AmIslamic Bank Berhad

(Company No. 295576–U)
(Incorporated in Malaysia)

Interim Financial Statements
For the Financial Period
1 April 2012 to
30 June 2012

(In Ringgit Malaysia)

Company No. 295576–U

AmIslamic Bank Berhad
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	30 June 2012 RM'000	31 March 2012 (Restated) RM'000	1 April 2011 (Restated) RM'000
ASSETS				
Cash and short-term funds		2,646,793	2,328,883	4,738,758
Deposits and placements with banks and other financial institutions		1,338,383	1,118,383	250,000
Derivative financial assets		6,656	10,925	3,258
Financial assets held-for-trading	A8	1,193,377	1,522,183	991,136
Financial investments available-for-sale	A9	1,169,060	320,117	715,937
Financial investment held-to-maturity	A10	822,186	822,222	-
Financing and advances	A11	18,200,759	16,846,171	13,256,139
Statutory deposit with Bank Negara Malaysia		641,000	559,000	-
Deferred tax asset		35,607	36,158	118,406
Other assets	A12	145,976	319,223	124,657
Property and equipment		555	582	654
Intangible assets		81	120	278
TOTAL ASSETS		26,200,433	23,883,967	20,199,223
LIABILITIES AND EQUITY				
Deposits and placements of banks and other financial institutions	A13	2,118,821	1,481,305	1,467,556
Derivative financial liabilities		6,634	10,896	3,254
Deposits from customers	A14	19,495,327	18,271,858	15,249,655
Term funding		925,722	854,804	550,000
Bills and acceptances payable		638,166	518,422	879,522
Subordinated Sukuk Musharakah		800,000	800,000	400,000
Other liabilities	A15	427,729	229,780	249,261
Provision for zakat		1,537	1,323	559
Total Liabilities		24,413,936	22,168,388	18,799,807
Share capital		428,038	428,038	403,038
Reserves		1,358,459	1,287,541	996,378
Equity attributable to equity holder of the Bank		1,786,497	1,715,579	1,399,416
TOTAL LIABILITIES AND EQUITY		26,200,433	23,883,967	20,199,223
COMMITMENTS AND CONTINGENCIES	A26	7,921,731	7,783,532	7,595,982
NET ASSETS PER SHARE (RM)		4.17	4.01	3.47

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2012.

Company No. 295576–U

AmIslamic Bank Berhad
(Incorporated in Malaysia)

UNAUDITED INCOME STATEMENT
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2012

		Individual Quarter		Cumulative Quarter	
		30 June 2012	30 June 2011 (Restated)	30 June 2012	30 June 2011 (Restated)
	Note	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	A16	347,465	301,810	347,465	301,810
Income derived from investment of shareholder's funds	A17	42,550	34,429	42,550	34,429
Allowance for impairment on financing and advances	A18	(26,121)	(43,391)	(26,121)	(43,391)
Provision for commitments and contingencies		(4,712)	(452)	(4,712)	(452)
Transfer (to)/from profit equalisation reserve		(396)	4,758	(396)	4,758
Total distributable income		358,786	297,154	358,786	297,154
Income attributable to the depositors	A19	(168,431)	(142,057)	(168,431)	(142,057)
Total net income		190,355	155,097	190,355	155,097
Other operating expenses	A20	(83,583)	(70,828)	(83,583)	(70,828)
Finance cost		(14,653)	(10,696)	(14,653)	(10,696)
Profit before zakat and taxation		**92,119**	**73,573**	**92,119**	**73,573**
Zakat		(215)	(504)	(215)	(504)
Taxation		(23,951)	(19,137)	(23,951)	(19,137)
Profit for the period		**67,953**	**53,932**	**67,953**	**53,932**
Earnings per share (sen) - basic/fully diluted	A21	**15.88**	**13.38**	**15.88**	**13.38**

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2012.

Company No. 295576–U

AmIslamic Bank Berhad
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2012

	Individual Quarter		Cumulative Quarter	
	30 June 2012	30 June 2011 (Restated)	30 June 2012	30 June 2011 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit for the period	67,953	53,932	67,953	53,932
Other comprehensive income/(loss):				
Net movement on financial investments available-for-sale	2,204	(698)	2,204	(698)
Income tax relating to the components of other comprehensive income	(551)	174	(551)	174
Other comprehensive income/(loss) for the period, net of tax	1,653	(524)	1,653	(524)
Total comprehensive income for the period	69,606	53,408	69,606	53,408

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2012.

Company No. 295576–U

AmIslamic Bank Berhad
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2012

	Attributable to Equity Holder of the Bank				
		Non-distributable		Distributable	
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000
At 1 April 2011					
As previously stated	403,038	534,068	297,992	162,515	1,397,613
Effect of change in accounting policy (Note A29)	-	-	-	1,803	1,803
As restated	403,038	534,068	297,992	164,318	1,399,416
Profit for the period	-	-	-	53,932	53,932
Other comprehensive loss	-	-	(524)	-	(524)
Total comprehensive income for the year	-	-	(524)	53,932	53,408
Transfer of ESS shares recharged - difference on purchase price of shares vested	-	-	-	(26)	(26)
At 30 June 2011	403,038	534,068	297,468	218,224	1,452,798
At 1 April 2012					
As previously stated	428,038	609,068	350,503	328,654	1,716,263
Effect of change in accounting policy (Note A29)	-	-	-	(684)	(684)
As restated	428,038	609,068	350,503	327,970	1,715,579
Profit for the period	-	-	-	67,953	67,953
Other comprehensive income	-	-	1,653	-	1,653
Total comprehensive income for the year	-	-	1,653	67,953	69,606
Transfer to profit equalisation reserve under the previous guideline	-	-	1,495	-	1,495
Net transfer to profit equalisation reserve for the period	-	-	(94)	94	-
Transfer of ESS shares recharged - difference on purchase price of shares vested	-	-	-	(183)	(183)
At 30 June 2012	428,038	609,068	353,557	395,834	1,786,497

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2012.

