

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

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	Note	Group			Bank		
		31.12.12 RM'000	31.03.12 (Restated) RM'000	01.04.11 (Restated) RM'000	31.12.12 RM'000	31.03.12 (Restated) RM'000	01.04.11 (Restated) RM'000
ASSETS							
Cash and short-term funds		804,300	522,901	690,316	728,484	473,419	647,870
Deposits and placements with banks and other financial institutions		703	2,498	676	-	1,808	-
Derivative financial assets	8	5	87	313	-	86	-
Financial assets held-for-trading	9	55,525	30,821	7,385	55,505	30,777	4,798
Financial investments available-for-sale	10	54,150	48,299	54,695	51,703	46,098	52,495
Financial investments held-to-maturity	11	100	100	100	100	100	100
Loans, advances and financing	12	841,371	610,400	553,522	841,371	610,400	553,495
Statutory deposit with Bank Negara Malaysia		8,795	12,123	2,031	8,795	12,123	2,031
Deferred tax assets		17,694	19,221	18,571	14,163	16,062	18,378
Investments in subsidiaries		-	-	-	88,231	88,231	88,231
Investments in associated companies		2,324	3,097	2,729	100	100	100
Other assets	13	688,179	1,015,629	809,784	386,494	714,623	560,557
Property and equipment		27,368	28,950	29,962	25,130	26,629	27,383
Intangible assets		13,805	13,672	13,787	2,506	2,406	2,520
TOTAL ASSETS		2,514,319	2,307,798	2,183,871	2,202,582	2,022,862	1,957,958
LIABILITIES AND EQUITY							
Deposits and placements of banks and other financial institutions	14	1,321,882	878,697	878,225	1,321,882	878,697	878,225
Derivative financial liabilities	8	581	3	369	580	-	66
Deposits from customers		-	-	12,982	-	-	12,982
Term funding		57,318	41,402	2,401	-	-	-
Other liabilities	15	614,070	849,675	709,375	375,779	634,877	528,516
Total Liabilities		1,993,851	1,769,777	1,603,352	1,698,241	1,513,574	1,419,789
Share capital		200,000	200,000	200,000	200,000	200,000	200,000
Reserves		320,468	338,021	380,519	304,341	309,288	338,169
Equity attributable to equity holder of the Bank		520,468	538,021	580,519	504,341	509,288	538,169
TOTAL LIABILITIES AND EQUITY		2,514,319	2,307,798	2,183,871	2,202,582	2,022,862	1,957,958
COMMITMENTS AND CONTINGENCIES	25	469,668	715,041	450,944	466,804	713,728	435,089
NET ASSETS PER ORDINARY SHARE (RM)		2.60	2.69	2.90	2.52	2.55	2.69

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UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012 (CONTD.)

	Note	Group		Bank	
		31.12.12	31.03.12	31.12.12	31.03.12
CAPITAL ADEQUACY	26(a)				
Before deducting proposed dividends					
Core Capital Ratio		25.0%	21.7%	25.4%	21.0%
Risk-Weighted Capital Ratio		<u>25.0%</u>	<u>21.7%</u>	<u>25.4%</u>	<u>21.0%</u>
After deducting proposed dividends					
Core Capital Ratio		25.0%	20.6%	25.4%	19.7%
Risk-Weighted Capital Ratio		<u>25.0%</u>	<u>20.6%</u>	<u>25.4%</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 31 DECEMBER 2012**

Group	Note	Individual Quarter		Cumulative Quarter	
		31.12.12 RM'000	31.12.11 (Restated) RM'000	31.12.12 RM'000	31.12.11 (Restated) RM'000
Revenue		54,393	71,360	174,132	225,924
Interest income	16	14,333	12,715	38,375	39,892
Interest expense	17	(8,960)	(6,733)	(22,234)	(21,079)
Net interest income		5,373	5,982	16,141	18,813
Net income from Islamic banking business		2,668	3,392	12,787	31,976
Other operating income	18	37,392	55,253	122,970	154,056
Share in results of associated companies		65	69	267	236
Net income		45,498	64,696	152,165	205,081
Other operating expenses	19	(50,859)	(55,146)	(138,019)	(154,738)
Operating (loss)/profit		(5,361)	9,550	14,146	50,343
Writeback of allowances for impairment on loans and financing	20	697	309	1,321	1,652
(Allowances)/write back of allowances on doubtful sundry receivables - net		(168)	824	(6,105)	(4,157)
Writeback of provision/(provision) for commitments and contingencies		1,538	(304)	1,620	(394)
(Loss)/profit before taxation		(3,294)	10,379	10,982	47,444
Taxation		3,302	(2,293)	(3,870)	(13,644)
Profit for the period		8	8,086	7,112	33,800
Attributable to :					
Equity holder of the Bank		8	8,086	7,112	33,800
EARNINGS PER SHARE (SEN)					
Basic		0.00	4.04	3.56	16.90
Fully diluted		0.00	4.04	3.56	16.90

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

AmInvestment Bank Berhad
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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2012

Group	Note	Individual Quarter		Cumulative Quarter	
		31.12.12 RM'000	31.12.11 (Restated) RM'000	31.12.12 RM'000	31.12.11 (Restated) RM'000
Profit for the period		8	8,086	7,112	33,800
Other comprehensive income/(loss):					
Exchange differences on translation of foreign operations		182	(581)	2,098	1,456
Net movement on financial investments available-for-sale		(488)	(124)	472	(2,581)
Income tax relating to the components of other comprehensive income		122	31	(118)	645
Other comprehensive (loss)/income for the period, net of tax		(184)	(674)	2,452	(480)
Total comprehensive (loss)/income for the period		(176)	7,412	9,564	33,320
Total comprehensive (loss)/income for the period attributable to:					
Equity holders of the Bank		(176)	7,412	9,564	33,320

