

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

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012**

	Note	Group			Bank		
		30.09.12 RM'000	31.03.12 (Restated) RM'000	01.04.11 (Restated) RM'000	30.09.12 RM'000	31.03.12 (Restated) RM'000	01.04.11 (Restated) RM'000
ASSETS							
Cash and short-term funds		1,059,589	865,030	932,560	988,646	763,669	844,197
Deposits and placements with banks and other financial institutions		681	2,498	676	-	1,808	-
Derivative financial assets	8	11	87	313	-	86	-
Financial assets held-for-trading	9	9,177	30,821	7,385	9,042	30,777	4,798
Financial investments available-for-sale	10	54,447	48,525	55,209	52,007	46,098	52,495
Financial investments held-to-maturity	11	100	100	100	100	100	100
Loans, advances and financing	12	659,714	610,400	553,522	659,714	610,400	553,495
Statutory deposit with Bank Negara Malaysia		8,428	12,123	2,031	8,428	12,123	2,031
Deferred tax assets		14,264	19,221	18,571	10,743	16,062	18,378
Investments in subsidiaries		-	-	-	88,231	88,231	88,231
Investments in associated companies		2,259	3,097	2,729	100	100	100
Other assets	13	736,468	1,025,094	855,291	380,348	714,623	560,557
Property and equipment		28,261	28,950	29,962	25,902	26,629	27,383
Intangible assets		13,857	13,672	13,787	2,564	2,406	2,520
TOTAL ASSETS		2,587,256	2,659,618	2,472,136	2,225,825	2,313,112	2,154,285
LIABILITIES AND EQUITY							
Deposits and placements of banks and other financial institutions	14	1,172,946	878,697	878,225	1,172,946	878,697	878,225
Derivative financial liabilities	8	12	3	369	5	-	66
Deposits from customers		-	-	12,982	-	-	12,982
Term funding		19,758	41,402	2,401	-	-	-
Other liabilities	15	873,793	1,201,495	997,640	552,154	925,127	724,843
Total Liabilities		2,066,509	2,121,597	1,891,617	1,725,105	1,803,824	1,616,116
Share capital		200,000	200,000	200,000	200,000	200,000	200,000
Reserves		320,747	338,021	380,519	300,720	309,288	338,169
Equity attributable to equity holder of the Bank		520,747	538,021	580,519	500,720	509,288	538,169
TOTAL LIABILITIES AND EQUITY		2,587,256	2,659,618	2,472,136	2,225,825	2,313,112	2,154,285
COMMITMENTS AND CONTINGENCIES	25	578,683	715,041	450,944	573,553	713,728	435,089
NET ASSETS PER ORDINARY SHARE (RM)		2.60	2.69	2.88	2.50	2.55	2.67

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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012 (CONTD.)

	Note	Group		Bank	
		30.09.12	31.03.12	30.09.12	31.03.12
CAPITAL ADEQUACY	26(a)				
Before deducting proposed dividends					
Core Capital Ratio		24.1%	21.7%	25.2%	21.0%
Risk-Weighted Capital Ratio		<u>24.1%</u>	<u>21.7%</u>	<u>25.2%</u>	<u>21.0%</u>
After deducting proposed dividends					
Core Capital Ratio		24.1%	20.6%	25.2%	19.7%
Risk-Weighted Capital Ratio		<u>24.1%</u>	<u>20.6%</u>	<u>25.2%</u>	<u>19.7%</u>

The Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2012.

AmlInvestment Bank Berhad
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UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012

Group	Note	Individual Quarter		Cumulative Quarter	
		30.09.12	30.09.11 (Restated)	30.09.12	30.09.11 (Restated)
		RM'000	RM'000	RM'000	RM'000
Revenue		57,227	72,405	120,047	154,793
Interest income	16	12,739	13,811	24,350	27,406
Interest expense	17	(7,641)	(7,357)	(13,583)	(14,575)
Net interest income		5,098	6,454	10,767	12,831
Net income from Islamic banking business		4,515	22,177	10,119	28,584
Other operating income	18	39,973	36,417	85,578	98,803
Share in results of associated companies		89	55	202	167
Net income		49,675	65,103	106,666	140,385
Other operating expenses	19	(42,122)	(47,881)	(87,160)	(99,592)
Operating Profit		7,553	17,222	19,506	40,793
Writeback of allowances for impairment on loans and financing	20	113	1,028	624	1,343
Allowances on doubtful sundry receivables - net		(6,916)	(5,481)	(5,937)	(4,981)
Writeback of provision/(provision) for commitments and contingencies		249	(33)	82	(90)
Profit before taxation		999	12,736	14,275	37,065
Taxation		(37)	(4,325)	(7,172)	(11,351)
Profit for the period		962	8,411	7,103	25,714
Attributable to :					
Equity holder of the Bank		962	8,411	7,103	25,714
EARNINGS PER SHARE (SEN)					
Basic		0.48	4.21	3.55	12.86
Fully diluted		0.48	4.21	3.55	12.86

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2012.

AmlInvestment Bank Berhad
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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012

Group	Note	Individual Quarter		Cumulative Quarter	
		30.09.12	30.09.11 (Restated)	30.09.12	30.09.11 (Restated)
		RM'000	RM'000	RM'000	RM'000
Profit for the period		962	8,411	7,103	25,714
Other comprehensive income/(loss):					
Exchange differences on translation of foreign operations		(213)	(33)	1,916	2,037
Net movement on financial investments available-for-sale		1,859	(1,841)	960	(2,457)
Income tax relating to the components of other comprehensive income		(465)	460	(240)	614
Other comprehensive income for the period, net of tax		1,181	(1,414)	2,636	194
Total comprehensive income for the period		2,143	6,997	9,739	25,908
Total comprehensive income for the period attributable to:					
Equity holders of the Bank		2,143	6,997	9,739	25,908

The Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2012.

AmlInvestment Bank Berhad
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UNAUDITED CONSOLIDATED INCOME STATEMENTS (CONTD.)
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012

Bank	Note	Individual Quarter		Cumulative Quarter	
		30.09.12	30.09.11 (Restated)	30.09.12	30.09.11 (Restated)
		RM'000	RM'000	RM'000	RM'000
Revenue		49,135	68,199	103,819	140,358
Interest income	16	11,733	12,691	22,361	25,172
Interest expense	17	(7,206)	(6,861)	(12,699)	(13,618)
Net interest income		4,527	5,830	9,662	11,554
Net income from Islamic banking business		4,515	22,177	10,119	28,584
Other operating income	18	32,887	33,331	71,339	86,602
Net income		41,929	61,338	91,120	126,740
Other operating expenses	19	(32,119)	(38,046)	(67,411)	(79,209)
Operating Profit		9,810	23,292	23,709	47,531
Writeback of allowances for impairment on loans and financing	20	113	1,028	624	1,343
(Allowance)/writeback of allowances on doubtful sundry receivables- net		(232)	(114)	374	218
Writeback of provision/(provision) for commitments and contingencies		249	(33)	82	(90)
Profit before taxation		9,940	24,173	24,789	49,002
Taxation		(71)	(6,144)	(7,346)	(12,677)
Net profit attributable to equity holder of the Bank		9,869	18,029	17,443	36,325
EARNINGS PER SHARE (SEN)					
Basic		4.93	9.01	8.72	18.16
Fully diluted		4.93	9.01	8.72	18.16

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2012.