Company No. 295576–U

AmIslamic Bank Berhad
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2012

	30 June 2012 RM'000	30 June 2011 (Restated) RM'000
Profit before zakat and taxation	92,119	73,573
Adjustments for non-operating and non-cash items	41,206	39,815
Operating profit before working capital changes	133,325	113,388
Changes in working capital:		
Net changes in operating assets	(1,199,510)	(948,116)
Net changes in operating liabilities	2,245,984	714,586
Taxes paid	(16,377)	(27,077)
Net cash (used in)/generated from operating activities	1,163,422	(147,219)
Net cash (used in)/generated from investing activities	(845,512)	321,748
Net increase in cash and cash equivalents	317,910	174,529
Cash and cash equivalents at beginning of the period	2,328,883	4,738,758
Cash and cash equivalents at end of the period	2,646,793	4,913,287

For purposes of Statement of Cash Flows, cash and cash equivalents comprise cash and bank balances and money at call and deposit placements maturing within one month ("Cash and short-term funds").

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2012.

Explanatory Notes

A1. BASIS OF PREPARATION

Changes in accounting policies and disclosures

1. First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These condensed interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"). These condensed interim financial statements also comply with IAS 34, Interim Financial Statements issued by the International Accounting Standards Board ("IASB").

For the periods up to and including the year ended 31 March 2012, the Bank prepared its financial statements in accordance with Financial Reporting Standards ("FRS"). These condensed interim financial statements are the Bank's first MFRS condensed interim financial statements for part of the period covered by the Bank's first MFRS annual financial statements for the year ending 31 March 2013. MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes attached to these condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Bank since the year ended 31 March 2012.

In preparing its opening MFRS Statement of Financial Position as at 1 April 2011 (which is also the date of transition), the Bank has adjusted the amounts previously reported in the financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Bank's financial position and financial performance is set out in Note A29. These notes include reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

A1. BASIS OF PREPARATION (CONTD.)

2. Application of MFRS 1

The audited financial statements of the Bank for the year ended 31 March 2012 were prepared in accordance with FRS. Except for certain differences, the requirements of FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed interim financial statements are consistent with those of the audited financial statements for the year ended 31 March 2012 except as discussed below:

Business combinations

MFRS 1 provides the option to apply MFRS 3, Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatements of all business combinations prior to the date of transition. MFRS 3 is not relevant to the Bank.

3. Accounting policy on collective assessment allowance for impaired financing and advances

The Bank’s collective assessment allowance is currently based on the transitional arrangement prescribed in Bank Negara Malaysia’s (“BNM”) Guidelines on Classification and Impairment Provisions for Loans/ Financing (“the Guidelines”) and modified to reflect its historical loss experience.

In conjunction with the convergence of FRS in Malaysia with International Financial Reporting Standards ("IFRS"), the Guidelines were revised on 9 November 2011 to align the requirements on the determination of collective assessment allowance with that of MFRS 139, Financial Instruments: Recognition and Measurement. Based on the revised Guidelines, the transitional arrangement is removed with effect from 1 January 2012.

A1. BASIS OF PREPARATION (CONTD.)

3. Accounting policy on collective assessment allowance for impaired financing and advances (Contd.)

Under MFRS 139, financing and advances which are not individually significant are collectively assessed using the incurred loss approach. If it is determined that no objective evidence of impairment exists for an individually assessed financing, the financing is also included in the group of financing with similar credit risk characteristics for collective impairment assessment. The future cash flows of each group of financing with similar credit risk characteristics are estimated on the basis of historical loss experience for such assets and discounted to present value. Collective assessment allowance is made on any shortfall in these discounted cash flows against the carrying value of the group of financing.

The change in accounting policy on the collective assessment allowance for impaired financing and advances are accounted for retrospectively. The financial impact on the opening and comparative statements of financial position as well as the income statements of the Bank is set out in Note A29.

There are no material differences expected between the statement of cash flows of the Bank presented under MFRSs and the statements of cash flows presented under FRSs, arising from the transition to MFRS.

4. Guidelines on Profit Equalisation Reserve issued by BNM

In May 2011, BNM issued the revised guidelines on Profit Equalisation Reserve (“PER”), which is effective for annual periods beginning on or after 1 July 2011. PER refers to the amount appropriated out of the total gross income before distribution thus, allowing the Islamic Banking Institution (“IBI”) to maintain an acceptable level of return for the Investment Account Holder(s) (“IAH”). Since its introduction in 2001, PER has been an important prudential tool to manage the Displaced Commercial Risk (“DCR”) used by the IBIs to preserve financial stability in a dual banking system. PER serves as a mechanism to enable the IBIs to mitigate the downside risk of income reduction and to maintain competitive rates of returns or deposit rates.

A1. BASIS OF PREPARATION (CONTD.)

4. Guidelines on Profit Equalisation Reserve issued by BNM (Contd.)

With the issuance of revised guidelines, the creation of PER establishes an obligation to manage distribution to the IAH from a Shariah perspective. The PER of the IAH is to be classified as liability and recognised at cost. Subsequent apportionments will be recognised in the income statement. The eventual distribution of PER as profit distributable to IAH will be treated as an outflow of funds due to the settlement of obligation to the IAH. The PER of the IBI on the other hand, is to be classified as a separate reserve in equity. Subsequent apportionments to and from retained earnings will be treated as transfers between reserves. These changes to accounting treatment are accounted for prospectively.

5. Other changes in accounting policies and disclosures

Other changes in accounting policies and disclosures involve the adoption of the following new and amended MFRS and Interpretation Committee (“IC”) Interpretations effective on 1 April 2012. The adoption of these new and amended MFRSs and IC Interpretations did not have any significant impact on the financial position or performance of the Bank:

- IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments
- FRS 124, Related Party Disclosures
- Amendments to FRS 1, Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to FRS 7, Disclosures – Transfers of Financial Assets
- Amendments to FRS 112, Deferred Tax: Recovery of Underlying Assets

A2. AUDIT QUALIFICATION

The auditors’ report on the audited annual financial statements for the financial year ended 31 March 2012 was not qualified.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A4. UNUSUAL ITEMS

There were no unusual items during the current financial quarter.