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 31 DECEMBER 2012

Bank	Note	Individual Quarter		Cumulative Quarter	
		31.12.12	31.12.11 (Restated)	31.12.12	31.12.11 (Restated)
		RM'000	RM'000	RM'000	RM'000
Revenue		47,046	65,089	150,865	205,447
Interest income	16	13,547	11,573	35,908	36,745
Interest expense	17	(8,582)	(6,523)	(21,281)	(20,141)
Net interest income		4,965	5,050	14,627	16,604
Net income from Islamic banking business		2,668	3,392	12,787	31,976
Other operating income	18	30,831	50,124	102,170	136,726
Net income		38,464	58,566	129,584	185,306
Other operating expenses	19	(39,187)	(44,773)	(106,598)	(123,982)
Operating (loss)/profit		(723)	13,793	22,986	61,324
Writeback of allowances for impairment on loans and financing	20	697	309	1,321	1,652
(Allowance)/writeback of allowances on doubtful sundry receivables- net		(731)	73	(357)	291
Writeback of provision/(provision) for commitments and contingencies		1,538	(304)	1,620	(394)
Profit before taxation		781	13,871	25,570	62,873
Taxation		3,311	(2,765)	(4,035)	(15,442)
Net profit attributable to equity holder of the Bank		4,092	11,106	21,535	47,431
EARNINGS PER SHARE (SEN)					
Basic		2.05	5.55	10.77	23.72
Fully diluted		2.05	5.55	10.77	23.72

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 31 DECEMBER 2012

Bank	Note	Individual Quarter		Cumulative Quarter	
		31.12.12	31.12.11 (Restated)	31.12.12	31.12.11 (Restated)
		RM'000	RM'000	RM'000	RM'000
Profit for the period		4,092	11,106	21,535	47,431
Other comprehensive (loss)/income:					
Net movement on financial investments available-for-sale		(488)	(124)	472	(2,581)
Income tax relating to the components of other comprehensive income		122	31	(118)	645
Other comprehensive (loss)/income for the period, net of tax		(366)	(93)	354	(1,936)
Total comprehensive income for the period		3,726	11,013	21,889	45,495
Total comprehensive income for the period attributable to:					
Equity holders of the Bank		3,726	11,013	21,889	45,495

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 31 DECEMBER 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	-	-	-	-	-	-	33,800	33,800
Other comprehensive (loss)/income	-	-	-	-	(1,936)	1,456	-	(480)
Total comprehensive (loss)/income for the period	-	-	-	-	(1,936)	1,456	33,800	33,320
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	(1,968)	(1,968)
Ordinary dividends paid	-	-	-	-	-	-	(86,000)	(86,000)
At 31 December 2011	200,000	2,815	200,000	7,656	1,414	28,163	85,823	525,871
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	-	-	-	-	-	-	7,112	7,112
Other comprehensive income	-	-	-	-	354	2,098	-	2,452
Total comprehensive income for the period	-	-	-	-	354	2,098	7,112	9,564
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	(3,517)	(3,517)
Ordinary dividends paid	-	-	-	-	-	-	(23,600)	(23,600)
At 31 December 2012	200,000	2,815	200,000	7,656	2,691	30,164	77,142	520,468

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 31 DECEMBER 2012**

	<-----Attributable to equity holder of the Bank----->				
	Non-distributable			Distributable	
	Share capital RM'000	Statutory reserve RM'000	Available-for- sale reserve RM'000	Retained earnings RM'000	Total shareholder's equity RM'000
Bank					
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	-	-	-	47,431	47,431
Other comprehensive loss	-	-	(1,936)	-	(1,936)
Total comprehensive (loss)/income for the period	-	-	(1,936)	47,431	45,495
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	(1,886)	(1,886)
Ordinary dividends paid	-	-	-	(86,000)	(86,000)
At 31 December 2011	200,000	200,000	1,362	94,416	495,778
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	-	-	-	21,535	21,535
Other comprehensive income	-	-	354	-	354
Total comprehensive income for the period	-	-	354	21,535	21,889
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	(3,236)	(3,236)
Ordinary dividends paid	-	-	-	(23,600)	(23,600)
At 31 December 2012	200,000	200,000	2,639	101,702	504,341

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 31 DECEMBER 2012

	Group		Bank	
	31.12.12	31.12.11	31.12.12	31.12.11
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	10,982	47,444	25,570	62,873
Adjustments for non-operating and non cash items	(36)	5,321	(5,896)	(3,587)
Operating profit before working capital changes	10,946	52,765	19,674	59,286
Decrease in operating assets	86,992	314,358	93,742	189,750
Increase/(decrease) in operating liabilities	208,365	(389,572)	183,171	(262,793)
Cash generated from/(used in) operations	306,303	(22,449)	296,587	(13,757)
Taxation paid	(13,190)	(15,002)	(14,851)	(15,232)
Net cash generated from/(used in) operating activities	293,113	(37,451)	281,736	(28,989)
Net cash (used in)/generated from investing activities	(4,030)	4,101	(3,071)	7,229
Net cash used in financing activities	(7,684)	(65,567)	(23,600)	(86,000)
	(11,714)	(61,466)	(26,671)	(78,771)
Net increase/(decrease) in cash and cash equivalents	281,399	(98,917)	255,065	(107,760)
Cash and cash equivalents at beginning of period	522,901	690,316	473,419	647,870
Cash and cash equivalents at end of period	804,300	591,399	728,484	540,110

For the purpose of the cash flow statements, cash and cash equivalents consist of cash and short-term funds net of bank overdraft.