AmlInvestment Bank Berhad
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UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012

Bank	Note	Individual Quarter		Cumulative Quarter	
		30.09.12	30.09.11 (Restated)	30.09.12	30.09.11 (Restated)
		RM'000	RM'000	RM'000	RM'000
Profit for the period		9,869	18,029	17,443	36,325
Other comprehensive (loss)/income:					
Net movement on financial investments available-for-sale		1,859	(1,841)	960	(2,457)
Income tax relating to the components of other comprehensive income		(465)	460	(240)	614
Other comprehensive loss for the period, net of tax		1,394	(1,381)	720	(1,843)
Total comprehensive income for the period		11,263	16,648	18,163	34,482
Total comprehensive income for the period attributable to:					
Equity holders of the Bank		11,263	16,648	18,163	34,482

The Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2012.

**AmlInvestment Bank Berhad
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**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012**

Group	Attributable to equity holder of the Bank							Total shareholder's equity RM'000
	Non-distributable					Distributable		
	Share capital RM'000	Capital reserve RM'000	Statutory reserve RM'000	Merger reserve RM'000	Available-for- sale reserve RM'000	Exchange fluctuation reserve RM'000	Retained earnings RM'000	
At 1 April 2011								
As previously reported	200,000	2,815	200,000	7,656	3,350	26,707	135,347	575,875
Effect of change in accounting policy (Note 29)	-	-	-	-	-	-	4,644	4,644
As restated	200,000	2,815	200,000	7,656	3,350	26,707	139,991	580,519
Profit for the period	-	-	-	-	-	-	25,714	25,714
Other comprehensive income	-	-	-	-	(1,843)	2,037	-	194
Total comprehensive income for the period	-	-	-	-	(1,843)	2,037	25,714	25,908
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	(1,939)	(1,939)
Ordinary dividends paid	-	-	-	-	-	-	(50,000)	(50,000)
At 30 September 2011	200,000	2,815	200,000	7,656	1,507	28,744	113,766	554,488
At 1 April 2012								
As previously reported	200,000	2,815	200,000	7,656	2,337	28,066	92,443	533,317
Effect of change in accounting policy (Note 29)	-	-	-	-	-	-	4,704	4,704
As restated	200,000	2,815	200,000	7,656	2,337	28,066	97,147	538,021
Profit for the period	-	-	-	-	-	-	7,103	7,103
Other comprehensive income	-	-	-	-	720	1,916	-	2,636
Total comprehensive income for the period	-	-	-	-	720	1,916	7,103	9,739
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	(3,413)	(3,413)
Ordinary dividends paid	-	-	-	-	-	-	(23,600)	(23,600)
At 30 September 2012	200,000	2,815	200,000	7,656	3,057	29,982	77,237	520,747

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2012.

**AmlInvestment Bank Berhad
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**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTD.)
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012**

	<-----Attributable to equity holder of the Bank----->				
	Non-distributable			Distributable	
Bank	Share capital RM'000	Statutory reserve RM'000	Available-for- sale reserve RM'000	Retained earnings RM'000	
At 1 April 2011					
As previously reported	200,000	200,000	3,298	130,227	533,525
Effect of change in accounting policy (Note 29)	-	-	-	4,644	4,644
As restated	200,000	200,000	3,298	134,871	538,169
Profit for the period	-	-	-	36,325	36,325
Other comprehensive loss	-	-	(1,843)	-	(1,843)
Total comprehensive income for the period	-	-	(1,843)	36,325	34,482
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	(1,856)	(1,856)
Ordinary dividends paid	-	-	-	(50,000)	(50,000)
At 30 September 2011	200,000	200,000	1,455	119,340	520,795
At 1 April 2012					
As previously reported	200,000	200,000	2,285	102,299	504,584
Effect of change in accounting policy (Note 29)	-	-	-	4,704	4,704
As restated	200,000	200,000	2,285	107,003	509,288
Profit for the period	-	-	-	17,443	17,443
Other comprehensive loss	-	-	720	-	720
Total comprehensive income for the period	-	-	720	17,443	18,163
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	(3,131)	(3,131)
Ordinary dividends paid	-	-	-	(23,600)	(23,600)
At 30 September 2012	200,000	200,000	3,005	97,715	500,720

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2012.

**AmlInvestment Bank Berhad
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**UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012**

	Group		Bank	
	30.09.12 RM'000	30.09.11 (Restated) RM'000	30.09.12 RM'000	30.09.11 (Restated) RM'000
Profit before taxation	14,275	37,065	24,789	49,002
Adjustments for non-operating and non cash items	4,032	10,915	(2,316)	1,391
Operating profit before working capital changes	18,307	47,980	22,473	50,393
Decrease in operating assets	358,805	278,910	400,454	253,074
(Decrease)/increase in operating liabilities	(34,853)	(312,039)	(81,528)	(272,424)
Cash generated from operations	342,259	14,851	341,399	31,043
Taxation paid	(2,956)	(8,086)	(9,996)	(11,759)
Net cash generated from operating activities	339,303	6,765	331,403	19,284
Net cash generated from investing activities	(5,069)	14,856	(4,450)	18,027
Net cash (used in)/generated from financing activities	(45,244)	(29,567)	(23,600)	(50,000)
	(50,313)	(14,711)	(28,050)	(31,973)
Net increase in cash and cash equivalents	288,990	(7,946)	303,353	(12,689)
Cash and cash equivalents at beginning of period	500,978	666,653	473,418	647,870
Cash and cash equivalents at end of period	789,968	658,707	776,771	635,181

Note 1 : Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents consist of cash and short-term funds excluding deposits and monies held in trust net of bank overdraft. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Group		Bank	
	30.09.12 RM'000	30.09.11 RM'000	30.09.12 RM'000	30.09.11 RM'000
Cash and short-term funds	1,059,589	916,531	988,646	843,710
Less: Cash and bank balances and deposit held in trust	(269,621)	(257,824)	(211,875)	(208,529)
	789,968	658,707	776,771	635,181

The Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2012.

EXPLANATORY NOTES :

1. BASIS OF PREPARATION

1.1 Transition to Malaysian Financial Reporting Standards ("MFRS") Framework

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB").

These condensed consolidated 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 Group and the Bank prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

Since the previous annual audited financial statements for the year ended 31 March 2012 (which were prepared under Financial Reporting Standards ("FRS")) were issued, the Group and the Bank have adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by the Malaysian Accounting Standards Board ("MASB") with effect from 1 April 2012.

The MFRS Framework is fully International Financial Reporting Standards ("IFRS") compliant and the key differences between FRSs and MFRSs are that in the former; (a) FRS 2012004 Property Development Activities will continue to be the extant standard for accounting for property development activities and not IC 15; and (b) there is no equivalent standard to MFRS 141.

As these condensed consolidated interim financial statements form part of the period covered by the Group's and the Bank's first annual financial statements prepared under the MFRS framework, the Group and the Bank have applied MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards in its transition to the MFRS framework.

In preparing its opening MFRS statements of financial position as at 1 April 2011, the Group and the Bank have adjusted the amounts previously reported in the financial statements prepared in accordance with FRS to reflect the financial effects from adoption of the MFRS framework.

The adoption of the MFRS framework also resulted in a change in the accounting for collective assessment.

Up until the financial year ended 31 March 2012, the Group's and the Bank's collective assessment allowance for loans, advances and financing was determined based on the transitional provision prescribed in Bank Negara Malaysia's ("BNM") Guidelines on Classification and Impairment Provisions for Loans/ Financing ("the Guidelines"), modified to reflect the Group's and the Bank's historical loss experience.