A5. USE OF ESTIMATES

There was no material change in estimates of amounts reported in prior financial years that have a material effect on the financial quarter ended 30 June 2012 other than as disclosed in Note A29 Changes in accounting policies and restatement of comparatives.

A6. ISSUANCE, CANCELLATION, REPURCHASE, RESALE AND REPAYMENT OF DEBT AND EQUITY SECUIRITIES

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 directors do not recommend the payment of any dividend in respect of the financial quarter ended 30 June 2012 and no dividends were paid in the current financial quarter.

A8. FINANCIAL ASSETS HELD-FOR-TRADING

	30 June 2012 RM'000	31 March 2012 RM'000
At Fair Value		
Money Market Instruments:		
Islamic Treasury bills	4,746	4,715
Malaysian Government Investment Issues	284,458	288,275
Bank Negara Monetary Notes	608,810	929,449
	898,014	1,222,439
Unquoted securities in Malaysia:		
Private debt securities	295,363	299,744
Total financial assets held-for-trading	1,193,377	1,522,183

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	30 June 2012 RM'000	31 March 2012 RM'000
At Fair Value		
Money Market Instruments:		
Negotiable instruments of deposit	848,440	-
Quoted securities in Malaysia:		
Unit trusts	30,000	30,000
Unquoted securities in Malaysia:		
Private debt securities	290,620	290,117
Total financial investments available-for-sale	1,169,060	320,117

A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	30 June 2012 RM'000	31 March 2012 RM'000
At Amortised Cost:		
Unquoted securities in Malaysia:		
Private debt securities	822,186	822,222
Total financial investments held-to-maturity	822,186	822,222

A11. FINANCING AND ADVANCES

At Amortised Cost:	30 June 2012 RM'000	31 March 2012 (Restated) RM'000
Cash lines	559,122	522,780
Term financing	6,272,568	6,046,290
Revolving credit	1,328,850	1,095,887
House financing	638,060	598,260
Hire-purchase receivables	9,967,577	9,264,472
Credit card receivables	316,969	316,677
Trust receipts	68,359	63,366
Claims on customers under acceptance credit	1,100,406	1,060,425
Bills receivables	5,100	-
	20,257,011	18,968,157
Less: Islamic financing sold to Cagamas Berhad	(1,574,340)	(1,645,251)
Gross financing and advances	18,682,671	17,322,906
Allowance for impairment on financing and advances		
- Collective allowance	(461,148)	(460,411)
- Individual allowance	(20,764)	(16,324)
Net financing and advances	18,200,759	16,846,171

A11. FINANCING AND ADVANCES (CONTD.)

A11a. Gross financing and advances analysed by contract are as follows:

	30 June 2012 RM'000	31 March 2012 RM'000
Bai' Bithaman Ajil	4,594,479	4,371,717
Ijarah/Al-Ijarah Thumma Al-Bai'	8,479,751	7,619,215
Musyarakah	1,158	663
Murabahah	1,230,267	1,207,148
Other Islamic contracts	4,377,016	4,124,163
Gross financing and advances	18,682,671	17,322,906

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

	30 June 2012 RM'000	31 March 2012 RM'000
Domestic non-bank financial institutions	88,655	78,669
Domestic business enterprises		
- Small medium enterprises	2,251,769	2,089,792
- Others	4,689,724	4,365,672
Government and statutory bodies	1,071,808	1,059,717
Individuals	10,563,492	9,713,326
Other domestic entities	8,763	9,016
Foreign entities	8,460	6,714
Gross financing and advances	18,682,671	17,322,906

A11c. All financing and advances reside in Malaysia.

A11. FINANCING AND ADVANCES (CONTD.)

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

	30 June 2012 RM'000	31 March 2012 RM'000
Fixed rate		
- House financing	255,939	263,341
- Hire purchase receivables	6,867,167	6,088,243
- Other financing	4,873,833	5,103,242
Variable rate		
- Base financing rate plus	3,052,139	2,974,390
- Cost plus	3,633,593	2,893,690
- Other variables rates		-
Gross financing and advances	18,682,671	17,322,906

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

	30 June 2012 RM'000	31 March 2012 RM'000
Agriculture	284,326	254,252
Mining and quarrying	41,627	43,316
Manufacturing	2,201,006	2,075,445
Electricity, gas and water	126,682	130,884
Construction	497,131	464,438
Wholesale, retail trade, restaurant and hotel	662,072	622,716
Transport, storage and communication	857,255	836,582
Finance and insurance	88,655	78,669
Real estate	1,397,605	1,254,628
Business activities	344,067	333,451
Education and health	596,702	505,421
Household of which :	12,146,292	11,365,288
- purchase of residential properties	629,393	594,931
- purchase of transport vehicles	9,278,506	8,537,897
- others	2,238,393	2,232,460
Others	1,013,591	1,003,067
Less: Islamic financing sold to Cagamas Berhad	(1,574,340)	(1,645,251)
Gross financing and advances	18,682,671	17,322,906

A11. FINANCING AND ADVANCES (CONTD.)

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

	30 June 2012 RM'000	31 March 2012 RM'000
Maturing within one year	3,305,940	2,830,309
One year to three years	2,034,302	1,806,838
Over three years to five years	2,571,481	2,591,252
Over five years	10,770,948	10,094,507
Gross financing and advances	18,682,671	17,322,906

A11g. All impaired financing and advances reside in Malaysia.

