,670
Education and health	3,399	3,305
Household of which :	139,039	154,228
- Purchase of residential properties	21,256	22,597
- Purchase of transport vehicles	104,741	116,266
- Others	13,042	15,365
Others	897	869
	<u>580,973</u>	<u>605,200</u>



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

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
Unquoted private debt securities in Malaysia	456,649	456,649
Fair value changes arising from fair value hedge	14,397	11,492
	<u>471,046</u>	<u>468,141</u>

The Bank had undertaken a fair value hedge on the profit rate risk of unquoted securities of RM350.0 million using profit rate swaps with AmBank. The gain/(loss) arising from the fair value hedge during the current financial period is as follows:

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
Relating to hedged item	2,905	4,159
Relating to hedging instrument	(2,995)	(4,186)
	<u>(90)</u>	<u>(27)</u>

**A13. OTHER ASSETS**

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
Other receivables, deposits and prepayments	24,435	15,867
Amount due from related companies	285,157	91,708
Amount due from originators	125,363	127,791
Profit receivable	44,967	31,603
Tax recoverable	11,484	10,903
Deferred charges	46,948	51,949
	<u>538,354</u>	<u>329,821</u>

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

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
<u>Non-Mudarabah</u>		
Licensed investment banks	282,603	280,646
Other financial institutions	1,703,994	1,140,837
Bank Negara Malaysia	21,284	22,027
Total	<u>2,007,881</u>	<u>1,443,510</u>

**A15. INVESTMENT ACCOUNT DUE TO LICENSED BANK**

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
<u>Restricted investment account</u>		
- Mudarabah Muqayyadah	<u>1,000,000</u>	<u>1,000,000</u>
Investment asset:		
Financing	<u>1,000,000</u>	<u>1,000,000</u>
Total investment	<u>1,000,000</u>	<u>1,000,000</u>

Profit Sharing Ratio and Average Rate of Return for the investment account are as follows:

	<b>Investment account holder</b>		
		<b>30 June 2016</b>	<b>31 March 2016</b>
	<b>Profit sharing ratio (%)</b>	<b>Average rate of return (%)</b>	<b>Average rate of return (%)</b>
Maturity: between 2 to 5 years	90	5.23	4.56

The RIA is a contract based on the Shariah concept of Mudarabah between two parties, that is, capital provider and entrepreneur to finance a business venture where the business venture is managed solely by the Bank as the entrepreneur. The profit of the business venture is shared between both parties based on a pre-agreed ratio. Losses shall be borne solely by the capital provider.

During the financial year 31 March 2016, on 16 December 2015, a new contract for the sum of RM1.0 billion was entered into by the Bank with AmBank. This new contract is for a period of 5 years.

**A16. DEPOSITS FROM CUSTOMERS**

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
(i) By type of deposit:		
Savings deposit		
Wadiah	2,005,993	1,950,534
Demand deposit		
Wadiah	6,423,214	3,911,360
Term Deposit:		
Commodity Murabahah	18,307,088	22,515,493
Negotiable instruments of deposits		
Bai' Bithaman Ajil	-	6,396
Structured deposit		
Murabahah	55,000	-
Total	<u>26,791,295</u>	<u>28,383,783</u>
	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
(ii) The deposits are sourced from the following types of customers:		
Government and statutory bodies	6,661,861	7,074,020
Business enterprises	11,970,536	12,665,778
Individuals	7,071,502	6,994,982
Others	1,087,396	1,649,003
	<u>26,791,295</u>	<u>28,383,783</u>
(iii) The maturity structure of all term deposits is as follows:		
Due within six months	13,077,045	17,909,235
Over six months to one year	3,650,120	3,040,322
Over one year to three years	1,515,153	1,505,779
Over three years to five years	119,770	66,553
	<u>18,362,088</u>	<u>22,521,889</u>

**A17. INVESTMENT ACCOUNTS OF CUSTOMERS**

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
Unrestricted investment account without maturity - Wakalah	<u>18,638</u>	<u>18,411</u>
Investment asset:		
Interbank placement	<u>18,638</u>	<u>18,411</u>
Total investment	<u>18,638</u>	<u>18,411</u>

Average Rate of Return and Average Performance Incentive Fee for the investment accounts are as follows:

	<b>Investment account holder</b>			
	<b>30 June 2016</b>		<b>31 March 2016</b>	
	<b>Average rate of return (%)</b>	<b>Average Performance incentive fee (%)</b>	<b>Average rate of return (%)</b>	<b>Average Performance incentive fee (%)</b>
Maturity: less than 3 months	0.05	3.19	0.05	3.18

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**A18. OTHER LIABILITIES**

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
Profit payable	240,737	297,896
Other creditors and accruals	34,668	42,531
Advance rental	1,961	1,814
Amount due to related companies	119	681
Provision for commitments and contingencies	7,604	11,603
	<u>285,089</u>	<u>354,525</u>

**A19. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30 June 2016 RM'000</b>	<b>30 June 2015 (Restated) RM'000</b>	<b>30 June 2016 RM'000</b>	<b>30 June 2015 (Restated) RM'000</b>
Income derived from investment of:				
- General investment deposits	-	138,219	-	138,219
- Other deposits	438,353	309,312	438,353	309,312
	<u>438,353</u>	<u>447,531</u>	<u>438,353</u>	<u>447,531</u>

**A19. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS (CONT'D.)**

	Individual Quarter		Cumulative Quarter	
	30 June 2016	30 June 2015 (Restated)	30 June 2016	30 June 2015 (Restated)
	RM'000	RM'000	RM'000	RM'000
<b>Income derived from investment of general investment deposits</b>				
<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income	-	115,924	-	115,924
- Financing income on impaired financing	-	494	-	494
Financial assets held- for-trading	-	507	-	507
Financial investments available-for-sale	-	1,816	-	1,816
Financial investments held-to-maturity	-	4,361	-	4,361
Deposits and placements with banks and other financial institutions	-	11,749	-	11,749
Others	-	454	-	454
	<hr/>	<hr/>	<hr/>	<hr/>
Total finance income and hibah	-	135,305	-	135,305
<u>Other operating income:</u>				
Fee and commission income:				
- Fees on financing, advances and securities	-	1,580	-	1,580
- Guarantee fees	-	761	-	761
- Remittances	-	7	-	7
- Service charges and fees	-	192	-	192
- Others	-	341	-	341
Foreign exchange	-	195	-	195
Gain from disposal of financial assets held-for-trading	-	301	-	301
Loss on revaluation of financial assets held-for-trading	-	(29)	-	(29)
Loss from disposal of financial investments available-for-sale	-	(23)	-	(23)
Net loss on derivatives	-	(419)	-	(419)
Others	-	8	-	8
	<hr/>	<hr/>	<hr/>	<hr/>
Total other operating income	-	2,914	-	2,914
	<hr/>	<hr/>	<hr/>	<hr/>
Total	-	138,219	-	138,219

**A19. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS (CONT'D.)**

	Individual Quarter		Cumulative Quarter	
	30 June 2016 RM'000	30 June 2015 (Restated) RM'000	30 June 2016 RM'000	30 June 2015 (Restated) RM'000
<b>Income derived from investment of other deposits</b>				
<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income	360,416	254,254	360,416	254,254
- Financing income on impaired financing	3,308	2,163	3,308	2,163
Financial assets held- for-trading	2,189	1,147	2,189	1,147
Financial investments available-for-sale	3,347	3,558	3,347	3,558
Financial investments held-to-maturity	13,928	9,415	13,928	9,415
Deposits and placements with banks and other financial institutions	31,623	25,694	31,623	25,694
Others	6,975	6,521	6,975	6,521
Total finance income and hibah	<u>421,786</u>	<u>302,752</u>	<u>421,786</u>	<u>302,752</u>
<u>Other operating income:</u>				
Fee and commission income:				
- Brokerage fees, commission and rebates	4	-	4	-
- Fees on financing, advances and securities	4,849	3,369	4,849	3,369
- Guarantee fees	2,553	1,645	2,553	1,645
- Remittances	21	14	21	14
- Service charges and fees	698	411	698	411
- Others	1,151	716	1,151	716
Foreign exchange	8,052	1,110	8,052	1,110
Gain from disposal of financial assets held-for-trading	915	507	915	507
Loss on revaluation of financial assets held-for-trading	(425)	(197)	(425)	(197)
Gain/(Loss) from disposal of financial investments available-for-sale	39	(30)	39	(30)
Net loss on derivatives	(1,557)	(1,000)	(1,557)	(1,000)
Others	267	15	267	15
Total other operating income	<u>16,567</u>	<u>6,560</u>	<u>16,567</u>	<u>6,560</u>
Total	<u>438,353</u>	<u>309,312</u>	<u>438,353</u>	<u>309,312</u>