This transitional provision has since been removed so as to align to the requirements of MFRS 139, Financial Instruments: Recognition and Measurement.

Under MFRS 139, loans, advances and financing 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 loan, the loan is also included in the group of loans with similar credit risk characteristics for collective impairment assessment. The future cash flows of each group of loans 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 loans.

This change in accounting policy has been applied retrospectively in accordance with MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors.

The financial effects on the Group's and the Bank's financial position, financial performance and cash flows on adoption of the MFRS framework are set out in Note 29.

1. BASIS OF PREPARATION (CONT'D.)

1.2 New and amended standards and interpretations

(a) Standards effective for financial year ended 31 March 2013

The accounting policies adopted are consistent with those of the previous financial year, except as disclosed in Notes 2.1, 2.2 and 2.3 above and the following new and amended MFRSs and Interpretation Committee ("IC") Interpretations which became effective for the Group and the Bank from 1 April 2012:

- 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

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 Group and the Bank.

(b) Standards issued but not yet effective

The following are MFRSs and IC Interpretations issued by MASB that will be effective for the Group in future years. The Group intends to adopt those standards when they become effective.

(i) Standards effective for financial year ending 31 March 2014:

- MFRS 3, Business Combinations (IFRS 3, Business Combinations issued by IASB in March 2004)
- MFRS 10, Consolidated Financial Statements
- MFRS 11, Joint Arrangements
- MFRS 12, Disclosure of Interests in Other Entities
- MFRS 13, Fair Value Measurement
- MFRS 119, Employee Benefits (as amended in November 2011)
- MFRS 127, Consolidated and Separate Financial Statements (IAS 27, Consolidated and Separate Financial Statements revised by IASB in December 2003)
- MFRS 127, Separate Financial Statements (as amended in November 2011)
- MFRS 128, Investments in Associates and Joint Ventures (as amended in November 2011)
- IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine
- Amendments to MFRS 7, Disclosures: Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 10, MFRS 11 and MFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
- Amendments to MFRS 101, Presentation of Items of Other Comprehensive Income
- Amendments to MFRSs contained in the document entitled "Annual Improvements 2009–2011 Cycle"

(ii) Standards effective for financial year ending 31 March 2015:

- Amendments to MFRS 132, Offsetting Financial Assets and Financial Liabilities

(iii) Standards effective for financial year ending 31 March 2016:

- MFRS 9, Financial Instruments (IFRS 9 issued by IASB in November 2009)
- MFRS 9, Financial Instruments (IFRS 9 issued by IASB in October 2010)

2. AUDIT QUALIFICATION

There was no audit qualification in the audited annual financial statements for the year ended 31 March 2012.

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

4. UNUSUAL ITEMS

There were no unusual items during the current financial quarter.

5. USE OF ESTIMATES

There was no material change in estimates of amounts reported in the prior financial years that have a material effect on the financial quarter ended 30 September 2012, other than as disclosed in Note 29 on changes in accounting policies and restatement of comparatives.

6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

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

7. DIVIDENDS

During the financial quarter, the Bank paid a dividend of 15.7%, less 25.0% taxation, in respect of the financial year ended 31 March 2012 amounting to RM23,600,000 for the ordinary shares and which had been reported in the directors' report for that financial year.

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

8. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

The Group	Contract/ Notional Amount RM'000	30.09.12		Contract/ Notional Amount RM'000	31.03.12	
		Fair value			Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivative						
Foreign exchange related contracts:						
Less than one year	7,005	11	7	1,293	1	1
Equity related contracts:						
Less than one year	4,827	-	5	30,429	86	-
More than five years	21	-	-	20	-	2
Total	11,853	11	12	31,742	87	3
The Bank						
Trading derivative						
Foreign exchange related contracts:						
Less than one year	1,896	-	-	-	-	-
Equity related contracts:						
Less than one year	4,827	-	5	30,429	86	-
Total	6,723	-	5	30,429	86	-

9. FINANCIAL ASSETS HELD-FOR-TRADING

	Group		Bank	
	30.09.12 RM'000	31.03.12 RM'000	30.09.12 RM'000	31.03.12 RM'000
At Fair Value				
Quoted Securities:				
In Malaysia:				
Shares	7,196	29,222	7,196	29,222
Unit trusts	1,846	1,555	1,846	1,555
Outside Malaysia:				
Shares	135	44	-	-
Total financial assets held-for-trading	<u>9,177</u>	<u>30,821</u>	<u>9,042</u>	<u>30,777</u>

10. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group		Bank	
	30.09.12 RM'000	31.03.12 RM'000	30.09.12 RM'000	31.03.12 RM'000
At Fair value				
Quoted Securities				
In Malaysia:				
Unit trusts	16,671	11,335	16,433	11,110
Shares	2	2	-	-
	<u>16,673</u>	<u>11,337</u>	<u>16,433</u>	<u>11,110</u>
Unquoted Securities				
In Malaysia:				
Private debt securities	23,665	23,078	23,665	23,078
At Cost				
Unquoted Securities:				
In Malaysia				
Shares	13,988	13,988	11,788	11,788
Outside Malaysia:				
Shares	121	122	121	122
Total financial investments available-for-sale	<u>54,447</u>	<u>48,525</u>	<u>52,007</u>	<u>46,098</u>

11. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group		Bank	
	30.09.12 RM'000	31.03.12 RM'000	30.09.12 RM'000	31.03.12 RM'000
At Amortised Cost:				
Unquoted Securities Of Companies				
Incorporated:				
In Malaysia:				
Private debt securities	100	100	100	100
Total financial investments held-to-maturity	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

12. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	30.09.12	31.03.12 (Restated)	30.09.12	31.03.12 (Restated)
	RM'000	RM'000	RM'000	RM'000
At Amortised Cost				
Share margin financing	184,708	223,102	184,708	223,102
Revolving credits	475,466	387,448	475,466	387,448
Staff loans	6,589	7,527	6,589	7,527
Gross loans, advances and financing	666,763	618,077	666,763	618,077
Less:				
Allowance for impairment on loans and financing:				
Collective allowance	3,934	4,116	3,934	4,116
Individual allowance	3,115	3,561	3,115	3,561
	7,049	7,677	7,049	7,677
Net loans, advances and financing	659,714	610,400	659,714	610,400

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

	Group		Bank	
	30.09.12	31.03.12	30.09.12	31.03.12
	RM'000	RM'000	RM'000	RM'000
Individuals	593,800	542,723	593,800	542,723
Domestic :				
Business enterprises:				
Small medium enterprises	16,678	13,459	16,678	13,459
Other domestic business enterprises	55,682	55,930	55,682	55,930
Foreign entities	603	5,965	603	5,965
	666,763	618,077	666,763	618,077

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

	Group		Bank	
	30.09.12	31.03.12	30.09.12	31.03.12
	RM'000	RM'000	RM'000	RM'000
In Malaysia	659,089	612,645	659,089	612,645
Outside Malaysia	7,674	5,432	7,674	5,432
	666,763	618,077	666,763	618,077

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

	Group		Bank	
	30.09.12	31.03.12	30.09.12	31.03.12
	RM'000	RM'000	RM'000	RM'000
Variable rate				
Cost-plus	475,466	387,448	475,466	387,448
Fixed rate	191,297	230,629	191,297	230,629
	666,763	618,077	666,763	618,077