A11h. Impaired financing and advances by sector

	30 June 2012 RM'000	31 March 2012 RM'000
Agriculture	419	471
Mining and quarrying	83	83
Manufacturing	26,946	23,994
Electricity, gas and water	73	78
Construction	2,300	1,743
Wholesale, retail trade, restaurant and hotel	4,042	3,708
Transport, storage and communication	94	511
Business activities	424	262
Education and health	13,831	14,065
Household of which :	210,299	192,809
- purchase of residential properties	25,416	23,142
- purchase of transport vehicles	132,130	123,484
- others	52,753	46,183
Others	3	-
Impaired financing and advances	258,514	237,724

AmIslamic Bank Berhad
(Incorporated in Malaysia)

A11. FINANCING AND ADVANCES (CONTD.)

A11i. Movements in impaired financing and advances are as follows:

	30 June 2012 RM'000	31 March 2012 RM'000
Balance at beginning of financial year	237,724	320,418
Impaired during the period/year	122,190	245,594
Reclassified as non-impaired	(46,534)	(59,847)
Amount recovered	(14,682)	(38,106)
Amount written off	(40,184)	(230,335)
Balance at end of financial period/year	258,514	237,724
Gross financing and advances	18,682,671	17,322,906
Add: Islamic financing sold to Cagamas Berhad	1,574,340	1,645,251
Gross financing and advances (including Islamic financing sold to Cagamas Berhad)	20,257,011	18,968,157
Impaired financing and advances as % of total financing and advances (including Islamic financing sold to Cagamas Berhad)	1.3%	1.3%
Financing loss coverage (excluding collateral values)	186.4%	200.5%

A11. FINANCING AND ADVANCES (CONTD.)

A11j. Movements in the allowances for impaired financing and advances are as follows:

		30 June 2012 RM'000	31 March 2012 RM'000
Collective allowance			
Balance at beginning of financial year			
As previously stated		463,433	479,010
Effect of change in accounting policy	Note A29	(3,022)	(9,063)
As restated		460,411	469,947
Allowance made during the period/year		40,881	205,859
Amount written off		(40,144)	(215,395)
Balance at end of financial period/year		461,148	460,411
As % of gross financing and advances (including Islamic financing sold to Cagamas Berhad) less individual allowance		2.3%	2.4%
Individual allowance			
Balance at beginning of financial year		16,324	25,447
Allowance made during the period/year - net		4,480	5,933
Amount written off		(40)	(15,056)
Balance at end of financial period/year		20,764	16,324

A12. OTHER ASSETS

	30 June 2012 RM'000	31 March 2012 (Restated) RM'000
Other receivables and prepayments	21,270	206,334
Profit receivable	36,078	22,351
Tax recoverable	8,395	15,969
Deferred charges	80,233	74,569
	145,976	319,223

A13. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2012 RM'000	31 March 2012 RM'000
Non-Mudharabah		
Licensed banks	811,117	806,330
Licensed investment banks	184,282	173,895
Other financial institutions	271,869	123,491
Bank Negara Malaysia	20,283	17,749
	1,287,551	1,121,465
Mudharabah		
Licensed investment banks	100	100
Other financial institutions	831,170	359,740
	831,270	359,840
Total	2,118,821	1,481,305

A14. DEPOSITS FROM CUSTOMERS

(i) By type of deposit:

	30 June 2012 RM'000	31 March 2012 RM'000
Non-Mudharabah		
Demand deposits	3,171,280	2,874,181
Savings deposits	1,673,575	1,541,959
Negotiable instruments of deposits	25,379	25,184
Term deposits	255,643	167,181
	5,125,877	4,608,505
Mudharabah		
Demand deposits	23,047	19,512
Savings deposits	6,126	5,945
General investment deposits	14,158,374	13,453,942
Structured deposits	181,903	183,954
	14,369,450	13,663,353
Total	19,495,327	18,271,858

(ii) The deposits are sourced from the following types of customers:

	30 June 2012 RM'000	31 March 2012 RM'000
Government and other statutory bodies	3,338,617	4,128,278
Business enterprises	11,338,672	9,645,362
Individuals	4,201,189	3,835,369
Others	616,849	662,849
	19,495,327	18,271,858

(iii) The maturity structure of negotiable instruments of deposits, term deposits, general investment deposits and structured deposits is as follows:

	30 June 2012 RM'000	31 March 2012 RM'000
Due within six months	12,867,219	12,566,527
Over six months to one year	1,279,276	806,224
Over one year to three years	338,886	404,005
Over three years to five years	135,918	53,505
	14,621,299	13,830,261

A15. OTHER LIABILITIES

	30 June 2012 RM'000	31 March 2012 (Restated) RM'000
Profit payable	122,492	115,460
Other creditors and accruals	90,999	74,013
Advance rental	11,140	11,635
Profit equalisation reserve *	1,701	3,294
Amount due to related companies	171,346	38
Provision for commitments and contingencies	30,051	25,340
	427,729	229,780

* There is no shareholder's portion of the profit equalisation reserve as at 30 June 2012 (31 March 2012: RM1,495,000)

A16. INCOME DERIVED FROM INVESTMENT Of DEPOSITORS' FUNDS And OTHERS

	Individual Quarter		Cumulative Quarter	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
Income derived from investment of:				
- General investment deposits	231,142	200,347	231,142	200,347
- Other deposits	116,323	101,463	116,323	101,463
	347,465	301,810	347,465	301,810

A16. INCOME DERIVED FROM INVESTMENT Of DEPOSITORS' FUNDS And OTHERS (CONTD.)