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”).

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. For all 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”) issued by the MASB as modified by Bank Negara Malaysia’s (“BNM”) Guidelines.

The MFRS Framework has converged with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) except 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 Agreements for the Construction of Real Estate; and (b) there is no equivalent standard to MFRS 141 Agriculture.

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 the adoption of MFRS.

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 28 (a).

1. BASIS OF PREPARATION (CONT'D.)

1.2 FRSIC Consensus 18, Monies Held in Trust by Participating Organisations of Bursa Malaysia Securities Berhad

In the previous financial statements, monies held in the trust account are accounted for as the Group's and the Bank's assets with corresponding liabilities.

In accordance with FRSIC Consensus 18, Monies Held in Trust by Participating Organisations of Bursa Malaysia Securities Berhad issued by the Malaysian Institute of Accountants which came into effect from 1 April 2012, such trust monies do not meet the definition of an asset as rights over the trust monies do not exist. Moreover, the Group and the Bank do not have any contractual or statutory obligation to its clients on the money deposited in the trust account that would result in an outflow of resources embodying economic benefits from the Group and the Bank.

As a result, monies held in trust together with the corresponding liabilities are derecognised from the assets and liabilities of the Group and the Bank

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

The financial impact of this change in accounting policy on the financial statements of the Group and the Bank is disclosed in Note 28 (b)

1.3 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
- MFRS 124, Related Party Disclosures
- Amendments to MFRS 1, Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to MFRS 7, Disclosures – Transfers of Financial Assets
- Amendments to MFRS 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 and the Bank in future years. The Group and the Bank intend to adopt the 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)
- Amendments to MFRS 1, Government Loans
- 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 31 December 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

In the previous 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	31.12.12		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	6,048	4	1	1,293	1	1
Equity related contracts:						
Less than one year	38,753	-	580	30,429	86	-
More than five years	21	1	-	20	-	2
Total	44,822	5	581	31,742	87	3
The Bank						
Trading derivative						
Foreign exchange related contracts:						
Less than one year	3,205	-	-	-	-	-
Equity related contracts:						
Less than one year	38,753	-	580	30,429	86	-
Total	41,958	-	580	30,429	86	-

9. FINANCIAL ASSETS HELD-FOR-TRADING

	Group		Bank	
	31.12.12	31.03.12	31.12.12	31.03.12
	RM'000	RM'000	RM'000	RM'000
At Fair Value				
Quoted Securities:				
In Malaysia:				
Shares	53,516	29,222	53,516	29,222
Unit trusts	1,989	1,555	1,989	1,555
Outside Malaysia:				
Shares	20	44	-	-
Total financial assets held-for-trading	<u>55,525</u>	<u>30,821</u>	<u>55,505</u>	<u>30,777</u>

10. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group		Bank	
	31.12.12	31.03.12	31.12.12	31.03.12
	RM'000	RM'000	RM'000	RM'000
At Fair value				
Quoted Securities				
In Malaysia:				
Unit trusts	16,080	11,109	15,835	11,110
Shares	2	2	-	-
	<u>16,082</u>	<u>11,111</u>	<u>15,835</u>	<u>11,110</u>
Unquoted Securities				
In Malaysia:				
Private debt securities	23,959	23,078	23,959	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>54,150</u>	<u>48,299</u>	<u>51,703</u>	<u>46,098</u>

11. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group		Bank	
	31.12.12	31.03.12	31.12.12	31.03.12
	RM'000	RM'000	RM'000	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	
	31.12.12	31.03.12 (Restated)	31.12.12	31.03.12 (Restated)
	RM'000	RM'000	RM'000	RM'000
At Amortised Cost				
Share margin financing	309,514	223,102	309,514	223,102
Revolving credits	531,388	387,448	531,388	387,448
Staff loans	6,819	7,527	6,819	7,527
Gross loans, advances and financing	847,721	618,077	847,721	618,077
Less:				
Allowance for impairment on loans and financing:				
Collective allowance	3,393	4,116	3,393	4,116
Individual allowance	2,957	3,561	2,957	3,561
	6,350	7,677	6,350	7,677
Net loans, advances and financing	841,371	610,400	841,371	610,400

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

	Group		Bank	
	31.12.12	31.03.12	31.12.12	31.03.12
	RM'000	RM'000	RM'000	RM'000
Individuals	679,874	542,723	679,874	542,723
Domestic :				
Business enterprises:				
Small medium enterprises	18,274	13,459	18,274	13,459
Other domestic business enterprises	148,967	55,930	148,967	55,930
Foreign entities	606	5,965	606	5,965
	847,721	618,077	847,721	618,077

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

	Group		Bank	
	31.12.12	31.03.12	31.12.12	31.03.12
	RM'000	RM'000	RM'000	RM'000
In Malaysia	839,341	612,645	839,341	612,645
Outside Malaysia	8,380	5,432	8,380	5,432
	847,721	618,077	847,721	618,077

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

	Group		Bank	
	31.12.12	31.03.12	31.12.12	31.03.12
	RM'000	RM'000	RM'000	RM'000
Variable rate				
Cost-plus	531,388	387,448	531,388	387,448
Fixed rate	316,333	230,629	316,333	230,629
	847,721	618,077	847,721	618,077