**A20. INCOME DERIVED FROM INVESTMENT OF INVESTMENT ACCOUNT FUNDS**

	Individual Quarter		Cumulative Quarter	
	30 June 2016	30 June 2015 (Restated)	30 June 2016	30 June 2015 (Restated)
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
- Restricted investment account	14,494	16,759	14,494	16,759
- Unrestricted investment accounts	155	3	155	3
	<u>14,649</u>	<u>16,762</u>	<u>14,649</u>	<u>16,762</u>

**Income derived from investment of restricted investment account**

Finance income and hibah:

Financing and advances

- Financing income	<u>14,494</u>	<u>16,759</u>	<u>14,494</u>	<u>16,759</u>
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Total finance income and hibah	<u>14,494</u>	<u>16,759</u>	<u>14,494</u>	<u>16,759</u>
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**Income derived from investment of unrestricted investment accounts**

Finance income and hibah:

Deposits and placements with  
banks and other financial  
institutions

	<u>155</u>	<u>3</u>	<u>155</u>	<u>3</u>
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Total finance income and hibah	<u>155</u>	<u>3</u>	<u>155</u>	<u>3</u>
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**A21. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDER'S FUNDS**

	Individual Quarter		Cumulative Quarter	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
<u>Finance income and hibah:</u>				
Financial investments available-for-sale	25,631	22,872	25,631	22,872
<u>Other operating income:</u>				
Fee and commission income:				
- Bancassurance commission	1,277	85	1,277	85
- Remittances	681	16	681	16
- Service charges and fees	702	1,022	702	1,022
Gain/(Loss) from disposal of financial investments available-for-sale	1,056	(800)	1,056	(800)
Unrealised loss on fair value hedge	(90)	(120)	(90)	(120)
Net loss on derivatives	(473)	(446)	(473)	(446)
Total other operating income	3,153	(243)	3,153	(243)
Total	28,784	22,629	28,784	22,629

**A22. ALLOWANCE FOR IMPAIRMENT ON FINANCING AND ADVANCES**

	Individual Quarter		Cumulative Quarter	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Allowance for impairment on financing and advances:				
Individual allowance, net	9,097	(1,064)	9,097	(1,064)
Collective allowance	31,381	65,388	31,381	65,388
Impaired financing and advances recovered, net	(31,152)	(28,356)	(31,152)	(28,356)
Total	9,326	35,968	9,326	35,968

**A23. INCOME ATTRIBUTABLE TO THE DEPOSITORS AND OTHERS**

	Individual Quarter		Cumulative Quarter	
	30 June 2016	30 June 2015 (Restated)	30 June 2016	30 June 2015 (Restated)
	RM'000	RM'000	RM'000	RM'000
Deposit from customers				
- Mudarabah fund	-	63,027	-	63,027
- Non-Mudarabah fund	228,702	172,785	228,702	172,785
	<u>228,702</u>	<u>235,812</u>	<u>228,702</u>	<u>235,812</u>
Deposits and placements of banks and other financial institutions				
- Mudarabah fund	-	7,619	-	7,619
- Non-Mudarabah fund	14,022	1,312	14,022	1,312
	<u>14,022</u>	<u>8,931</u>	<u>14,022</u>	<u>8,931</u>
Others	<u>10,666</u>	<u>8,476</u>	<u>10,666</u>	<u>8,476</u>
Total	<u>253,390</u>	<u>253,219</u>	<u>253,390</u>	<u>253,219</u>

**A24. INCOME ATTRIBUTABLE TO THE INVESTMENT ACCOUNT HOLDERS**

	Individual Quarter		Cumulative Quarter	
	30 June 2016	30 June 2015 (Restated)	30 June 2016	30 June 2015 (Restated)
	RM'000	RM'000	RM'000	RM'000
<u>Unrestricted</u>				
Customers - transactional investment accounts	2	1	2	1
<u>Restricted</u>				
Licensed bank - investment account	13,045	15,002	13,045	15,002
	<u>13,047</u>	<u>15,003</u>	<u>13,047</u>	<u>15,003</u>