	Individual Quarter		Cumulative Quarter	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
Income derived from investment of general investment deposits				
Finance income and hibah:				
Financing and advances				
- Financing income	204,005	160,078	204,005	160,078
- Financing income on impaired financing	79	47	79	47
Financial assets held-for-trading	8,067	5,048	8,067	5,048
Financial investments held-to-maturity	919	-	919	-
Money at call and deposits with financial institutions	-	23,939	-	23,939
Total finance income and hibah	213,070	189,112	213,070	189,112
Other operating income:				
Fee and commission income:				
- Commission	1,949	1,331	1,949	1,331
- Other fee	13,503	6,261	13,503	6,261
Foreign exchange	1,788	27	1,788	27
Gain from sale of financial assets held-for-trading	1,865	1,351	1,865	1,351
Gain/(loss) on revaluation of financial assets held-for-trading	(1,028)	2,258	(1,028)	2,258
Others	(5)	7	(5)	7
Total other operating income	18,072	11,235	18,072	11,235
Total	231,142	200,347	231,142	200,347

A16. INCOME DERIVED FROM INVESTMENT Of DEPOSITORS' FUNDS And OTHERS (CONTD.)

	Individual Quarter		Cumulative Quarter	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
Income derived from investment of other deposits				
Finance income and hibah:				
Financing and advances				
- Financing income	68,058	81,069	68,058	81,069
- Financing income on impaired financing	26	24	26	24
Financial assets held-for-trading	3,385	2,557	3,385	2,557
Financial investments held-to-maturity	8,921	-	8,921	-
Money at call and deposits with financial institutions	29,829	12,124	29,829	12,124
Total finance income and hibah	110,219	95,774	110,219	95,774
Other operating income:				
Fee and commission income:				
- Commission	650	673	650	673
- Other fee	4,505	3,172	4,505	3,172
Foreign exchange	596	13	596	13
Gain from sale of financial assets held-for-trading	780	684	780	684
Gain/(loss) on revaluation of financial assets held-for-trading	(426)	1,143	(426)	1,143
Others	(1)	4	(1)	4
Total other operating income	6,104	5,689	6,104	5,689
Total	116,323	101,463	116,323	101,463

A17. INCOME DERIVED FROM INVESTMENT OF SHAREHOLDER'S FUNDS

	Individual Quarter		Cumulative Quarter	
	30 June 2012 RM'000	30 June 2011 RM'000	30 June 2012 RM'000	30 June 2011 RM'000
Finance income and hibah:				
Financing and advances				
- Financing income	35,120	20,820	35,120	20,820
Financial investments available-for-sale	4,605	6,415	4,605	6,415
Total finance income and hibah	39,725	27,235	39,725	27,235
Other operating income:				
Fee and commission income:				
- Commission	888	981	888	981
- Other fee	1,991	3,868	1,991	3,868
Gain/(loss) from sale of financial investments available-for-sale	(54)	2,345	(54)	2,345
Total other operating income	2,825	7,194	2,825	7,194
Total	42,550	34,429	42,550	34,429

A18. ALLOWANCE FOR IMPAIRMENT ON FINANCING AND ADVANCES

	Individual Quarter		Cumulative Quarter	
	30 June 2012	30 June 2011 (Restated)	30 June 2012	30 June 2011 (Restated)
	RM'000	RM'000	RM'000	RM'000
Allowance for impaired financing and advances:				
Individual allowance, net	4,480	2,999	4,480	2,999
Collective allowance	40,881	52,322	40,881	52,322
Impaired financing and advances recovered, net	(19,240)	(11,930)	(19,240)	(11,930)
Total	26,121	43,391	26,121	43,391

A19. INCOME ATTRIBUTABLE TO THE DEPOSITORS

	Individual Quarter		Cumulative Quarter	
	30 June 2012	30 June 2011	30 June 2012	30 June 2011
	RM'000	RM'000	RM'000	RM'000
Deposit from customers				
- Mudharabah fund	114,689	101,068	114,689	101,068
- Non-Mudharabah fund	15,765	8,397	15,765	8,397
	130,454	109,465	130,454	109,465
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	3,515	2,776	3,515	2,776
- Non-Mudharabah fund	13,193	10,850	13,193	10,850
	16,708	13,626	16,708	13,626
Others	21,269	18,966	21,269	18,966
Total	168,431	142,057	168,431	142,057

A20. OTHER OPERATING EXPENSES

	Individual Quarter		Cumulative Quarter	
	30 June 2012 RM'000	**30 June 2011 RM'000**	**30 June 2012 RM'000**	**30 June 2011 RM'000**
Personnel costs				
– Salaries, allowances and bonuses	2,241	1,938	2,241	1,938
– Shares and options granted under Executives' Share Scheme	68	59	68	59
– Others	518	447	518	447
	2,827	2,444	2,827	2,444
Establishment costs				
– Amortisation of intangible assets	40	43	40	43
– Cleaning, maintenance and security	8	9	8	9
– Computerisation cost	2	2	2	2
– Depreciation	43	55	43	55
– Rental	150	175	150	175
– Others	82	17	82	17
	325	301	325	301
Marketing and communication expenses				
– Communication, advertising and marketing	763	564	763	564
– Others	36	73	36	73
	799	637	799	637
Administration and general expenses	769	1,337	769	1,337
Service transfer pricing expenses	78,863	66,109	78,863	66,109
Total	83,583	70,828	83,583	70,828

A21. EARNINGS PER SHARE (EPS)

Basic/Diluted

Basic earnings per share is calculated by dividing the net profit for the financial period attributable to equity holder of the Bank by the weighted average number of ordinary shares in issue during the financial quarter.

Diluted earnings per share is calculated by dividing the adjusted net profit attributable to equity holder of the Bank by the adjusted weighted average number of ordinary shares in issue and issuable during the financial quarter.

