

**AMMB HOLDINGS BERHAD**  
**(223035-V) (Incorporated in Malaysia)**  
**and its subsidiaries**

**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2013**

	Note	30.09.13 RM'000	Group 31.03.13 RM'000 (Restated)	01.04.12 RM'000
<b>ASSETS</b>				
Cash and short-term funds		13,428,690	11,233,573	7,813,159
Securities purchased under resale agreements		155,771	200,605	517,306
Deposits and placements with banks and other financial institutions		1,287,984	2,322,657	1,892,166
Derivative financial assets	A28	567,357	383,257	380,129
Financial assets held-for-trading	A8	5,335,930	7,021,986	10,942,373
Financial investments available-for-sale	A9	9,616,773	7,208,604	6,641,204
Financial investments held-to-maturity	A10	5,068,413	6,219,804	1,429,843
Loans, advances and financing	A11	83,607,337	82,586,332	75,683,401
Statutory deposits with Bank Negara Malaysia	A12	3,031,555	2,907,435	2,582,411
Deferred tax assets		136,175	135,834	205,908
Investment in associate		23,300	20,935	1,101
Other assets	A13	2,700,453	2,864,266	2,457,199
Reinsurance, retakaful assets and other insurance receivables		154,514	166,627	112,535
Investment properties		80,165	80,165	84,715
Property and equipment		388,342	401,618	224,531
Intangible assets		3,382,547	3,351,507	1,954,799
<b>TOTAL ASSETS</b>		<b>128,965,306</b>	<b>127,105,205</b>	<b>112,922,780</b>
<b>LIABILITIES AND EQUITY</b>				
Deposits and placements of banks and other financial institutions	A14	3,490,103	3,152,946	3,914,568
Securities sold under repurchase agreements		-	-	41,195
Recourse obligation on loans and financing sold to Cagamas Berhad		3,328,330	3,337,941	3,126,109
Derivative financial liabilities	A28	598,558	422,655	441,684
Deposits from customers	A15	88,253,840	84,859,987	77,307,156
Term funding		6,895,198	6,255,969	4,957,323
Bills and acceptances payable		84,697	1,964,800	871,948
Debt capital		4,228,577	4,205,232	4,021,231
Deferred tax liabilities		131,817	85,211	12,886
Other liabilities	A16	3,665,640	5,046,439	3,374,186
Insurance, takaful contract liabilities and other insurance payables		4,710,983	4,672,048	3,362,540
<b>Total Liabilities</b>		<b>115,387,743</b>	<b>114,003,228</b>	<b>101,430,826</b>
Share capital		3,014,185	3,014,185	3,014,185
Reserves		9,439,442	9,003,056	8,096,904
Equity attributable to equity holders of the Company		12,453,627	12,017,241	11,111,089
Non-controlling interests		1,123,936	1,084,736	380,865
<b>Total Equity</b>		<b>13,577,563</b>	<b>13,101,977</b>	<b>11,491,954</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>128,965,306</b>	<b>127,105,205</b>	<b>112,922,780</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A27	<b>101,259,221</b>	<b>102,467,484</b>	<b>99,614,955</b>

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**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2013 (CONT'D.)**

	Note	30.09.13 RM'000	Group 31.03.13 RM'000 (Restated)	01.04.12 RM'000
<b>CAPITAL ADEQUACY RATIO</b>				
	A29			
<b>Before deducting proposed dividends:</b>				
Common Equity Tier 1 ("CET1") Capital		9.534%	9.807%	-
Tier 1 capital Ratio		11.207%	11.493%	-
Total capital Ratio		14.937%	15.235%	-
Core capital ratio		-	-	11.2%
Risk-weighted capital ratio		-	-	15.4%
<b>After deducting proposed dividends:</b>				
Common Equity Tier 1 ("CET1") Capital		9.534%	9.375%	-
Tier 1 capital Ratio		11.207%	11.061%	-
Total capital Ratio		14.937%	14.803%	-
Core capital ratio		-	-	10.4%
Risk-weighted capital ratio		-	-	14.7%
<b>NET ASSETS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)</b>				
		4.13	3.99	3.69

The unaudited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2013

**AMMB HOLDINGS BERHAD**  
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**UNAUDITED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