12. LOANS, ADVANCES AND FINANCING (CONTD.)

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

	Group		Bank	
	30.09.12 RM'000	31.03.12 RM'000	30.09.12 RM'000	31.03.12 RM'000
Agriculture	860	4,856	860	4,856
Manufacturing	-	350	-	350
Wholesale, retail, restaurant and hotel	2,090	3,096	2,090	3,096
Real estate	10,537	5,947	10,537	5,947
Business activities	45,989	44,977	45,989	44,977
Education and health	1,252	1,861	1,252	1,861
Household, of which:				
Purchase of residential properties	3,887	4,766	3,887	4,766
Purchase of transport vehicles	2,702	2,761	2,702	2,761
Others	589,001	541,161	589,001	541,161
Others	10,445	8,302	10,445	8,302
	<u>666,763</u>	<u>618,077</u>	<u>666,763</u>	<u>618,077</u>

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

	Group		Bank	
	30.09.12 RM'000	31.03.12 RM'000	30.09.12 RM'000	31.03.12 RM'000
Maturing within one year	660,219	610,332	660,219	610,332
One to three years	275	560	275	560
Three to five years	1,675	342	1,675	342
Over five years	4,594	6,843	4,594	6,843
	<u>666,763</u>	<u>618,077</u>	<u>666,763</u>	<u>618,077</u>

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

	Group		Bank	
	30.09.12 RM'000	31.03.12 RM'000	30.09.12 RM'000	31.03.12 RM'000
Balance at beginning of period/year	4,554	5,920	4,554	5,920
Impaired during the period/year	25	9	25	9
Recoveries	(446)	(1,213)	(446)	(1,213)
Amount written off	-	(162)	-	(162)
Balance at end of period/year	<u>4,133</u>	<u>4,554</u>	<u>4,133</u>	<u>4,554</u>
Ratios of impaired loans, advances and financing to total loans, advances and financing	<u>0.6%</u>	<u>0.7%</u>	<u>0.6%</u>	<u>0.7%</u>

12. LOANS, ADVANCES AND FINANCING (CONTD.)

(g) All impaired loans, advances and financing reside in Malaysia.

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

	Group		Bank	
	30.09.12 RM'000	31.03.12 RM'000	30.09.12 RM'000	31.03.12 RM'000
Other business activities	3,604	3,870	3,604	3,870
Household, of which:				
Purchase of residential properties	122	97	122	97
Others	407	587	407	587
	<u>4,133</u>	<u>4,554</u>	<u>4,133</u>	<u>4,554</u>

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

	Group		Bank	
	30.09.12 RM'000	31.03.12 RM'000	30.09.12 RM'000	31.03.12 RM'000
Collective allowance				
Balance at beginning of year				
As previously stated	10,043	9,202	10,043	9,202
Effect of change in accounting policy	(5,927)	(5,256)	(5,927)	(5,256)
Balance at beginning of year (restated)	<u>4,116</u>	<u>3,946</u>	<u>4,116</u>	<u>3,946</u>
(Writeback of allowance)/allowance made during the period/year	(182)	194	(182)	194
Amount written off	-	(24)	-	(24)
Balance at end of period/year	<u>3,934</u>	<u>4,116</u>	<u>3,934</u>	<u>4,116</u>
% of total loans, advances and financing less individual allowance	<u>0.6%</u>	<u>0.7%</u>	<u>0.6%</u>	<u>0.7%</u>

Individual allowance

Balance at beginning of year	3,561	4,912	3,561	4,912
Net charge to income statements	(446)	(1,213)	(446)	(1,213)
Amount written off	-	(138)	-	(138)
Balance at end of period/year	<u>3,115</u>	<u>3,561</u>	<u>3,115</u>	<u>3,561</u>

13. OTHER ASSETS

	Group		Bank	
	30.09.12	31.03.12 (Restated)	30.09.12	31.03.12 (Restated)
	RM'000	RM'000	RM'000	RM'000
Trade receivables, net of allowance for doubtful debts	609,653	930,882	292,989	638,168
Other receivables, deposits and prepayments, net of allowance for doubtful debts	57,588	51,481	46,421	42,928
Interest/Dividends receivable	1,144	1,055	1,129	1,041
Income tax recoverable	34,498	28,355	34,493	28,351
Amount due from brokers	29,623	9,465	-	-
Amount due from:				
Ultimate holding company	972	667	972	667
Subsidiaries	-	-	775	120
Related companies	2,825	3,024	3,404	3,183
Assets acquired in exchange of debts, net of impairment loss	165	165	165	165
	<u>736,468</u>	<u>1,025,094</u>	<u>380,348</u>	<u>714,623</u>

Trade receivables mainly relate to the stock and share-broking operations of the Bank and its subsidiaries, and represent amount outstanding in purchase contracts net of allowance.

Amounts due from ultimate holding company, subsidiaries and other related companies are unsecured, interest-free and represent expenses paid on behalf and interest receivable.

14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30.09.12 RM'000	31.03.12 RM'000	30.09.12 RM'000	31.03.12 RM'000
Licensed banks:				
Related	1,172,946	878,697	1,172,946	878,697

15. OTHER LIABILITIES

	Group		Bank	
	30.09.12 RM'000	31.03.12 (Restated) RM'000	30.09.12 RM'000	31.03.12 (Restated) RM'000
Trade payables	774,523	1,075,576	473,461	806,702
Other payables and accruals	72,289	111,869	65,558	103,727
Provision for commitments and contingencies	7,214	7,296	7,214	7,296
Amount due to ultimate holding company	1,167	-	-	-
Amount due to subsidiaries	-	-	267	1,035
Amount due to related companies	6,586	6,713	5,616	6,329
Taxation payable	(2)	3	-	-
Zakat payable	38	38	38	38
	<u>873,793</u>	<u>1,201,495</u>	<u>552,154</u>	<u>925,127</u>

Trade payables mainly relate to the stock and share-broking operations of the Bank and its subsidiaries, and represent amount payable in outstanding sales contracts.

Amount due to subsidiaries and related companies represent interest payable on deposit placements.

16. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.09.12 RM'000	30.09.11 RM'000	30.09.12 RM'000	30.09.11 RM'000
Short-term funds and deposits with financial institutions	4,092	4,579	6,949	8,934
Financial investments available-for-sale	407	394	813	787
Loans and advances				
- Interest income other than recoveries from impaired loans	7,708	8,205	15,466	16,333
Others	352	353	768	757
Gross interest income	12,559	13,531	23,996	26,811
Accretion of discounts less amortisation of premiums	180	280	354	595
	12,739	13,811	24,350	27,406

Bank	Individual Quarter		Cumulative Quarter	
	30.09.12 RM'000	30.09.11 RM'000	30.09.12 RM'000	30.09.11 RM'000
Short-term funds and deposits with financial institutions	3,403	3,757	5,618	7,331
Financial investments available-for-sale	407	394	813	787
Loans and advances				
- Interest income other than recoveries from impaired loans	7,708	8,205	15,466	16,333
Others	35	55	110	126
Gross interest income	11,553	12,411	22,007	24,577
Accretion of discounts less amortisation of premiums	180	280	354	595
	11,733	12,691	22,361	25,172

17. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	30.09.12 RM'000	30.09.11 RM'000	30.09.12 RM'000	30.09.11 RM'000
Deposits from customers	159	204	309	437
Deposit of banks and other financial institutions	7,206	6,775	12,699	13,410
Others	276	378	575	728
	7,641	7,357	13,583	14,575

Bank	Individual Quarter		Cumulative Quarter	
	30.09.12 RM'000	30.09.11 RM'000	30.09.12 RM'000	30.09.11 RM'000
Deposits from customers	-	87	-	208
Deposit of banks and other financial institutions	7,206	6,774	12,699	13,410
	7,206	6,861	12,699	13,618

18. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.09.12 RM'000	30.09.11 RM'000	30.09.12 RM'000	30.09.11 RM'000
Fee income:				
Fees on loans and securities	3,686	2,763	6,559	10,774
Corporate advisory fees	4,383	4,976	13,656	11,250
Guarantee fees	143	176	295	355
Underwriting commissions	3,633	(151)	7,240	5,359
Portfolio management fees	76	159	170	350
Brokerage fees and commissions	17,800	21,284	36,219	41,961
Other fee income	7,321	8,082	14,030	16,812
	<u>37,042</u>	<u>37,289</u>	<u>78,169</u>	<u>86,861</u>
Investment and trading income:				
Net gain/(loss) from sale of financial assets held-for-trading	1,069	(2,945)	1,469	(2,635)
Net gain from sale of financial investments available-for-sale	-	1	-	30
(Loss)/gain on revaluation of derivatives	(474)	308	(701)	200
Gross dividend income from:				
Unquoted associated company	-	-	1,160	-
Financial assets held-for-trading	105	41	278	80
Financial investments available-for-sale	-	-	1,141	691
Loss on revaluation of financial assets held-for-trading	(4)	(3,214)	(375)	(3,439)
Portfolio income	919	4,405	2,044	15,869
Foreign exchange gain/(loss)	122	(178)	118	(149)
	<u>1,737</u>	<u>(1,582)</u>	<u>5,134</u>	<u>10,647</u>
Other income:				
Non-trading foreign exchange gain	152	244	379	375
Gain on disposal of property and equipment - net	(1)	-	2	2
Rental income	578	505	1,178	1,048
Other operating income/(loss)	465	(39)	716	(130)
	<u>1,194</u>	<u>710</u>	<u>2,275</u>	<u>1,295</u>
	<u>39,973</u>	<u>36,417</u>	<u>85,578</u>	<u>98,803</u>

18. OTHER OPERATING INCOME (CONTD.)

Bank	Individual Quarter		Cumulative Quarter	
	30.09.12 RM'000	30.09.11 RM'000	30.09.12 RM'000	30.09.11 RM'000
Fee income:				
Fees on loans and securities	3,686	2,763	6,559	10,774
Corporate advisory fees	4,176	4,930	13,176	10,847
Guarantee fees	143	176	295	355
Underwriting commissions	2,912	(151)	6,519	3,316
Portfolio management fees	76	159	170	350
Brokerage fees and commissions	11,699	14,816	24,324	29,909
Other fee income	6,839	7,322	12,884	15,217
	<u>29,531</u>	<u>30,015</u>	<u>63,927</u>	<u>70,768</u>
Investment and trading income:				
Net gain/(loss) from sale of financial assets held-for-trading	1,079	(2,919)	1,497	(2,590)
Net gain from sale of financial investments available-for-sale	-	1	-	30
(Loss)/gain on revaluation of derivatives	(474)	308	(701)	200
Gross dividend income from:				
Unquoted subsidiaries	-	3,818	-	3,256
Unquoted associated company	-	-	1,160	-
Financial assets held-for-trading	106	41	277	69
Financial investments available-for-sale	-	-	1,141	691
Loss on revaluation of financial assets held-for-trading	(4)	(2,678)	(372)	(2,538)
Portfolio income	919	4,405	2,044	15,869
Foreign exchange gain/(loss)	125	(179)	118	(152)
	<u>1,751</u>	<u>2,797</u>	<u>5,164</u>	<u>14,835</u>
Other income:				
Non-trading foreign exchange (loss)/gain	(5)	57	(4)	85
(Loss)/gain on disposal of property and equipment - net	(1)	-	2	2
Rental income	578	505	1,178	1,048
Other operating income/(loss)	1,033	(43)	1,072	(136)
	<u>1,605</u>	<u>519</u>	<u>2,248</u>	<u>999</u>
	<u>32,887</u>	<u>33,331</u>	<u>71,339</u>	<u>86,602</u>

19. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	30.09.12 RM'000	30.09.11 RM'000	30.09.12 RM'000	30.09.11 RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	24,175	23,439	49,865	57,307
- Others	13,683	10,025	22,772	22,156
	<u>37,858</u>	<u>33,464</u>	<u>72,637</u>	<u>79,463</u>
Establishment costs				
- Depreciation of property and equipment	1,184	1,328	2,363	2,595
- Amortisation of computer software	160	184	319	367
- Computerisation costs	1,838	2,064	3,486	4,058
- Rental	3,327	3,129	6,644	6,446
- Others	1,676	1,333	2,990	2,465
	<u>8,185</u>	<u>8,038</u>	<u>15,802</u>	<u>15,931</u>
Marketing and communication expenses				
- Sales commission	(130)	1,438	40	1,491
- Advertising	165	221	465	786
- Travel and entertainment	837	901	1,605	1,857
- Others	1,676	2,139	3,385	3,781
	<u>2,548</u>	<u>4,699</u>	<u>5,495</u>	<u>7,915</u>
Administration and general expenses				
- Professional fees	(146)	833	1,014	2,046
- Others (Note (i))	(3,519)	1,279	(1,875)	2,860
	<u>(3,665)</u>	<u>2,112</u>	<u>(861)</u>	<u>4,906</u>
Service transfer pricing recovery, net	(2,804)	(432)	(5,913)	(8,623)
	<u>42,122</u>	<u>47,881</u>	<u>87,160</u>	<u>99,592</u>

19. OTHER OPERATING EXPENSES (CONTD.)

Bank	Individual Quarter		Cumulative Quarter	
	30.09.12 RM'000	30.09.11 RM'000	30.09.12 RM'000	30.09.11 RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	20,340	19,310	41,603	47,813
- Others	11,469	7,943	18,644	18,430
	<u>31,809</u>	<u>27,253</u>	<u>60,247</u>	<u>66,243</u>
Establishment costs				
- Depreciation of property and equipment	907	1,019	1,804	2,008
- Amortisation of computer software	157	182	314	362
- Computerisation costs	90	186	89	388
- Rental	2,425	2,224	4,823	4,645
- Others	879	793	1,680	1,419
	<u>4,458</u>	<u>4,404</u>	<u>8,710</u>	<u>8,822</u>
Marketing and communication expenses				
- Sales commission	(130)	1,438	40	1,491
- Advertising	156	212	450	732
- Travel and entertainment	663	691	1,292	1,441
- Others	1,408	1,820	2,861	3,103
	<u>2,097</u>	<u>4,161</u>	<u>4,643</u>	<u>6,767</u>
Administration and general expenses				
- Professional fees	(390)	753	612	1,884
- Others (Note (i))	(3,984)	829	(2,835)	1,922
	<u>(4,374)</u>	<u>1,582</u>	<u>(2,223)</u>	<u>3,806</u>
Service transfer pricing recovery, net	(1,871)	646	(3,966)	(6,429)
	<u>32,119</u>	<u>38,046</u>	<u>67,411</u>	<u>79,209</u>

Note (i):

Included within this expense is the writeback of provision for expenses incurred on behalf of a former subsidiary of RM 4,998,000