	Individual Quarter		Cumulative Quarter	
	30 June 2012	30 June (Restated) 2011	30 June 2012	30 June (Restated) 2011
Net profit attributable to equity holder of the Bank (RM'000)	67,953	53,932	67,953	53,932
Number of ordinary shares at beginning of financial year and end of period representing weighted average number of ordinary shares in issue ('000)	428,038	403,038	428,038	403,038
Basic/Diluted earnings per share (sen)	**15.88**	**13.38**	**15.88**	**13.38**

Company No. 295576–U

AmIslamic Bank Berhad
(Incorporated in Malaysia)

A22. BUSINESS SEGMENT ANALYSIS

For the period ended 30 June 2012

	Retail Banking RM'000	Business Banking RM'000	Corporate and Institutional Banking RM'000	Markets RM'000	Group Functions and Others RM'000	Total RM'000
Total operating revenue	149,815	49,469	109,730	9,948	71,053	390,015
Net income	122,636	35,775	17,866	7,148	23,506	206,931
Other operating expenses	(56,630)	(6,649)	(1,660)	(1,069)	(17,575)	(83,583)
Profit before provision	66,006	29,126	16,206	6,079	5,931	123,348
Provision - (charge)/writeback	(43,117)	11,272	(195)	65	746	(31,229)
Profit before zakat and taxation	22,889	40,398	16,011	6,144	6,677	92,119
Zakat and taxation	(5,722)	(10,099)	(4,003)	(1,536)	(2,806)	(24,166)
Profit for the period	17,167	40,398	12,008	4,608	3,871	67,953

Other information

	Retail Banking	Business Banking	Corporate and Institutional Banking	Markets	Group Functions and Others	Total
Cost to income ratio	46.2%	18.6%	9.3%	15.0%	74.8%	40.4%
Gross financing and advances	13,266,349	4,589,660	2,447,902	-	(1,621,240)	18,682,671
Net financing and advances	12,987,572	4,522,689	2,436,554	-	(1,746,056)	18,200,759
Impaired financing and advances	245,114	11,258	-	-	2,142	258,514
Deposits	5,176,657	1,937,841	13,023,903	332,003	1,143,744	21,614,148

Company No. 295576–U

AmIslamic Bank Berhad
(Incorporated in Malaysia)

A22. BUSINESS SEGMENT ANALYSIS (CONTD.)

For the period ended 30 June 2011

	Retail Banking	Business Banking	Corporate and Institutional Banking	Markets	Group Functions and Others	Total (Restated)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	135,481	36,177	83,532	13,831	67,218	336,239
Net income	113,584	25,228	6,998	12,644	25,032	183,486
Other operating expenses	(48,727)	(5,327)	(698)	(720)	(15,356)	(70,828)
Profit before provision	64,857	19,901	6,300	11,924	9,676	112,658
Provision - (charge)/writeback	(34,750)	(1,925)	10,311	281	(13,002)	(39,085)
Profit/(loss) before zakat and taxation	30,107	19,901	16,611	12,205	(3,326)	73,573
Zakat and taxation	(7,527)	(4,494)	(4,153)	(3,051)	(416)	(19,641)
Profit/(loss) for the period	22,580	19,901	12,458	9,154	(3,742)	53,932
Other information						
Cost to income ratio	42.9%	21.1%	10.0%	5.7%	61.3%	38.6%
Gross financing and advances	10,893,375	3,387,252	1,794,152	-	(1,582,355)	14,492,424
Net financing and advances	10,598,995	3,318,477	1,787,963	-	(1,722,608)	13,982,827
Impaired financing and advances	252,437	34,230	-	-	2,764	289,431
Deposits	4,185,586	1,457,964	10,055,752	162,618	1,500,542	17,362,462

Note:
1 The financial information by geographical segment is not presented as the Bank's activities are principally conducted in Malaysia.

2 Certain comparative figures have been restated due to changes in accounting policies as mentioned in Note A29 and to conform with current period's presentation.

A23a. PERFORMANCE REVIEW FOR THE PERIOD ENDED 30 JUNE 2012

The Bank recorded a profit before zakat and taxation ("Pre-tax profit") of RM92.1 million for the period ended 30 June 2012 compared to RM73.6 million for the corresponding restated period in the previous year.

The increase in Pre-tax profit was mainly due to higher net financing income, other operating income and lower allowances for impaired financing and advances offset by higher other operating expenses and finance cost.

The increase in income derived from investment of depositor's funds and others and income derived from investment of shareholder's funds was mainly due to higher financing income of RM45.2 million or 17.2% attributable to growth in financing and higher finance income and hibah of RM13.7 million from financial assets held-for-trading and financial investments held-to-maturity.

The higher other operating income was contributed by higher fee income from financing and trading profit from derivative transactions. The lower allowance from impaired loans and advances was due to lower collective provision and higher recoveries from financing written-off.

The higher other operating expenses was mainly due to increase in business volume during the current financial period.

Net impaired financing and advances ratio remained constant at 1.3%. The Bank's risk weighted capital adequacy ratio remains strong at 14.1% as at the end of the current financial period.

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

A23b. PROSPECTS FOR 31 MARCH 2013

Domestic economic growth in first quarter 2012 has held up well (gross domestic product expanded 4.7%), with continued growth in domestic investments and private consumption despite global market volatility. Policy rates remained accommodative in promoting growth while ensuring adequate levels of price stability.

Looking ahead, the domestic investment cycle is expected to be boosted by the continued rollout of projects under the Government's Economic Transformation Programme ("ETP"). The ETP aims to propel Malaysia towards a high-income developed nation by 2020 and is complemented by Bank Negara Malaysia's Financial Sector Blueprint 2011 – 2020.

The rollout of ETP will support lending and capital market activities in the Malaysian banking industry. Nevertheless, consumer loans/financing growth will continue to moderate in selected segments with the introduction of new responsible lending guidelines. Margins continue to be impacted by ongoing competition for loans/financing and deposits.

AmBank Group remains supportive and participative of governmental and regulatory initiatives in developing the domestic financial services industry. While the Group is optimistic about the domestic economic growth, we recognise that there are challenges in the global economy and we will remain vigilant.

Over the next three to five years, we aim to aggressively invest, optimise and leverage connectivity to deliver growth. Our strategic priorities for FY2013 – 2015 will be to accelerate growth and business mix changes, strengthen customer centricity and connectivity, increase productivity and efficiency, and acquire and integrate in-fill acquisitions and strategic tie-ups. This will propel us towards achieving our Vision – As Malaysia's preferred diversified, internationally connected financial solutions group, we take pride in growing your future with us.