Group	Note	Individual Quarter		Cumulative Quarter	
		30.09.13 RM'000	30.09.12 RM'000	30.09.13 RM'000	30.09.12 RM'000
Operating revenue	A23	2,391,960	1,999,209	4,788,789	4,018,107
Interest income	A17	1,134,774	1,125,109	2,282,162	2,205,371
Interest expense	A18	(603,426)	(574,072)	(1,194,985)	(1,126,631)
Net interest income		531,348	551,037	1,087,177	1,078,740
Net income from Islamic banking business		227,158	218,574	464,159	441,447
Income from insurance business		531,454	241,021	1,049,095	485,464
Insurance claims and commissions		(398,460)	(232,356)	(802,975)	(440,114)
Net income from insurance business	A19	132,994	8,665	246,120	45,350
Other operating income	A20	290,130	228,172	581,018	527,874
Share in result of associate		1,248	-	2,427	-
Net income		1,182,878	1,006,448	2,380,901	2,093,411
Other operating expenses	A21	(556,503)	(459,196)	(1,126,660)	(921,609)
Acquisition and business efficiency expenses		(6,476)	-	(6,476)	-
Operating profit		619,899	547,252	1,247,765	1,171,802
Writeback/(Allowances) for impairment on loans and financing	A22	10,638	(13,108)	31,035	(28,286)
Impairment (loss)/writeback on:					
Financial investments		(1,194)	(81)	(1,376)	(177)
Doubtful sundry receivables - net		(32,562)	(10,679)	(24,340)	(10,621)
Foreclosed properties		(6,116)	(44)	(6,375)	(10,068)
Fixed assets		-	1,350	-	1,350
Intangible assets		(1,865)	-	(1,865)	-
(Provision)/Writeback of provision for commitments and contingencies		15,522	13,813	7,323	31,225
Transfer (to)/from profit equalisation reserve		(1,802)	(4,446)	(9,011)	(4,842)
Profit before taxation and zakat		602,520	534,057	1,243,156	1,150,383
Taxation and zakat	B5	(138,710)	(141,303)	(292,385)	(303,929)
<b>Profit for the period</b>		<b>463,810</b>	<b>392,754</b>	<b>950,771</b>	<b>846,454</b>
Attributable to:					
Equity holders of the Company		441,228	380,444	906,490	823,319
Non-controlling interests		22,582	12,310	44,281	23,135
<b>Profit for the period</b>		<b>463,810</b>	<b>392,754</b>	<b>950,771</b>	<b>846,454</b>
<b>EARNINGS PER SHARE (SEN)</b>	B11				
Basic		14.67	12.68	30.16	27.47
Fully diluted		14.65	12.67	30.07	27.40

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**AMMB HOLDINGS BERHAD**  
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**UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

Group	Note	Individual Quarter		Cumulative Quarter	
		30.09.13 RM'000	30.09.12 RM'000	30.09.13 RM'000	30.09.12 RM'000
Profit for the period		463,810	392,754	950,771	846,454
Other comprehensive income/(loss):					
Foreign exchange differences on translation of foreign operations		6,641	(12,671)	12,847	(5,464)
Net movement on cash flow hedges		2,048	4,149	6,360	(9,025)
Net movement on financial investments available-for-sale		(89,051)	21,305	(89,869)	(34,647)
Income tax relating to the components of other comprehensive income		21,553	(6,200)	21,844	5,758
Other comprehensive income/(loss) for the period, net of tax		(58,809)	6,583	(48,818)	(43,378)
Total comprehensive income for the period		405,001	399,337	901,953	803,076
Total comprehensive income for the period attributable to:					
Equity holders of the Company		390,274	387,367	862,712	789,486
Non-controlling interests		14,727	11,970	39,241	13,590
		405,001	399,337	901,953	803,076

The unaudited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2013

**AMMB HOLDINGS BERHAD**  
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**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