12. LOANS, ADVANCES AND FINANCING (CONTD.)

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

	Group		Bank	
	31.12.12 RM'000	31.03.12 RM'000	31.12.12 RM'000	31.03.12 RM'000
Agriculture	1,228	4,856	1,228	4,856
Manufacturing	-	350	-	350
Wholesale, retail, restaurant and hotel	2,093	3,096	2,093	3,096
Real estate	12,134	5,947	12,134	5,947
Business activities	138,818	44,977	138,818	44,977
Education and health	1,001	1,861	1,001	1,861
Household, of which:				
Purchase of residential properties	3,808	4,766	3,808	4,766
Purchase of transport vehicles	3,011	2,761	3,011	2,761
Others	675,184	541,161	675,184	541,161
Others	10,444	8,302	10,444	8,302
	<u>847,721</u>	<u>618,077</u>	<u>847,721</u>	<u>618,077</u>

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

	Group		Bank	
	31.12.12 RM'000	31.03.12 RM'000	31.12.12 RM'000	31.03.12 RM'000
Maturing within one year	840,950	610,332	840,950	610,332
One to three years	245	560	245	560
Three to five years	1,698	342	1,698	342
Over five years	4,828	6,843	4,828	6,843
	<u>847,721</u>	<u>618,077</u>	<u>847,721</u>	<u>618,077</u>

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

	Group		Bank	
	31.12.12 RM'000	31.03.12 RM'000	31.12.12 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	27	9	27	9
Recoveries	(604)	(1,213)	(604)	(1,213)
Amount written off	-	(162)	-	(162)
Balance at end of period/year	<u>3,977</u>	<u>4,554</u>	<u>3,977</u>	<u>4,554</u>
Ratios of impaired loans, advances and financing to total loans, advances and financing	<u>0.5%</u>	<u>0.7%</u>	<u>0.5%</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	
	31.12.12 RM'000	31.03.12 RM'000	31.12.12 RM'000	31.03.12 RM'000
Other business activities	3,536	3,870	3,536	3,870
Household, of which:				
Purchase of residential properties	124	97	124	97
Others	317	587	317	587
	<u>3,977</u>	<u>4,554</u>	<u>3,977</u>	<u>4,554</u>

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

	Group		Bank	
	31.12.12 RM'000	31.03.12 RM'000	31.12.12 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	(720)	194	(720)	194
Amount written off	-	(24)	-	(24)
Exchange Differences	(1)	-	(1)	-
Balance at end of period/year	<u>3,393</u>	<u>4,116</u>	<u>3,393</u>	<u>4,116</u>
% of total loans, advances and financing less individual allowance	<u>0.4%</u>	<u>0.7%</u>	<u>0.4%</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	(604)	(1,213)	(604)	(1,213)
Amount written off	-	(138)	-	(138)
Balance at end of period/year	<u>2,957</u>	<u>3,561</u>	<u>2,957</u>	<u>3,561</u>

13. OTHER ASSETS

	Group		Bank	
	31.12.12	31.03.12	31.12.12	31.03.12
		(Restated)		(Restated)
	RM'000	RM'000	RM'000	RM'000
Trade receivables, net of allowance for doubtful debts	595,430	930,882	323,890	638,168
Other receivables, deposits and prepayments, net of allowance for doubtful debts	26,484	51,481	16,366	42,928
Interest/Dividends receivable	1,603	1,055	1,590	1,041
Income tax recoverable	39,368	28,355	39,363	28,351
Amount due from brokers	20,790	-	-	-
Amount due from:				
Ultimate holding company	314	667	314	667
Subsidiaries	-	-	543	120
Related companies	4,025	3,024	4,263	3,183
Assets acquired in exchange of debts, net of impairment loss	165	165	165	165
	<u>688,179</u>	<u>1,015,629</u>	<u>386,494</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	
	31.12.12 RM'000	31.03.12 RM'000	31.12.12 RM'000	31.03.12 RM'000
Licensed banks:				
Related	1,321,882	878,697	1,321,882	878,697

15. OTHER LIABILITIES

	Group		Bank	
	31.12.12 RM'000	31.03.12 (Restated) RM'000	31.12.12 RM'000	31.03.12 (Restated) RM'000
Trade payables	517,920	723,757	289,686	516,451
Other payables and accruals	80,262	111,868	73,469	103,728
Provision for commitments and contingencies	5,675	7,296	5,675	7,296
Amount due to ultimate holding company	1,167	-	-	-
Amount due to subsidiaries	-	-	125	1,035
Amount due to related companies	8,508	6,713	6,786	6,329
Taxation payable	(2)	3	-	-
Zakat payable	38	38	38	38
	<u>614,070</u>	<u>849,675</u>	<u>375,779</u>	<u>634,877</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	
	31.12.12 RM'000	31.12.11 RM'000	31.12.12 RM'000	31.12.11 RM'000
Short-term funds and deposits with financial institutions	4,999	3,680	11,639	12,385
Financial investments available-for-sale	398	410	1,211	1,197
Loans and advances				
- Interest income other than recoveries from impaired loans	8,420	7,924	23,886	24,257
Others	336	534	1,105	1,291
Gross interest income	14,153	12,548	37,841	39,130
Accretion of discounts less amortisation of premiums	180	167	534	762
	14,333	12,715	38,375	39,892

Bank	Individual Quarter		Cumulative Quarter	
	31.12.12 RM'000	31.12.11 RM'000	31.12.12 RM'000	31.12.11 RM'000
Short-term funds and deposits with financial institutions	4,505	2,997	10,123	10,328
Financial investments available-for-sale	398	410	1,211	1,197
Loans and advances				
- Interest income other than recoveries from impaired loans	8,420	7,924	23,886	24,257
Others	44	75	154	201
Gross interest income	13,367	11,406	35,374	35,983
Accretion of discounts less amortisation of premiums	180	167	534	762
	13,547	11,573	35,908	36,745

17. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	31.12.12 RM'000	31.12.11 RM'000	31.12.12 RM'000	31.12.11 RM'000
Deposits from customers	-	-	-	208
Deposit of banks and other financial institutions	8,582	6,523	21,281	19,933
Others	378	210	953	938
	8,960	6,733	22,234	21,079

Bank	Individual Quarter		Cumulative Quarter	
	31.12.12 RM'000	31.12.11 RM'000	31.12.12 RM'000	31.12.11 RM'000
Deposits from customers	-	-	-	208
Deposit of banks and other financial institutions	8,582	6,523	21,281	19,933
	8,582	6,523	21,281	20,141

18. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.12.12 RM'000	31.12.11 RM'000	31.12.12 RM'000	31.12.11 RM'000
Fee income:				
Fees on loans and securities	1,439	2,745	7,998	13,519
Corporate advisory fees	6,257	11,228	19,913	22,478
Guarantee fees	137	171	432	526
Underwriting commissions	1,305	2,956	8,545	8,315
Portfolio management fees	92	138	262	488
Brokerage fees and commissions	15,981	16,542	52,200	58,503
Other fee income	7,111	7,319	21,141	24,131
	<u>32,322</u>	<u>41,099</u>	<u>110,491</u>	<u>127,960</u>
Investment and trading income:				
Net gain/(loss) from sale of financial assets held-for-trading	667	(481)	2,136	(3,116)
Net gain from sale of financial investments available-for-sale	220	743	220	773
Loss on revaluation of derivatives	(653)	(1,359)	(1,354)	(1,159)
Gross dividend income from:				
Unquoted associated company	-	-	1,160	-
Financial assets held-for-trading	100	1	378	81
Financial investments available-for-sale	1,577	639	2,718	1,330
Gain on revaluation of financial assets held-for-trading	1,011	6,144	636	2,705
Portfolio income	1,239	7,486	3,283	23,355
Foreign exchange (loss)/gain	(3)	(14)	115	(163)
	<u>4,158</u>	<u>13,159</u>	<u>9,292</u>	<u>23,806</u>
Other income:				
Non-trading foreign exchange gain	103	121	482	496
Gain on disposal of property and equipment - net	3	200	5	202
Rental income	572	629	1,750	1,677
Other operating income/(loss)	234	45	950	(85)
	<u>912</u>	<u>995</u>	<u>3,187</u>	<u>2,290</u>
	<u>37,392</u>	<u>55,253</u>	<u>122,970</u>	<u>154,056</u>

18. OTHER OPERATING INCOME (CONTD.)

Bank	Individual Quarter		Cumulative Quarter	
	31.12.12 RM'000	31.12.11 RM'000	31.12.12 RM'000	31.12.11 RM'000
Fee income:				
Fees on loans and securities	1,439	2,745	7,998	13,519
Corporate advisory fees	6,257	11,070	19,433	21,917
Guarantee fees	137	171	432	526
Underwriting commissions	613	2,883	7,132	6,199
Portfolio management fees	92	138	262	488
Brokerage fees and commissions	10,469	12,475	34,793	42,384
Other fee income	7,047	6,606	19,931	21,823
	<u>26,054</u>	<u>36,088</u>	<u>89,981</u>	<u>106,856</u>
Investment and trading income:				
Net gain/(loss) from sale of financial assets held-for-trading	681	1,479	2,178	(1,111)
Net gain from sale of financial investments available-for-sale	220	743	220	773
Loss on revaluation of derivatives	(653)	(1,359)	(1,354)	(1,159)
Gross dividend income from:				
Unquoted subsidiaries	-	-	-	3,256
Unquoted associated company	-	-	1,160	-
Financial assets held-for-trading	100	-	377	69
Financial investments available-for-sale	1,577	639	2,718	1,330
Gain on revaluation of financial assets held-for-trading	1,011	4,357	639	1,819
Portfolio income	1,239	7,486	3,283	23,355
Foreign exchange (loss)/gain	(2)	(14)	116	(166)
	<u>4,173</u>	<u>13,331</u>	<u>9,337</u>	<u>28,166</u>
Other income:				
Non-trading foreign exchange gain	5	39	1	124
Gain on disposal of property and equipment - net	3	-	5	2
Rental income	572	629	1,750	1,677
Other operating income/(loss)	24	37	1,096	(99)
	<u>604</u>	<u>705</u>	<u>2,852</u>	<u>1,704</u>
	<u>30,831</u>	<u>50,124</u>	<u>102,170</u>	<u>136,726</u>

19. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	31.12.12	31.12.11	31.12.12	31.12.11
	RM'000	RM'000	RM'000	RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	26,454	19,020	76,319	76,327
- Others	13,878	15,719	36,650	37,875
	<u>40,332</u>	<u>34,739</u>	<u>112,969</u>	<u>114,202</u>
Establishment costs				
- Depreciation of property and equipment	1,112	1,282	3,475	3,877
- Amortisation of computer software	162	171	481	538
- Computerisation costs	2,034	1,568	5,520	5,626
- Rental	3,306	3,293	9,950	9,739
- Others	1,492	1,224	4,482	3,689
	<u>8,106</u>	<u>7,538</u>	<u>23,908</u>	<u>23,469</u>
Marketing and communication expenses				
- Sales commission	17	88	57	1,579
- Advertising	460	505	925	1,291
- Travel and entertainment	878	897	2,483	2,754
- Others	1,669	1,934	5,054	5,715
	<u>3,024</u>	<u>3,424</u>	<u>8,519</u>	<u>11,339</u>
Administration and general expenses				
- Professional fees	527	3,391	1,541	5,437
- Others (Note (i))	1,783	11,668	(92)	14,528
	<u>2,310</u>	<u>15,059</u>	<u>1,449</u>	<u>19,965</u>
Service transfer pricing recovery, net	(2,913)	(5,614)	(8,826)	(14,237)
	<u>50,859</u>	<u>55,146</u>	<u>138,019</u>	<u>154,738</u>