A24. VALUATION OF PROPERTY AND EQUIPMENT

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

A25. EVENTS SUBSEQUENT TO REPORTING DATE

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

Company No. 295576–U

AmIslamic Bank Berhad
(Incorporated in Malaysia)

A26. 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.

	30 June 2012 RM'000	31 March 2012 RM'000
Contingent Liabilities		
Direct credit substitutes	124,648	134,712
Transaction related contingent items	571,260	487,700
Short-term self liquidating trade-related contingencies	80,531	79,444
Asset sold with recourse	1,574,340	1,645,251
Obligations under underwriting agreements	100,000	100,000
	2,450,779	2,447,107
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	3,344,256	3,085,277
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	676,797	957,923
Unutilised credit card lines	447,994	482,204
Forward asset purchase	-	125,825
	4,469,047	4,651,229
Derivative Financial Instruments		
Foreign exchange related contracts:		
- One year or less	319,425	310,584
Equity and commodity related contracts:		
- One year or less	186,712	78,630
- Over one year to five years	495,768	295,982
	1,001,905	685,196
Total	7,921,731	7,783,532

A27. RISK MANAGEMENT POLICY ON FINANCIAL DERIVATIVES

Purpose of engaging in financial derivatives

Financial derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices. They include swaps, forward rate agreements, futures, options and combinations of these instruments. Derivatives are contracts that transfer risks, mainly market risks. Financial derivative is one of the financial instruments engaged by the Bank both for client solutions generating revenue for future as well as to manage the Bank's own market risk exposure. The Bank's involvement in financial derivatives is currently focused on equity, foreign exchange and profit rate derivatives.

The principal foreign exchange rate contracts used are forward foreign exchange contracts. Forward foreign exchange contracts are agreements to buy or sell a specified quantity of foreign currency on a specified future date at an agreed rate. The principal equity contracts used are equity option. An equity option is a financial derivative that represents a contract sold by one party (option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) an equity at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). The principal profit rate contracts used are profit rate swaps. Profit rate swap transactions generally involve the exchange of fixed and floating profit payment obligations without the exchange of the underlying principal amounts.

The Bank maintains trading positions in these instruments and engages in transactions with customers to satisfy their needs in managing their respective profit rate, equity and foreign exchange rate exposures. Derivative transactions generate income for the Bank from the buy-sell spreads. The Bank also takes conservative exposures, within acceptable limits, to carry an inventory of these instruments in order to provide market liquidity and to earn potential gains on fluctuations in the value of these instruments.

As part of the asset and liability exposure management, the Bank uses derivatives to manage the Bank's market risk exposure. As the value of these financial derivatives are principally driven by profit rate and foreign exchange rate factors, the Bank uses them to reduce the overall profit rate and foreign exchange rate exposures of the Bank. These are performed by entering into an exposure in derivatives that produces opposite value movements vis-à-vis exposures generated by other non-derivative activities of the Bank. The Bank manages these risks on a portfolio basis. Hence, exposures on derivatives are aggregated or netted against similar exposures arising from other financial instruments engaged by the Bank.

Risk associated with financial derivatives

As derivatives are contracts that transfer risks, they expose the holder to the same types of market and credit risk as other financial instruments, and the Bank manages these risks in a consistent manner under the overall risk management framework.

A27. RISK MANAGEMENT POLICY ON FINANCIAL DERIVATIVES (CONTD.)

General disclosure for derivatives and counterparty credit risk

Market related credit risk is present in market instruments (derivatives and forward contracts), and comprises counterparty risk (default at the end of contract) and pre-settlement risk (default at any time during the life of contract). Market related credit risk requires a different method in calculating the pre-settlement risk because actual and potential market movements impact the Bank's exposure. The markets covered by this treatment include profit rates, foreign exchange and equities.

For counterparty credit risk, the general approach is to calculate the exposure as the sum of the mark-to-market value of the exposure, plus the sum of the notional principal multiplied by the potential credit risk exposure ("PCRE") factor for the exposure.

- The mark-to-market is essentially the current replacement cost of the contract, and can be positive or negative. Where it is positive ("in the money"), the Bank has credit exposure against the counterparty; if it is negative, ("out of the money"), the value used in calculation is zero.

- The PCRE factors recognize that prices change over the remaining period to maturity, and that risk increases with time. The PCRE factors are mandated for regulatory capital purposes.

Exposure to the counterparty risk is governed by setting a credit limit to manage such exposure. This limit is governed under the Bank Risk Appetite Framework approved by the Board.

Other than credit limit setting, the Bank's primary tool to mitigate counterparty credit risk by having collateral arrangement with the counterparty. Standard market documentation governs the amount of collateral required and the re-margining frequency between counterparties. Some of the standard market documentation has link between the amount of collateral required and external ratings, as well as minimum transfer amounts. This means that if the Bank's or a counterparty's external rating were downgraded, the Bank or the counterparty would likely be required to place additional collateral. The amount required to be placed would depend upon the underlying instruments and the state of the markets, so would be different at each re-margining interval.

A27. RISK MANAGEMENT POLICY ON FINANCIAL DERIVATIVES (CONTD.)

Liquidity risk of derivatives

Two types of liquidity risk are associated with derivatives: market liquidity risk and funding risk.

Market liquidity risk arises when a position cannot be sold or closed out quickly or risk be eliminated by entering into an offsetting position. In general, an over-the-counter ("OTC") market tends to offer less liquidity than an exchange market due to the customized nature of some OTC contracts. OTC contracts include foreign exchange contracts, cross currency swaps, profit rate swaps and foreign exchange options while interest rate futures, equity futures and equity options are examples of exchange traded derivatives. The liquidity risk of a position can be estimated by the notional amount of contracts held and the market value of the contract position. Both the OTC and exchange markets have liquid and illiquid contracts.