Group	Attributable to Equity Holders of the Company								Total Equity RM'000
	Non-Distributable				Distributable				
	Ordinary Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Shares Held In Trust for ESS RM'000	Retained Earnings Non-participating Funds RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interests RM'000	
<b>At 1 April 2012</b>	3,014,185	2,537,372	1,945,591	(154,179)	104,056	3,664,064	11,111,089	380,865	11,491,954
Profit for the period	-	-	-	-	-	823,319	823,319	23,135	846,454
Other comprehensive loss, net	-	-	(33,833)	-	-	-	(33,833)	(9,545)	(43,378)
Total comprehensive income/(loss) for the period	-	-	(33,833)	-	-	823,319	789,486	13,590	803,076
Share-based payment under ESS, net	-	-	24,500	-	-	-	24,500	-	24,500
ESS shares vested to employees of subsidiaries	-	-	(44,839)	68,750	-	-	23,911	-	23,911
Transfer of ESS shares recharged difference on purchase price for shares vested	-	-	-	-	-	(12,342)	(12,342)	(272)	(12,614)
Transfer to profit equalisation reserve	-	-	1,495	-	-	-	1,495	-	1,495
Net utilisation of profit equalisation reserve	-	-	422	-	-	(422)	-	-	-
Unallocated surplus transfer	-	-	-	-	-	31,979	31,979	-	31,979
Subscription of shares in AmGeneral Holdings Bhd	-	-	-	-	-	-	-	784,000	784,000
Redemption of shares in AmPrivate Equity Sdn Bhd	-	-	-	-	-	-	-	(2,879)	(2,879)
Dividend paid	-	-	-	-	-	(406,915)	(406,915)	(870)	(407,785)
<b>At 30 September 2012</b>	<b>3,014,185</b>	<b>2,537,372</b>	<b>1,893,336</b>	<b>(85,429)</b>	<b>104,056</b>	<b>4,099,683</b>	<b>11,563,203</b>	<b>1,174,434</b>	<b>12,737,637</b>

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**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

Group	Attributable to Equity Holders of the Company								Total Equity RM'000
	Non-Distributable				Distributable				
	Ordinary Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Shares Held In Trust for ESS RM'000	Retained Earnings Non-participating Funds RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interests RM'000	
<b>At 1 April 2013</b>	3,014,185	2,537,372	1,974,999	(74,937)	110,364	4,471,197	12,033,180	1,100,050	13,133,230
Restatement (Note A32)	-	-	-	-	-	(15,939)	(15,939)	(15,314)	(31,253)
<b>At 1 April 2013 (restated)</b>	3,014,185	2,537,372	1,974,999	(74,937)	110,364	4,455,258	12,017,241	1,084,736	13,101,977
Profit for the period	-	-	-	-	-	906,490	906,490	44,281	950,771
Other comprehensive income, net	-	-	(43,778)	-	-	-	(43,778)	(5,040)	(48,818)
Total comprehensive income for the period	-	-	(43,778)	-	-	906,490	862,712	39,241	901,953
Share-based payment under ESS, net	-	-	22,579	-	-	-	22,579	-	22,579
ESS shares vested to employees of subsidiaries	-	-	(36,866)	50,822	-	-	13,956	-	13,956
Transfer of ESS shares recharged difference on purchase price for shares vested	-	-	-	-	-	(1,574)	(1,574)	(41)	(1,615)
Net utilisation of profit equalisation reserve	-	-	5,542	-	-	(5,542)	-	-	-
Unallocated surplus transfer	-	-	-	-	27,477	(36,636)	(9,159)	-	(9,159)
Dividend paid	-	-	-	-	-	(452,128)	(452,128)	-	(452,128)
<b>At 30 September 2013</b>	3,014,185	2,537,372	1,922,476	(24,115)	137,841	4,865,868	12,453,627	1,123,936	13,577,563

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**AMMB HOLDINGS BERHAD**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