19. OTHER OPERATING EXPENSES (CONTD.)

Bank	Individual Quarter		Cumulative Quarter	
	31.12.12 RM'000	31.12.11 RM'000	31.12.12 RM'000	31.12.11 RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	21,536	14,224	63,139	62,037
- Others	11,041	13,437	29,685	31,867
	<u>32,577</u>	<u>27,661</u>	<u>92,824</u>	<u>93,904</u>
Establishment costs				
- Depreciation of property and equipment	892	972	2,696	2,980
- Amortisation of computer software	157	169	471	531
- Computerisation costs	101	(94)	190	294
- Rental	2,410	2,394	7,233	7,039
- Others	772	779	2,452	2,198
	<u>4,332</u>	<u>4,220</u>	<u>13,042</u>	<u>13,042</u>
Marketing and communication expenses				
- Sales commission	17	88	57	1,579
- Advertising	442	488	892	1,220
- Travel and entertainment	710	701	2,002	2,142
- Others	1,329	1,594	4,190	4,697
	<u>2,498</u>	<u>2,871</u>	<u>7,141</u>	<u>9,638</u>
Administration and general expenses				
- Professional fees	380	3,256	992	5,140
- Others (Note (i))	1,326	11,221	(1,509)	13,143
	<u>1,706</u>	<u>14,477</u>	<u>(517)</u>	<u>18,283</u>
Service transfer pricing recovery, net	(1,926)	(4,456)	(5,892)	(10,885)
	<u>39,187</u>	<u>44,773</u>	<u>106,598</u>	<u>123,982</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	
	31.12.12	31.12.11	31.12.12	31.12.11
	RM'000	(Restated) RM'000	RM'000	(Restated) RM'000
(Allowance)/writeback of allowance for impaired loans and financing:				
Collective allowance	538	49	720	681
Individual allowance	158	261	604	968
Impaired loans and financing written off	-	(1)	(3)	-
Impaired loans and financing recovered	1	-	-	3
	<u>697</u>	<u>309</u>	<u>1,321</u>	<u>1,652</u>
 Bank				
(Allowance)/writeback of allowance for impaired loans and financing:				
Collective allowance	538	49	720	681
Individual allowance	158	261	604	968
Impaired loans and financing written off	-	(1)	(3)	-
Impaired loans and financing recovered	1	-	-	3
	<u>697</u>	<u>309</u>	<u>1,321</u>	<u>1,652</u>

21. BUSINESS SEGMENT ANALYSIS

31.12.2012 Group	Investment Banking RM'000	Corporate and Institutional Banking RM'000	Markets RM'000	Group Functions and Others RM'000	Total RM'000
Revenue	146,456	2,096	1,544	24,036	174,132
Income	145,099	2,096	1,544	3,426	152,165
Expenses	(130,018)	(1,111)	-	(6,890)	(138,019)
Profit/(loss) before provisions	15,081	985	1,544	(3,464)	14,146
Provisions	(3,322)	(1)	-	159	(3,164)
Profit/(loss) after provisions	11,759	984	1,544	(3,305)	10,982
Taxation	(6,221)	(246)	(386)	2,983	(3,870)
Net profit/(loss) for the period	5,538	738	1,158	(322)	7,112
Other information:					
Cost to income ratio	89.6%	53.0%	0.0%	201.1%	90.7%
Gross loans/ financing	840,902	-	-	6,819	847,721
Net loans/ financing	834,697	-	-	6,674	841,371
Gross impaired loans, advances and financing	3,977	-	-	-	3,977
Total deposits	49,731	-	-	1,272,151	1,321,882

21. BUSINESS SEGMENT ANALYSIS (CONTD.)

31.12.2011 (Restated) Group	Investment Banking RM'000	Corporate and Institutional Banking RM'000	Markets RM'000	Group Functions and Others RM'000	Total RM'000
Revenue	174,012	20,461	4,769	26,682	225,924
Income	173,285	20,186	4,769	6,841	205,081
Expenses	(105,289)	(17,044)	-	(32,405)	(154,738)
Profit/(loss) before provisions	67,996	3,142	4,769	(25,564)	50,343
Provisions	1,915	(5,242)	-	428	(2,899)
Profit/(loss) after provisions	69,911	(2,100)	4,769	(25,136)	47,444
Taxation	(17,754)	(333)	(1,192)	5,635	(13,644)
Net profit/(loss) for the period	52,157	(2,433)	3,577	(19,501)	33,800
Other information					
Cost to income ratio	60.8%	84.4%	0.0%	473.7%	75.5%
Gross loans/ financing	541,714	-	-	7,354	549,068
Net loans/ financing	534,644	-	-	7,215	541,859
Gross impaired loans, advances and financing	4,959	-	-	-	4,959
Total deposits	48,502	-	-	789,238	837,740

Included in the above is Islamic banking business profit before taxation of RM9.7 million for the Group and the Bank for the period ended 31 December 2012 (RM29.4 million for the Group and the Bank for the period ended 31 December 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 13.1 million for the period ended 31 December 2012 (Loss before tax RM 12.5 million for the period ended 31 December 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	
	31.12.12 RM'000	31.03.12 RM'000	31.12.12 RM'000	31.03.12 RM'000
(i) Deposits and placements of banks and other financial institutions				
Due within six months	1,171,882	878,697	1,171,882	878,697
<i>Recap :</i>				
<i>Interbank lendings</i>	779,786	483,023	718,978	459,155
<i>Interbank borrowings</i>	(1,321,882)	(878,697)	(1,321,882)	(878,697)
<i>Net interbank (borrowings)/ lendings</i>	(542,096)	(395,674)	(602,904)	(419,542)
(ii) Term loans				
Due within one year				
Secured	57,318	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:

	31.12.12	31.03.12
	Principal Amount RM'000	Principal Amount RM'000
Group		
Commitments		
Irrevocable commitments to extend credit maturing :		
within one year	249,765	353,134
more than one year	19	175
	<u>249,784</u>	<u>353,309</u>
Contingent Liabilities		
Guarantees given on behalf of customers	174,382	181,890
Underwriting liabilities	680	148,100
	<u>175,062</u>	<u>329,990</u>
Derivative Financial Instruments		
Foreign exchange related contracts:		
- One year or less	6,048	1,293
Equity related contracts:		
- One year or less	38,753	30,429
- Over five years	21	20
	<u>44,822</u>	<u>31,742</u>
	<u>469,668</u>	<u>715,041</u>
Bank		
Commitments		
Irrevocable commitments to extend credit maturing:		
within one year	249,765	353,134
more than one year	19	175
	<u>249,784</u>	<u>353,309</u>
Contingent Liabilities		
Guarantees given on behalf of customers	174,382	181,890
Underwriting liabilities	680	148,100
	<u>175,062</u>	<u>329,990</u>
Derivative Financial Instruments		
Foreign exchange related contracts:		
- One year or less	3,205	-
Equity related contracts:		
- One year or less	38,753	30,429
	<u>41,958</u>	<u>30,429</u>
	<u>466,804</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.

Parties filed several interim applications in the Meridian Suit amongst which was an application by Meridian to:-

- add the Bank as Co- Defendant and
- to increase the alleged loss and damage from RM27,606,169.65 to RM36,967,166.84.

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. No appeal was filed by Meridian against this Decision, hence no litigation is pending today against the Bank by Meridian.

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

Sometime in November 2012, MAA in its Suit amended its pleadings further to include Meridian as a Co-Defendant and also to amend its players against AmTrustee. AmTrustee on the other hand amended its defence in the Meridian's Suit to include the findings of the Kuala Lumpur Session Court which concluded in December 2011, where Meridian's ex-employee was charged for fraud and also the High Court findings of the KWAP Suit against Meridian in May 2012.

Trial proceeded on with both MAA and Meridian Suits on 3rd to 5th of December 2012 and on 10th and 13th December 2012. The trial is further fixed for continued hearing on 18th to 20th February 2013.

Based on documents and evidence in their possession, the solicitors for AmTrustee is 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	
	31.12.12	31.03.12	31.12.12	31.03.12
Before deducting proposed dividends:				
Core capital ratio	25.0%	21.7%	25.4%	21.0%
Risk-weighted capital ratio	25.0%	21.7%	25.4%	21.0%
<hr/>				
After deducting proposed dividend:				
Core capital ratio	25.0%	20.6%	25.4%	19.7%
Risk-weighted capital ratio	25.0%	20.6%	25.4%	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	
	31.12.12 RM'000	31.03.12 RM'000	31.12.12 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	77,144	92,444	97,715	102,299
Total	515,681	530,981	497,715	502,299
Less: Goodwill	(11,243)	(11,243)	-	-
Deferred tax asset - net	(14,904)	(20,003)	(11,744)	(16,844)
Total Tier 1 capital	489,534	499,735	485,971	485,455
Deduction in excess of allowable Tier 2 Capital	(21,523)	(13,860)	(109,754)	(102,091)
Maximum allowable Tier 1 Capital	468,011	485,875	376,217	383,364
Tier 2 capital				
Collective allowance#	2,436	9,218	2,436	9,218
Total Tier 2 capital	2,436	9,218	2,436	9,218
Total capital funds	470,447	495,093	378,653	392,582
Less: Investment in capital of related financial institution	(23,959)	(23,078)	(23,959)	(23,078)
Less: Investment in subsidiaries	-	-	(88,231)	(88,231)
Deduction in excess of allowable Tier 2 capital made against Tier 1 Capital	21,523	13,860	109,754	102,091
Capital base	468,011	485,875	376,217	383,364

#Excludes collective allowance on impaired loans restricted from Tier 2 capital of the Group and the Bank of RM957,000.(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	
	31.12.12 RM'000	31.03.12 RM'000	31.12.12 RM'000	31.03.12 RM'000
Credit risk	1,295,535	1,454,156	959,232	1,103,164
Market risk	99,857	244,639	98,273	244,709
Operational risk	477,116	541,955	421,043	478,318
	1,872,508	2,240,750	1,478,548	1,826,191

27. OPERATIONS OF ISLAMIC BANKING

The statements of financial position as at 31 December 2012 and the results for the period ended 31 December 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 31 DECEMBER 2012

	Group and Bank	
	31.12.12	31.03.12
	RM'000	RM'000
ASSETS		
Cash and short-term funds	196,346	173,902
Other receivables, deposits and prepayments	18,870	18,863
Deferred tax assets	1,492	1,541
Property and equipment	43	58
Intangible assets	4	6
TOTAL ASSETS	<u>216,755</u>	<u>194,370</u>
LIABILITIES AND ISLAMIC BANKING FUNDS		
Other liabilities	<u>73,524</u>	<u>58,365</u>
ISLAMIC BANKING FUNDS		
Capital funds	30,000	30,000
Reserves	113,231	106,005
Islamic Banking Funds	<u>143,231</u>	<u>136,005</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	<u>216,755</u>	<u>194,370</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 31 DECEMBER 2012**