20. WRITEBACK OF ALLOWANCE/(ALLOWANCE) FOR IMPAIRMENT ON LOANS AND FINANCING

Group	Individual Quarter		Cumulative Quarter	
	30.09.12	30.09.11	30.09.12	30.09.11
	RM'000	(Restated) RM'000	RM'000	(Restated) RM'000
(Allowance)/writeback of allowance for impaired loans and financing:				
Collective allowance	(102)	410	182	632
Individual allowance	217	620	446	707
Impaired loans and financing written off	(2)	(2)	(4)	-
Impaired loans and financing recovered	-	-	-	4
	<u>113</u>	<u>1,028</u>	<u>624</u>	<u>1,343</u>
Bank				
(Allowance)/writeback of allowance for impaired loans and financing:				
Collective allowance	(102)	410	182	632
Individual allowance	217	620	446	707
Impaired loans and financing written off	(2)	(2)	(4)	-
Impaired loans and financing recovered	-	-	-	4
	<u>113</u>	<u>1,028</u>	<u>624</u>	<u>1,343</u>

21. BUSINESS SEGMENT ANALYSIS

30.09.2012 Group	Investment Banking RM'000	Corporate and Institutional Banking RM'000	Markets RM'000	Group Functions and Others RM'000	Total RM'000
Revenue	88,140	1,667	1,015	29,225	120,047
Income	87,650	1,667	1,015	16,334	106,666
Expenses	(66,959)	(280)	-	(19,921)	(87,160)
Profit/(loss) before provisions	20,691	1,387	1,015	(3,587)	19,506
Provisions	846	(1)	-	(6,076)	(5,231)
Profit/(loss) after provisions	21,537	1,386	1,015	(9,663)	14,275
Taxation and zakat	(5,482)	(346)	(254)	(1,090)	(7,172)
Net profit/(loss) for the period	16,055	1,040	761	(10,753)	7,103
Other information:					
Cost to income ratio	76.4%	16.8%	0.0%	122.0%	81.7%
Gross loans/ financing	660,175	-	-	6,588	666,763
Net loans/ financing	653,229	-	-	6,485	659,714
Gross impaired loans, advances and financing	4,133	-	-	-	4,133
Total deposits	6,284	-	-	1,166,662	1,172,946

21. BUSINESS SEGMENT ANALYSIS (CONTD.)

	Investment Banking RM'000	Corporate and Institutional Banking RM'000	Markets RM'000	Group Functions and Others RM'000	Total RM'000
30.09.2011 (Restated) Group					
Revenue	116,736	19,559	3,941	14,557	154,793
Income	116,200	19,284	3,941	960	140,385
Expenses	(74,329)	(18,005)	-	(7,258)	(99,592)
Profit/(loss) before provisions	41,871	1,279	3,941	(6,298)	40,793
Provisions	1,546	(5,241)	-	(33)	(3,728)
Profit/(loss) after provisions	43,417	(3,962)	3,941	(6,331)	37,065
Taxation and zakat	(11,062)	133	(985)	563	(11,351)
Net profit/(loss) for the period	32,355	(3,829)	2,956	(5,768)	25,714
Other information					
Cost to income ratio	64.0%	93.4%	0.0%	756.0%	70.9%
Gross loans/ financing	533,446	-	-	8,149	541,595
Net loans/ financing	526,032	-	-	8,045	534,077
Gross impaired loans, advances and financing	5,218	-	-	-	5,218
Total deposits	271	-	-	870,135	870,406

Included in the above is Islamic banking business profit before taxation of RM8.0 million for the Group and the Bank for the period ended 30 September 2012 (RM26.6 million for the Group and the Bank for the period ended 30 September 2011).

The Group's activities are principally conducted in Malaysia except for AmFrasers International Pte. Ltd. and its subsidiaries, activities of which are principally conducted in Singapore, which contributed to a loss before tax of RM 9.7 million for the period ended 30 September 2012 (Loss before tax RM 9.1 million for the period ended 30 September 2011).

22. VALUATIONS OF PROPERTY AND EQUIPMENT

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

23. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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

24. BORROWINGS

The maturity structure of deposits and placements of customers and financial institutions and debt securities are as follows:

	Group		Bank	
	30.09.12 RM'000	31.03.12 RM'000	30.09.12 RM'000	31.03.12 RM'000
(i) Deposits and placements of banks and other financial institutions				
Due within six months	1,172,946	878,697	1,172,946	878,697
<i>Recap :</i>				
<i>Interbank lendings</i>	1,035,177	814,117	973,865	738,785
<i>Interbank borrowings</i>	(1,172,946)	(878,697)	(1,172,946)	(878,697)
<i>Net interbank (borrowings)/ lendings</i>	(137,769)	(64,580)	(199,081)	(139,912)
(ii) Term loans				
Due within one year				
Secured	19,758	41,402	-	-

25. COMMITMENTS AND CONTINGENCIES

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

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

	30.09.12	31.03.12
Group	Principal Amount RM'000	Principal Amount RM'000
Commitments		
Irrevocable commitments to extend credit maturing :		
within one year	236,354	353,134
more than one year	175	175
	<u>236,529</u>	<u>353,309</u>
Contingent Liabilities		
Guarantees given on behalf of customers	174,382	181,890
Underwriting liabilities	155,919	148,100
	<u>330,301</u>	<u>329,990</u>
Derivative Financial Instruments		
Foreign exchange related contracts:		
- One year or less	7,005	1,293
Equity related contracts:		
- One year or less	4,827	30,429
- Over five years	21	20
	<u>11,853</u>	<u>31,742</u>
	<u>578,683</u>	<u>715,041</u>
Bank		
Commitments		
Irrevocable commitments to extend credit maturing:		
within one year	236,354	353,134
more than one year	175	175
	<u>236,529</u>	<u>353,309</u>
Contingent Liabilities		
Guarantees given on behalf of customers	174,382	181,890
Underwriting liabilities	155,919	148,100
	<u>330,301</u>	<u>329,990</u>
Derivative Financial Instruments		
Foreign exchange related contracts:		
- One year or less	1,896	-
Equity related contracts:		
- One year or less	4,827	30,429
	<u>6,723</u>	<u>30,429</u>
	<u>573,553</u>	<u>713,728</u>

25. COMMITMENTS AND CONTINGENCIES (CONTD.)

An associated company of the Bank, AmTrustee Berhad ["AmTrustee"] was served with a Writ and Statement of Claim dated 12 December 2005 by solicitors acting for Meridian Asset Management Sdn Bhd ["Meridian"] for alleged loss and damage amounting to RM27,606,169.65 together with interest and costs arising from the provision of custodian services by AmTrustee to Meridian ["Meridian Suit"].

AmTrustee was served on 24 March 2006 with a Writ and Statement of Claim dated 25 January 2006 by solicitors acting for Malaysian Assurance Alliance Berhad ["MAA"] for alleged loss and damages amounting to RM19,640,178 together with interest and costs ["MAA Suit"]. MAA had appointed Meridian as an external fund manager for certain of its insurance funds, and part of the insurance funds were deposited by Meridian with AmTrustee. The claim by MAA in the MAA Suit is part of the portion of the claim as mentioned in the above Meridian Suit.

In the MAA Suit, AmTrustee filed a Third Party Notice against Meridian on 6 November 2006 seeking indemnification/contribution from Meridian. Meridian in turn filed a counter claim against AmTrustee over AmTrustee's Third Party Notice which in essence introduced the same argument and claim as in their Meridian Suit.

AmTrustee has also filed a stay of proceedings application of the Meridian's Suit due to Meridian's counter claim in the MAA action amounting to duplicity/abuse of process on 22 February 2008 which was dismissed with costs on 26 June 2008. AmTrustee has since filed a Notice of Appeal to the Court of Appeal on 25 July 2008. The appeal is fixed for hearing on 10 August 2011.