**A25. OTHER OPERATING EXPENSES**

	Individual Quarter		Cumulative Quarter	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Personnel costs:				
- Salaries, allowances and bonuses	2,381	2,413	2,381	2,413
- Amortisation for shares and option granted under AMMB ESS - charge/(written back)	(137)	35	(137)	35
- Contributions to EPF	381	407	381	407
- Social security cost	13	10	13	10
- Others	408	45	408	45
	<u>3,046</u>	<u>2,910</u>	<u>3,046</u>	<u>2,910</u>
Establishment costs:				
- Amortisation of intangible assets	6	2	6	2
- Cleaning, maintenance and security	9	8	9	8
- Computerisation Costs	61	66	61	66
- Depreciation of property and equipment	20	22	20	22
- Rental of premises	166	155	166	155
- Others	10	7	10	7
	<u>272</u>	<u>260</u>	<u>272</u>	<u>260</u>
Marketing and communication expenses:				
- Communication, advertising and marketing	1,364	623	1,364	623
- Others	30	8	30	8
	<u>1,394</u>	<u>631</u>	<u>1,394</u>	<u>631</u>
Administration and general expenses:				
- Card operation charges from a related company	3,821	4,899	3,821	4,899
- Professional services	1,075	1,172	1,075	1,172
- Others	11,764	7,695	11,764	7,695
	<u>16,660</u>	<u>13,766</u>	<u>16,660</u>	<u>13,766</u>
Service transfer pricing expenses (net)	<u>84,287</u>	<u>68,757</u>	<u>84,287</u>	<u>68,757</u>
	<u>105,659</u>	<u>86,324</u>	<u>105,659</u>	<u>86,324</u>

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**A26. BASIC EARNINGS PER SHARE**

	Individual Quarter		Cumulative Quarter	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
Net profit attributable to equity holder of the Bank (RM'000)	<u>52,065</u>	<u>50,873</u>	<u>52,065</u>	<u>50,873</u>
Number of ordinary shares at beginning of financial year and end of period ('000)	<u>462,922</u>	<u>462,922</u>	<u>462,922</u>	<u>462,922</u>
Basic earnings per share (sen)	<u>11.25</u>	<u>10.99</u>	<u>11.25</u>	<u>10.99</u>

## **A27. BUSINESS SEGMENT ANALYSIS**

Segment information is presented in respect of the Bank'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 Bank comprises the following main business segments:

(a) Retail Banking

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

(b) Wholesale Banking

Wholesale Banking comprises Corporate and Commercial Banking and Markets:

(i) Corporate and Commercial Banking

Corporate and Commercial Banking offers a full range of products and services of corporate lending, trade finance, and cash management solutions to wholesale banking clients.

(ii) Markets

Markets includes proprietary trading as well as providing full range of products and services relating to treasury activities, including foreign exchange, derivatives, and fixed income.

(c) Group Funding and Others

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

A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

For the period ended 30 June 2016

	Wholesale banking				Total RM'000
	Retail Banking RM'000	Corporate and Commercial Banking RM'000	Markets RM'000	Group Funding and Others RM'000	
External revenue	195,285	193,751	19,928	72,822	481,786
Revenue from other segments	(34,760)	32,440	(9,905)	12,225	-
Total operating revenue	160,525	226,191	10,023	85,047	481,786
Net finance income	81,551	54,317	3,272	17,388	156,528
Other income	5,647	6,076	3,363	7,043	22,129
Net income	87,198	60,393	6,635	24,431	178,657
Other operating expenses of which:	(67,444)	(16,878)	(1,853)	(19,484)	(105,659)
<i>Depreciation of Property and Equipment</i>	-	-	-	(20)	(20)
<i>Amortisation of Intangible Assets</i>	-	-	-	(6)	(6)
Profit before impairment losses	19,754	43,515	4,782	4,947	72,998
Provisions:					
(Allowance)/Writeback for impairment losses on financing and advances	(12,843)	6,037	-	(2,520)	(9,326)
Writeback of provision for commitments and contingencies	(101)	4,047	-	-	3,946
Profit before zakat and taxation	6,810	53,599	4,782	2,427	67,618
Zakat and taxation	(1,635)	(12,863)	(1,148)	93	(15,553)
Profit for the period	5,175	40,736	3,634	2,520	52,065