Group and Bank	Individual Quarter		Cumulative Quarter	
	31.12.12	31.12.11	31.12.12	31.12.11
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	474	321	1,269	846
Total attributable income	474	321	1,269	846
Loss attributable to depositors	-	(1)	-	(25)
Income attributable to the Group and the Bank	474	320	1,269	821
Income derived from investment of Islamic Banking Funds	2,194	3,072	11,518	31,155
Total net income	2,668	3,392	12,787	31,976
Other operating expenses	(958)	(632)	(3,097)	(2,596)
Profit before taxation	1,710	2,760	9,690	29,380
Taxation	(435)	(701)	(2,464)	(7,376)
Profit after taxation	1,275	2,059	7,226	22,004

27. OPERATIONS OF ISLAMIC BANKING (CONTD.)

27a. OTHER LIABILITIES

	Group and Bank	
	31.12.12	31.03.12
	RM'000	RM'000
Trade payables	599	514
Other payables and accruals	6,427	6,662
Amount owing from head office	33,948	21,053
Taxation and zakat payable	32,550	30,136
	<u>73,524</u>	<u>58,365</u>

28. CHANGE IN ACCOUNTING POLICIES AND RESTATEMENT OF 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 the date of transition under MFRS are provided below.

(b) Restatement of Comparatives

The reconciliations of equity for comparative periods at the date of adoption of FRSIC Consensus 18 for the Group and the Bank are provided below.

(i) Reconciliations of equity

	As previously reported RM'000	Effect of transition to MFRS RM'000	Other restatements RM'000	As restated RM'000
Group				
As at 31 March 2012				
ASSETS				
Cash and short-term funds	865,030	-	(342,129)	522,901
Financial investments available-for-sale	48,525	-	(226)	48,299
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)	(9,465)	1,015,629
LIABILITIES AND EQUITY				
Other liabilities	1,201,839	(344)	(351,820)	849,675
Reserves	333,317	4,704	-	338,021
As at 1 April 2011				
ASSETS				
Cash and short-term funds	932,560	-	(242,244)	690,316
Financial investments available-for-sale	55,209	-	(514)	54,695
Loans, financing and advances	548,266	5,256	-	553,522
Other assets	856,839	(1,548)	(45,507)	809,784
LIABILITIES AND EQUITY				
Other liabilities	998,576	(936)	(288,265)	709,375
Reserves	375,875	4,644	-	380,519
Bank				
As at 31 March 2012				
ASSETS				
Cash and short-term funds	763,669	-	(290,250)	473,419
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)	(290,250)	634,877
Reserves	304,584	4,704	-	309,288

28. 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	Other restatements RM'000	As restated RM'000
Bank				
As at 1 April 2011				
ASSETS				
Cash and short-term funds	844,197	-	(196,327)	647,870
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)	(196,327)	528,516
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	Other restatements RM'000	As restated RM'000
For the financial quarter ended 31 December 2011				
Group				
Individual quarter				
Interest income	12,836	-	(121)	12,715
Interest expenses	(6,854)	-	121	(6,733)
Writeback of allowances for impaired loans	141	168	-	309
Writeback of provision/(provision) for commitments and contingencies	(155)	(149)	-	(304)
Taxation	(2,288)	(5)	-	(2,293)
Cumulative quarter				
Interest income	40,242	-	(350)	39,892
Interest expenses	(21,429)	-	350	(21,079)
Writeback of allowances for impaired loans	1,149	503	-	1,652
Writeback of provision/(provision) for commitments and contingencies	50	(444)	-	(394)
Taxation	(13,629)	(15)	-	(13,644)
Bank				
Individual quarter				
Writeback of allowances for impaired loans	141	168	-	309
Writeback of provision/(provision) for commitments and contingencies	(155)	(149)	-	(304)
Taxation	(2,760)	(5)	-	(2,765)
Cumulative quarter				
Writeback of allowances for impaired loans	1,149	503	-	1,652
Writeback of provision/(provision) for commitments and contingencies	50	(444)	-	(394)
Taxation	(15,427)	(15)	-	(15,442)

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

The Group reported a pretax profit of RM11.0 million (RM47.4 million for the period ended 31 December 2011) and the Bank reported a pretax profit of RM25.6 million (RM62.9 million for the period ended 31 December 2011), and in respect of the non-Islamic business, are attributed to:

- (i) Lower service-transfer pricing recovery of RM8.8 million and RM5.9 million (RM14.2 million and RM10.9 million for the period ended 31 December 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 RM16.1 million and RM14.6 million (RM18.8 million and RM16.6 million for the period ended 31 December 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 RM9.2 million and RM9.3 million (RM23.8 million and RM28.2 million for the period ended 31 December 2011), for the Group and the Bank, respectively, due to decrease of RM20.1 million in portfolio income.

Lower net income from Islamic banking business of RM12.8 million for the Group and the Bank (RM32.0 million for the period ended 31 December 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.

30. CURRENT PERIOD PROSPECTS

The Malaysian economy expanded by 5.2% in the third quarter of 2012 driven by continued expansion in domestic demand offsetting softer external demand. Private consumption continued to grow at a steady pace supported by favourable labour market and sustained income growth. Moving into 2013, business and government spending should provide support for economic activities, together with accommodative policy rates, on-going rollout of Entry Point Projects under the Economic Transformation Programme and incentives under Budget 2013 whilst the international environment will continue to present downside risk to growth prospects.

In the domestic banking front, recent loan indicators point to moderating consumer loans growth, reflecting the impact of responsible lending guidelines and regulatory reforms.

Over the next three years, we are executing to our four strategic priorities to aggressively invest, optimise and leverage connectivity to deliver growth.