Funding risk is the risk of derivative activities placing an adverse funding and cash flow pressure on the Bank, arising from the need to post collateral (for example, like a margin call due to mark-to-market valuations) to compensate for an existing out of the money position (Note: if collateral is not posted, the counterparty can close out their position and claim such mark-to-market loss from the Bank. This would also result in the Bank no longer being hedged).

Generally, the Bank measures and monitors funding risk through the cash flow gap analysis according to specified time interval. The Bank's access to deposits and funding markets is dependent on its credit rating. A downgrading in the credit rating could adversely affect its access to liquidity, as well as the competitive position, and could increase the cost of funding.

The primary objective of funding risk management is to ensure the availability of sufficient funds at a reasonable cost to honour all financial commitments as they fall due under normal market condition and on contingency basis.

A27. RISK MANAGEMENT POLICY ON FINANCIAL DERIVATIVES (CONTD.)

Derivative financial instruments and hedge accounting

Derivative financial instruments are recognised at fair value upon inception in the statement of financial position, and are subsequently remeasured at fair value. Fair values of exchange-traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including the discounted cash flows method and option pricing models. Financial derivatives are classified as assets when their fair values are positive and as liabilities when their fair values are negative.

The Bank enters into derivative transactions for hedging purposes. For all derivatives, fair value changes are recognised in the income statement. For derivative transactions that meet the specific criteria for hedge accounting, the Bank applies either fair value, cash flow or net investment hedge accounting.

At the time a financial instrument is designated as a hedge, the Bank formally documents the relationship between the hedging instrument and the hedged item, including the nature of the risk to be hedged, the risk management objective and strategy for undertaking the hedge and the method used to assess hedge effectiveness. Hedges are expected to be highly effective and are assessed on an ongoing basis to ensure that they remain highly effective throughout the hedge period. For actual effectiveness to be achieved, the changes in fair value or cash flows of the hedging instrument and the hedged item must offset each other in the range of 80% to 125%.

The Bank discontinues hedge accounting if the hedging instrument expires, is sold, terminated or exercised or if the hedge no longer meets the criteria for hedge accounting or is revoked.

(i) Fair value hedge

Fair value hedges are hedges against exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment that is attributable to a particular risk and could affect profit or loss. For qualifying fair value hedges, the changes in fair value of the hedging instrument and the hedged item relating to the hedged risk are recognised in the income statement. In the event the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to the income statement over the expected life of the hedged item.

A27. RISK MANAGEMENT POLICY ON FINANCIAL DERIVATIVES (CONTD.)

Derivative financial instruments and hedge accounting (Contd.)

(ii) Cash flow hedge

Cash flow hedges are hedges of the exposure to variability in future cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit or loss. For qualifying cash flow hedges, the effective portion of the change in fair value of the hedging instrument is taken to equity as a cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are released to the income statement in the periods when the hedged forecast transactions affect the income statement. If the hedged forecast transactions result in the recognition of a non-financial asset or a non-financial liability, the gain and loss previously deferred in equity is transferred from equity and included in the initial measurement of the cost of the asset or liability.

A28. CAPITAL ADEQUACY

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

	30 June 2012	31 March 2012
Core capital ratio	8.4%	9.0%
Risk-weighted capital ratio	14.1%	15.2%

The capital adequacy ratios of the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (CAFIB), which are based on the Basel II capital accord. The Bank has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.

A28. CAPITAL ADEQUACY (CONTD.)

(b) The components of Tier 1 and Tier 2 capital of the Bank are as follows:

	30 June 2012 RM'000	31 March 2012 RM'000
Tier 1 capital		
Paid-up ordinary share capital	428,038	428,038
Share premium	609,068	609,068
Statutory reserve	359,716	359,716
Retained earnings	327,970	328,654
	1,724,792	1,725,476
Less: Deferred tax asset	(33,087)	(32,258)
Total Tier 1 capital	1,691,705	1,693,218
Tier 2 capital		
Subordinated Sukuk Musharakah	800,000	800,000
Collective allowance on impaired financing and advances *	334,555	370,964
Total Tier 2 capital	1,134,555	1,170,964
Capital base	2,826,260	2,864,182

* Excludes collective allowance on impaired financing and advances restricted from Tier 2 capital of the Bank of RM126,593,000 as at 30 June 2012 (31 March 2012: RM92,469,000).

The breakdown of the risk weighted assets in various categories of risk are as follows:

	30 June 2012 RM'000	31 March 2012 RM'000
Credit risk	18,370,210	17,095,915
Market risk	308,075	384,044
Operational risk	1,358,092	1,327,826
Total risk weighted assets	20,036,377	18,807,785

A29. CHANGES IN ACCOUNTING POLICIES AND COMPARATIVES

a. Transition to MFRSs

The reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below.

i. Reconciliation of equity

	As previously reported RM'000	Effect of transition to MFRSs RM'000	As restated RM'000
As at 1 April 2011			
Financing and advances	13,247,076	9,063	13,256,139
Other liabilities	242,001	7,260	249,261
Reserves	994,575	1,803	996,378
As at 31 March 2012			
Financing and advances	16,843,149	3,022	16,846,171
Deferred tax asset	35,329	829	36,158
Other assets	319,824	(601)	319,223
Other liabilities	225,846	3,934	229,780
Reserves	1,288,225	(684)	1,287,541

ii. Reconciliation of income statement and statement of comprehensive income

	As previously reported RM'000	Effect of transition to MFRSs RM'000	As restated RM'000
Income statement for the period ended 30 June 2011			
Allowance for impairment on financing and advances	(41,881)	(1,510)	(43,391)
(Provision)/writeback of provision for commitments and contingencies	(1,133)	681	(452)
Taxation	(19,344)	207	(19,137)
Income statement for the year ended 31 March 2012			
Allowance for impairment on financing and advances	(157,172)	(6,041)	(163,213)
(Provision)/writeback of provision for commitments and contingencies	(2,871)	2,725	(146)
Taxation	(79,592)	829	(78,763)