**Other information**

Total segment assets	13,000,951	14,277,897	1,438,738	8,533,875	37,251,461
Total segment liabilities	10,399,632	18,203,172	612,411	5,330,102	34,545,317
Cost to income ratio	77.3%	27.9%	27.9%	79.8%	59.1%
Gross financing and advances	13,094,196	14,206,480	-	(51,857)	27,248,819
Net financing and advances	12,954,077	14,101,226	-	(189,279)	26,866,024
Impaired financing and advances	146,685	434,288	-	-	580,973
Deposits	10,313,176	17,925,851	550,000	10,149	28,799,176
Additions to :					
Property and Equipment	-	-	-	13	13
Intangible assets	-	-	-	155	155

A27. BUSINESS SEGMENT ANALYSIS (CONT'D.)

For the period ended 30 June 2015  
(Restated)

	Wholesale banking				Total RM'000
	Retail Banking RM'000	Corporate and Commercial Banking RM'000	Markets RM'000	Group Funding and Others RM'000	
External revenue	219,116	181,046	15,327	71,433	486,922
Revenue from other segments	(47,275)	54,767	(11,884)	4,392	-
Total operating revenue	171,841	235,813	3,443	75,825	486,922
Net finance income	95,882	56,349	2,649	19,024	173,904
Other income	4,373	5,637	600	809	11,419
Net income	100,255	61,986	3,249	19,833	185,323
Other operating expenses of which:	(63,470)	(8,243)	(954)	(13,657)	(86,324)
<i>Depreciation of Property and Equipment</i>	-	-	-	(22)	(22)
<i>Amortisation of Intangible Assets</i>	-	-	-	(2)	(2)
Profit before impairment losses	36,785	53,743	2,295	6,176	98,999
Provisions:					
(Allowance)/Writeback for impairment losses on financing and advances	(30,697)	(4,820)	-	(451)	(35,968)
Writeback of provision for commitments and contingencies	(26)	2,615	-	-	2,589
Transfer to profit equalisation reserve	-	-	-	(1,406)	(1,406)
Profit before zakat and taxation	6,062	51,538	2,295	4,319	64,214
Zakat and taxation	(1,455)	(12,369)	(551)	1,034	(13,341)
Profit for the period	4,607	39,169	1,744	5,353	50,873

Other information

Total segment assets	14,036,620	13,241,118	1,535,234	8,970,451	37,783,423
Total segment liabilities	10,411,742	19,522,751	242,824	5,140,219	35,317,536
Cost to income ratio	63.3%	13.3%	29.4%	68.9%	46.6%
Gross financing and advances	14,158,416	13,232,963	-	(63,742)	27,327,637
Net financing and advances	13,931,689	13,104,941	-	(234,477)	26,802,153
Impaired financing and advances	221,107	407,346	-	-	628,453
Deposits	10,275,212	19,232,516	210,000	206,040	29,923,768
Additions to :					
Property and Equipment	5	-	-	40	45

Notes:

- The financial information by geographical segment is not presented as the Bank's activities are principally conducted in Malaysia.
- Operating revenue of the Bank comprise financing income and hibah and other operating income.
- Certain comparative figures have been restated to conform with current period's presentation.

**A28a. PERFORMANCE REVIEW FOR THE PERIOD ENDED 30 JUNE 2016**

The Bank recorded a profit before zakat and taxation ("Pre-tax profit") of RM67.6 million for the period ended 30 June 2016, an increase of RM3.4 million (5.3%) compared to the corresponding period in the previous year.

The increase in Pre-tax profit was mainly due to lower allowance for impairment on financing and advances and higher other operating income offset by lower net finance income and higher other operating expenses, as follows:

- (i) Lower allowance for impaired financing and advances of RM9.3 million (June 2015: RM36.0 million) mainly due to lower collective allowance by RM34.0 million and higher impaired financing recoveries by RM2.8 million offset by higher individual allowance of RM10.2 million;
- (ii) Higher other operating income of RM22.2 million (June 2015: RM11.4 million). Increase was due to higher fee income by RM1.8 million and higher income from trading and investment activities by RM8.9 million, mainly arising from higher foreign exchange gain;

offset by:

- (iii) Lower net finance income of RM156.5 million (June 2015: RM173.9 million) mainly due to decrease in financing and advances;
- (iv) Higher other operating expenses of RM105.7 million (June 2015: RM86.3 million).