Parties have filed several interim applications in the Meridian Suit amongst which was an application by Meridian to add the Bank as 2nd Defendant in the Meridian Suit and also to increase the alleged loss and damage from RM27,606,169.65 to RM36,967,166.84 to include alleged loss due to reputation damage and loss of future earnings (together with interest and costs) arising from the provision of custodian services by AmTrustee to Meridian. The High Court dismissed Meridian's application to add the Bank as a party to the Meridian's Suit ("Decision") but allowed Meridian's application to increase its claim against AmTrustee from RM27,606,169.65 to RM36,967,166.84.

As Meridian did not file any appeal against the Decision, no litigation is pending today against the Bank by Meridian.

On 16 September 2008, both the Meridian Suit and MAA Suit were ordered to be heard together in the same trial.

AmTrustee filed an Application for a Stay of Proceedings of both the MAA Suit and Meridian Suit ("the Stay Application") pending the full and final disposal of a criminal proceeding involving an ex-employee of Meridian at the Sessions Court. The Stay Application was dismissed by the High Court on 1 December 2010. AmTrustee's appeal to the Court of Appeal against the dismissal of the Stay Application was allowed with costs on 24 May 2011 ("Stay Order"). Upon the disposal of the criminal trial against OKH on 12 December 2012, the Stay Order was clarified on 3 August 2012 before YA Hamid Sultan Abu Backer who confirmed and ordered that the Stay Order was only operative pending the disposal criminal trial and does not include any appeal filed by parties thereafter.

The High Court Judge proceeded to fix trial dates from 8 October 2012 to 12 October 2012 and his Lordship directed parties to exchange Witness Statements by 30 August 2012.

Parties attended subsequent case management on 17 August 2012. Upon Meridian's Application to the Managing Judge on the grounds that their client may be prejudged by YA who was the presiding judge in another matter involving KWAP and their client, Meridian, the Civil Suits were transferred from YA Hamid Sultan Abu Backer's Court to YA Lee Swee Seng's court and matter was fixed for Case Management on 10 September 2012.

On 10 September 2012, YA Lee Swee Seng was updated of this matter and parties also indicated to YA that both MAA and AMTB intend to amend their pleadings. AMTB's reasoning was that there were more evidence that were made available to AMTB from the closure of the criminal trial and justify that amendments must be made to its pleading. The court allowed it and gave directions on this request.

25. COMMITMENTS AND CONTINGENCIES (CONTD.)

MAA's Application to amend its pleadings to add a further player against AMTB is fixed for hearing on 30th October 2012, whilst AMTB's Application to amend its Statement of Defence in the Meridian's Suit and its third party claim against Meridian in the MAA Suit is fixed on 7th November 2012.

Trial dates fixed in October 2012 are vacated and the court has fixed fresh trial dates in December 2012 ie from 3rd to 5th December and 13th and 14th December.

Based on documents and evidence in their possession, the solicitors for AmTrustee are of the view that AmTrustee has a good defence in respect of both the Meridian Suit and the MAA Suit and further that the AmTrustee has filed a third party proceeding against Meridian for indemnity or contribution in respect of the claim initiated by MAA.

Neither material financial loss nor operational impact on the Group and the Bank is expected as a result of the Writs and Statements of Claim filed by Meridian and MAA against Am Trustee.

26. CAPITAL ADEQUACY RATIO

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

	Group		Bank	
	30.09.12	31.03.12	30.09.12	31.03.12
Before deducting proposed dividends:				
Core capital ratio	24.1%	21.7%	25.2%	21.0%
Risk-weighted capital ratio	24.1%	21.7%	25.2%	21.0%
<hr/>				
After deducting proposed dividend:				
Core capital ratio	24.1%	20.6%	25.2%	19.7%
Risk-weighted capital ratio	24.1%	20.6%	25.2%	19.7%

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

The capital adequacy ratios of AmlInvestment Bank are computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework (RWCAF-Basel II). AmlInvestment 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.

26. CAPITAL ADEQUACY RATIO (CONTD.)

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

	Group		Bank	
	30.09.12 RM'000	31.03.12 RM'000	30.09.12 RM'000	31.03.12 RM'000
Tier 1 capital				
Paid-up ordinary share capital	200,000	200,000	200,000	200,000
Statutory reserve	200,000	200,000	200,000	200,000
Capital reserve	2,815	2,815	-	-
Merger reserve	7,656	7,656	-	-
Exchange fluctuation reserve	28,066	28,066	-	-
Unappropriated profit at end of year	77,239	92,444	97,715	102,299
Total	515,776	530,981	497,715	502,299
Less: Goodwill	(11,243)	(11,243)	-	-
Deferred tax liability/(asset) - net	(14,904)	(20,003)	(11,744)	(16,844)
Total Tier 1 capital	489,629	499,735	485,971	485,455
Deduction in excess of allowable Tier 2 Capital	(19,807)	(13,860)	(108,038)	(102,091)
Maximum allowable Tier 1 Capital	469,822	485,875	377,933	383,364
Tier 2 capital				
Collective allowance#	3,858	9,218	3,858	9,218
Total Tier 2 capital	3,858	9,218	3,858	9,218
Total capital funds	473,680	495,093	381,791	392,582
Less: Investment in capital of related financial institution	(23,665)	(23,078)	(23,665)	(23,078)
Less: Investment in subsidiaries	-	-	(88,231)	(88,231)
Deduction in excess of allowable Tier 2 capital made against Tier 1 Capital	19,807	13,860	108,038	102,091
Capital base	469,822	485,875	377,933	383,364

#Excludes collective allowance on impaired loans restricted from Tier 2 capital of the Group and the Bank of RM76,000.(31 March 2012 : RM825,000)

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

	Group		Bank	
	30.09.12 RM'000	31.03.12 RM'000	30.09.12 RM'000	31.03.12 RM'000
Credit risk	1,225,700	1,454,156	835,893	1,103,164
Market risk	236,271	244,639	233,232	244,709
Operational risk	488,092	541,955	430,657	478,318
	1,950,063	2,240,750	1,499,782	1,826,191

27. OPERATIONS OF ISLAMIC BANKING

The statements of financial position as at 30 September 2012 and the results for the period ended 30 September 2012 of the Islamic banking business of the Group and the Bank and included in the financial statements after elimination of intercompany transactions and balances are summarised as follows:

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

	Group and Bank	
	30.09.12	31.03.12
	RM'000	RM'000
ASSETS		
Cash and short-term funds	189,421	173,984
Other receivables, deposits and prepayments	19,331	18,863
Deferred tax assets	1,489	1,541
Property and equipment	47	58
Intangible assets	5	6
TOTAL ASSETS	<u>210,293</u>	<u>194,452</u>
LIABILITIES AND ISLAMIC BANKING FUNDS		
Other liabilities	<u>68,337</u>	<u>58,447</u>
ISLAMIC BANKING FUNDS		
Capital funds	30,000	30,000
Reserves	111,956	106,005
Islamic Banking Funds	<u>141,956</u>	<u>136,005</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	<u>210,293</u>	<u>194,452</u>
COMMITMENTS AND CONTINGENCIES	<u>117,650</u>	<u>114,078</u>