Gross financing and advances decreased by RM0.6 billion to RM27.2 billion (March 2016: RM27.8 billion) mainly due to decrease in hire purchase receivables and term financing mitigated by growth in housing financing.

Customer deposits reduced by RM1.6 billion to RM26.8 billion (March 2016: RM28.4 billion) mainly due to decrease in term deposits.

The Bank's total capital ratio remains strong at 15.444% as at the end of the current financial period.

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

**A28b. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2017**

In the first quarter of 2016, the Malaysian economy registered growth of 4.2% (Fourth Quarter 2015: 4.5%) supported by private consumption which grew 5.3% (Fourth Quarter 2015: 4.9%) driven by wage and employment growth. Private investment growth moderated to 2.2% (Fourth Quarter 2015: 4.9%) on cautious business sentiments and lower investments in upstream mining sector.

For calendar year 2016, the AMMB Group forecasts a moderate annual Gross Domestic Product ("GDP") growth of circa 4.0% (2015: 5.0%) driven by domestic demand mainly from private expenditure and complemented by exports stemming from lower commodity prices.

Inflation is projected at 2.0% in 2016 as the weak ringgit fuel import costs and from adjustments in government controlled and administered prices (toll rate hikes, train fares and cigarette excise duties). This will be partly mitigated by weak commodity prices, softer demand and high base effect in Second Half Year 2016.

Following the recent BNM overnight policy rate ("OPR") cut by 25 bps to 3% we believe there is room for monetary easing should consumer confidence and business sentiments take a dip due to uncertainties and challenges going forward. Overall, the OPR cut is mildly negative to the banking sector, but is slightly positive to the consumer, auto and property sectors.

Business and economic conditions are expected to be challenging in the near and medium term against the backdrop of increasingly stringent compliance requirements and poor market sentiment. The banking sector is expected to experience slower growth and moderated net interest margins while asset quality may come under pressure.

Despite the potential headwinds in the economy, there are still some bright spots and opportunities such as the SME sector which has consistently outpaced GDP growth since 2005, and has room for growth. The recalibrated Budget 2016 has also provided some impetus to the domestic consumption, as well as emphasis on affordable homes and implementation of infrastructure projects.

**A29. VALUATION OF PROPERTY AND EQUIPMENT**

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

**A30. EVENTS SUBSEQUENT TO REPORTING DATE**

There were no significant events subsequent to the reporting date.

**A31. COMMITMENTS AND CONTINGENCIES**

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

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

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
<b>Contingent Liabilities</b>		
Direct credit substitutes	246,423	235,448
Transaction related contingent items	721,707	746,826
Short-term self liquidating trade-related contingencies	74,926	121,004
Obligations under underwriting agreements	585,000	-
	<u>1,628,056</u>	<u>1,103,278</u>
<b>Commitments</b>		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	2,919,904	2,846,242
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,185,830	999,782
Unutilised credit card lines	523,233	476,806
Forward asset purchase	207,639	10,460
	<u>4,836,606</u>	<u>4,333,290</u>
<b>Derivative Financial Instruments</b>		
Foreign exchange related contracts:		
- One year or less	1,911,319	1,679,198
Profit rate related contracts		
- Over one year to five years	1,200,000	900,000
- Over five years	350,000	350,000
	<u>3,461,319</u>	<u>2,929,198</u>
<b>Total</b>	<u>9,925,981</u>	<u>8,365,766</u>

### **A32. FAIR VALUES OF FINANCIAL INSTRUMENTS**

#### Determination of fair value and fair value hierarchy

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

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

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

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

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

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

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

	<b>Valuation techniques</b>			<b>Total RM'000</b>
	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	
<b>30 June 2016</b>				
<b>Assets measured at fair value</b>				
Derivative financial assets	-	41,269	-	41,269
Financial assets held- for-trading				
- Money market securities	-	71,917	-	71,917
- Unquoted private debt securities	-	74,072	-	74,072
Financial investments available-for-sale				
- Money market securities	-	1,640,902	-	1,640,902
- Unquoted private debt securities	-	727,702	-	727,702
	<u>-</u>	<u>2,555,862</u>	<u>-</u>	<u>2,555,862</u>
<b>Liabilities measured at fair value</b>				
Derivative financial liabilities	<u>-</u>	<u>54,685</u>	<u>-</u>	<u>54,685</u>

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

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

	Valuation techniques			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>31 March 2016</b>				
<b>Assets measured at fair value</b>				
Derivative financial assets	-	57,273	-	57,273
Financial assets held-for-trading				
- Money market securities	-	84,166	-	84,166
- Unquoted private debt securities	-	90,384	-	90,384
Financial investments available-for-sale				
- Money market securities	-	2,407,289	-	2,407,289
- Unquoted private debt securities	-	770,227	-	770,227
	<u>-</u>	<u>3,409,339</u>	<u>-</u>	<u>3,409,339</u>
<b>Liabilities measured at fair value</b>				
Derivative financial liabilities	<u>-</u>	<u>67,685</u>	<u>-</u>	<u>67,685</u>

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

**A33. CAPITAL ADEQUACY**

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

	<b>30 June 2016</b>	<b>31 March 2016</b>
Common Equity Tier 1 Capital ratio	9.950%	9.846%
Tier 1 Capital ratio	9.950%	9.846%
Total Capital ratio	15.444%	15.320%

The Bank has adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk.

With effect from 1 January 2016, pursuant to Bank Negara Malaysia's ("BNM") guidelines on Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 13 October 2015, the minimum capital adequacy ratio to be maintained under the guidelines is 4.5% for CET1 capital, 6.0% 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:

	<b>CCB</b>
<b>Calendar year 2016</b>	0.625%
<b>Calendar year 2017</b>	1.25%
<b>Calendar year 2018</b>	1.875%
<b>Calendar year 2019 onwards</b>	2.5%

**A33. CAPITAL ADEQUACY (CONT'D.)**

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

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
<b><u>Common Equity Tier 1 ("CET1") Capital</u></b>		
Ordinary shares	462,922	462,922
Share premium	724,185	724,185
Retained earnings	982,055	982,055
Available for sale reserve/(deficit)	1,572	(1,589)
Statutory reserve	483,345	483,345
Less : Regulatory adjustments applied on CET1 Capital		
- Intangible assets	(163)	(14)
- 55% of cumulative gains of available-for-sale financial instruments	(865)	-
<b>CET1 Capital/ Tier 1 Capital</b>	<b><u>2,653,051</u></b>	<b><u>2,650,904</u></b>
<b><u>Tier 2 Capital</u></b>		
Tier 2 Capital instruments meeting all relevant criteria for inclusion	600,000	600,000
Tier 2 Capital instruments (subject to gradual phase-out treatment)	600,000	600,000
Collective allowance	264,802	273,963
<b>Tier 2 Capital</b>	<b><u>1,464,802</u></b>	<b><u>1,473,963</u></b>
<b>Total Capital</b>	<b><u>4,117,853</u></b>	<b><u>4,124,867</u></b>

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

	<b>30 June 2016 RM'000</b>	<b>31 March 2016 RM'000</b>
Credit RWA	25,846,125	26,112,657
Less : Credit RWA absorbed by Restricted Investment Account	(1,003,820)	(1,003,979)
<b>Total Credit RWA</b>	<b><u>24,842,305</u></b>	<b><u>25,108,678</u></b>
Market RWA	329,487	296,231
Operational RWA	1,491,869	1,519,148
<b>Total Risk Weighted Assets</b>	<b><u>26,663,661</u></b>	<b><u>26,924,057</u></b>

**A34. RESTATEMENT OF COMPARATIVE INFORMATION**

The Bank had restated the placement received from a related company, previously classified as Deposits and placements of banks and other financial institutions to Investment account due to licensed bank as the placement is not principal guaranteed and both parties did not enter into a new investment account contract upon expiry of the transition period until 30 June 2015 to comply with Islamic Financial Services Act 2013 ("IFSA") and BNM standards on Shariah and policy document on Investment Account. The non-principal guaranteed placement by the same related company as at 31 March 2015 and 1 April 2014 were reclassified to and restated as Investment account to provide more meaningful information.

The comparatives to statement of profit or loss were restated to conform with the changes in presentation as follows:

	<b>As previously reported RM'000</b>	<b>Restatement RM'000</b>	<b>As restated RM'000</b>
<b>For the individual and financial quarter ended 30 June 2015</b>			
Income derived from investment of depositors' funds	464,293	(16,762)	447,531
Income derived from investment of investment account funds	-	16,762	16,762
Income attributable to the depositors and others	(268,222)	15,003	(253,219)
Income attributable to the investment account holders	-	(15,003)	(15,003)