27. OPERATIONS OF ISLAMIC BANKING (CONTD.)

**UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012**

Group and Bank	Individual Quarter		Cumulative Quarter	
	30.09.12	30.09.11	30.09.12	30.09.11
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	423	261	795	525
Total attributable (loss)/income	423	261	795	525
Loss attributable to depositors	-	(20)	-	(24)
Loss attributable to the Group	423	241	795	501
Income derived from investment of Islamic Banking Funds	4,092	21,936	9,324	28,083
Total net income	4,515	22,177	10,119	28,584
Other operating expenses	(1,258)	(1,047)	(2,139)	(1,964)
Profit before taxation	3,257	21,130	7,980	26,620
Taxation	(808)	(5,255)	(2,029)	(6,675)
Profit after taxation	2,449	15,875	5,951	19,945

27. OPERATIONS OF ISLAMIC BANKING (CONTD.)

27a. OTHER LIABILITIES

	Group and Bank	
	30.09.12	31.03.12
	RM'000	RM'000
Other payables and accruals	7,942	7,258
Amount owing from head office	28,283	21,053
Taxation and zakat payable	32,112	30,136
	<u>68,337</u>	<u>58,447</u>

28. Credit Exposures Arising From Credit Transactions With Connected Parties

	30.09.12	31.03.12
Outstanding credit exposure with connected parties (RM'000)	23,862	2,818
Percentage of outstanding credit exposure to connected parties as proportion of total credit exposures	2.69%	0.35%
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	-	-

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008.

Based on this guidelines, a connected party refers to the following:

- (i) Directors of the Bank and their close relatives;
- (ii) Controlling shareholder and their close relatives;
- (iii) Executive officer, being a member of management having authority and responsibility for planning and directing and/or controlling the activities of the Bank, and their close relatives;
- (iv) Officers who are responsible for or have the authority to appraise and/or approve credit transactions or review the status of existing credit transactions, either as a member of a committee or individually, and their close relatives;
- (v) Firms, partnerships, companies or any legal entities which control, or are controlled by any person listed in (i) to (iv) above, or in which they have an interest, as a director, partner, executive officer, agent or guarantor, and their subsidiaries or entities controlled by them;
- (vi) Any person for whom the persons listed in (i) to (iv) above is a guarantor; and
- (vii) Subsidiary of or an entity controlled by the Bank and its connected parties.

Credit transactions and exposure to connected parties as disclosed above includes the extension of credit facilities and/or off-balance sheet credit exposure such as guarantees, trade-related facilities and loan commitments. It also includes holding of equities and private debt securities issued by the connected parties.

The credit transactions with connected parties above are all transacted on an arm's length basis and on terms and conditions no more favourable than those entered into with other counterparties with similar circumstances and credit worthiness. Due care has been taken to ensure that the credit worthiness of the connected party is not less than that normally required of other persons.

29. CHANGE IN ACCOUNTING POLICIES AND RESTATEMENT OF COMPARATIVES

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 the date of transition under MFRS are provided below.

(i) Reconciliations of equity

Group	As previously reported RM'000	Effect of transition to MFRS RM'000	As restated RM'000
As at 31 March 2012			
ASSETS			
Loans, financing and advances	604,473	5,927	610,400
Deferred tax assets	19,241	(20)	19,221
Other assets	1,026,641	(1,547)	1,025,094
LIABILITIES AND EQUITY			
Other liabilities	1,201,839	(344)	1,201,495
Reserves	333,317	4,704	338,021
As at 1 April 2011			
ASSETS			
Loans, financing and advances	548,266	5,256	553,522
Other assets	856,839	(1,548)	855,291
LIABILITIES AND EQUITY			
Other liabilities	998,576	(936)	997,640
Reserves	375,875	4,644	380,519
Bank			
As at 31 March 2012			
ASSETS			
Loans, financing and advances	604,473	5,927	610,400
Deferred tax assets	16,082	(20)	16,062
Other assets	716,171	(1,548)	714,623
LIABILITIES AND EQUITY			
Other liabilities	925,472	(345)	925,127
Reserves	304,584	4,704	309,288

29. CHANGE IN ACCOUNTING POLICIES AND RESTATEMENT OF COMPARATIVES (CONTD.)

(i) Reconciliations of equity (Contd.)

	As previously reported RM'000	Effect of transition to MFRS RM'000	As restated RM'000
Bank			
As at 1 April 2011			
ASSETS			
Loans, financing and advances	548,239	5,256	553,495
Other assets	562,105	(1,548)	560,557
LIABILITIES AND EQUITY			
Other liabilities	725,779	(936)	724,843
Reserves	333,525	4,644	338,169

(ii) Reconciliations of total comprehensive income

	As previously reported RM'000	Effect of transition to MFRS RM'000	As restated RM'000
For the financial quarter ended 30 September 2011			
Group			
Individual quarter			
Writeback of allowances for impaired loans	860	168	1,028
Writeback of provision/(provision) for commitments and contingencies	114	(147)	(33)
Taxation	(4,320)	(5)	(4,325)
Cumulative quarter			
Writeback of allowances for impaired loans	1,008	335	1,343
Writeback of provision/(provision) for commitments and contingencies	205	(295)	(90)
Taxation	(11,341)	(10)	(11,351)
Bank			
Individual quarter			
Writeback of allowances for impaired loans	860	168	1,028
Writeback of provision/(provision) for commitments and contingencies	114	(147)	(33)
Taxation	(6,139)	(5)	(6,144)
Cumulative quarter			
Writeback of allowances for impaired loans	1,008	335	1,343
Writeback of provision/(provision) for commitments and contingencies	205	(295)	(90)
Taxation	(12,667)	(10)	(12,677)

30. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP AND THE BANK FOR THE PERIOD

The Group reported a pretax profit of RM14.3 million (RM37.1 million for the period ended 30 September 2011) and the Bank reported a pretax profit of RM24.8 million (RM49.0 million for the period ended 30 September 2011), and in respect of the non-Islamic business, are attributed to:

- (i) Lower service-transfer pricing recovery of RM5.9 million and RM4.0 million (RM8.6 million and RM6.4 million for the period ended 30 September 2011) for the Group and Bank, respectively, as a result of lower recoveries on Directorate and Senior Management costs.
- (ii) Lower net interest income of RM10.8 million and RM9.7 million (RM12.8 million and RM11.6 million for the period ended 30 September 2011) for the Group and Bank, respectively due to lower income from short term funds and deposits and loans.
- (iii) Lower investment and trading income of RM5.1 million and RM5.2 million (RM10.6 million and RM14.8 million for the period ended 30 September 2011), for the Group and the Bank, respectively, due to decrease of RM13.9 million in portfolio income.

Lower net income from Islamic banking business of RM10.1 million for the Group and the Bank (RM28.6 million for the period ended 30 September 2011 for the Group and the Bank) due to lower fee income earned.

Shareholder's equity stood at RM0.5 billion (RM0.5 billion as at 31 March 2012) for the Group and the Bank, respectively.

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

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

31. CURRENT PERIOD PROSPECTS

In the first half of 2012, the Malaysian economy grew 5.1% predominantly driven by robust private and government consumption. Looking ahead, domestic economic growth is expected to moderate with lower household spending. However, business and government spending should provide support for economic activities, together with accommodative policy rates, continued rollout of Entry Point Projects (EPPs) under the Government's Economic Transformation Programme (ETP) and incentives under Budget 2013.

In the domestic banking front, the new Responsible Lending Guideline and consumer's wait-and-see approach, especially in response to developments in the Malaysian property and auto industry, have moderated consumer loans growth. In addition, ongoing competition for loans and deposits will continue to impact margins.

While the Group is optimistic about the domestic economic growth prospects, we recognise that there are downside risks in the global economy and will remain vigilant. Over the next three years, we intend 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.