<b>Group</b>	<b>30.09.13</b>	<b>30.09.12</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation	1,243,156	1,150,383
Add/(Less) adjustments for:		
Accretion of discount less amortisation of premium	(119,320)	(63,938)
Dividend income from investments	(77,878)	(37,317)
Allowance/(Writeback of allowance) for losses on loans, advances and financing	(31,035)	28,286
Net gain on redemption of financial investments held-to-maturity	(7,459)	(35,699)
Net gain on sale of financial investments available-for-sale	(31,221)	(52,887)
Net loss/(gain) on sale of financial assets held-for-trading	19,777	(32,565)
Net loss on revaluation of financial assets held-for-trading	41,318	51,194
Net gain on revaluation of derivatives	(56,680)	(41,608)
Other non-operating and non-cash items	<u>137,630</u>	<u>75,077</u>
Operating profit before working capital changes	1,118,288	1,040,926
<i>Decrease/(Increase) in operating assets:</i>		
Securities purchased under resale agreements	44,834	322,649
Deposits and placements with banks and other financial institutions	1,034,673	(151,712)
Financial assets held-for-trading	1,633,722	(2,064,645)
Loans, advances and financing	(989,969)	(4,484,337)
Reinsurance, retakaful assets and other insurance receivables	12,113	253,064
Other assets	350,421	275,881
Statutory deposits with Bank Negara Malaysia	(124,120)	(206,339)
<i>Increase/(Decrease) in operating liabilities:</i>		
Deposits and placements of banks and other financial institutions	337,157	1,541,287
Obligations on securities sold under repurchase agreements	-	(137,126)
Recourse obligation on loans sold to Cagamas Berhad	(9,611)	34,599
Deposits from customers	3,393,841	5,855,911
Term funding	639,229	784,771
Bills and acceptances payable	(1,880,103)	977,917
Insurance, takaful contract liabilities and other insurance payables	38,935	(714,697)
Other liabilities	<u>(1,436,501)</u>	<u>90,508</u>
Cash generated from operations	4,162,909	3,418,657
Taxation paid	<u>(348,512)</u>	<u>(258,641)</u>
Net cash generated from operating activities	<u>3,814,397</u>	<u>3,160,016</u>
Purchase of financial investments - net	<u>(1,177,289)</u>	<u>(670,242)</u>
Dividends received from other investments	58,409	27,988
Acquisition of AmGeneral Insurance Berhad	-	(1,397,419)
Return of surplus funds from associate	61	1,040
Proceeds from disposal of property and equipment	847	576
Purchase of property and equipment	(30,919)	(38,473)
Purchase of computer software	<u>(75,346)</u>	<u>(20,628)</u>
Net cash used in investing activities	<u>(1,224,237)</u>	<u>(2,097,158)</u>
Proceeds from issue of shares by subsidiaries to non-controlling interests	-	781,121
Dividends paid by Company to its shareholders	(452,128)	(406,915)
ESS shares vested to eligible employees	50,822	68,750
Transfer of ESS shares recharged difference on purchase price for shares vested	(1,574)	(12,342)
Dividends paid to non-controlling interests by subsidiaries	-	(870)
Net cash (used in)/generated from financing activities	<u>(402,880)</u>	<u>429,744</u>
Net increase in cash and cash equivalents	2,187,280	1,492,602
Cash and cash equivalents at beginning of period	<u>11,233,573</u>	<u>7,813,159</u>
Cash and cash equivalents at end of period	<u><u>13,420,853</u></u>	<u><u>9,305,761</u></u>

For the purpose of statements of cash flows, cash and cash equivalents consist of cash and short-term funds net of bank overdrafts. Cash and cash equivalents included in the cash flow statements comprise the following financial position amounts:

<b>Group</b>	<b>30.09.13</b>	<b>30.09.12</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and short-term funds	13,428,690	9,319,475
Bank overdrafts	<u>(2,036)</u>	<u>(11,978)</u>
	13,426,654	9,307,497
Effect of exchange rates changes	<u>(5,801)</u>	<u>(1,736)</u>
Cash and cash equivalents	<u><u>13,420,853</u></u>	<u><u>9,305,761</u></u>

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**AMMB HOLDINGS BERHAD**  
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**EXPLANATORY NOTES :**

**A1. BASIS OF PREPARATION**

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") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia.

The financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Group for the financial year ended 31 March 2013 which are available upon request from the Company's registered office at Level 22, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

These condensed consolidated interim financial statements incorporate those activities relating to Islamic banking which have been undertaken by the Group. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under Shariah principles.

The accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2013 except for the adoption of the following financial reporting standards, which did not have any impact on the accounting policies, financial position or performance of the Group:

**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 127, Separate Financial Statements
- MFRS 128, Investments in Associates and Joint Ventures
- 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"

**Standards issued but not yet effective**

The following are financial reporting standards issued by MASB that will be effective for the Group in future years. The Group intends to adopt the relevant standards when they become effective.

**Standards effective for financial year ending 31 March 2015:**

- Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities
- Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21: Levies

**Standards effective for financial year ending 31 March 2016:**

- MFRS 9, Financial Instruments

**Accounting for acquisition of AmGeneral Insurance Berhad in previous financial period**

Upon completion of the purchase price allocation exercise and allocation of goodwill to the relevant cash generating units, the carrying amount of intangible assets and residual goodwill are adjusted accordingly on a retrospective basis. The financial effects arising from these adjustments are disclosed in Note A32.



**A2. AUDIT QUALIFICATION**

There was no audit qualification in the annual financial statements for the year ended 31 March 2013.

**A3. SEASONALITY OR CYCLICALITY OF OPERATIONS**

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

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

There were no unusual items during the current financial quarter.

**A5. CHANGES IN ESTIMATES**

There was no material change in estimates of amounts reported in the prior financial years that have a material effect on the financial period ended 30 September 2013.

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

The Company has not issued any new shares and debentures during the financial quarter.

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

**A7. DIVIDENDS PAID**

During the financial period ended 30 September 2013, a final single tier dividend of 15.0% for the financial year ended 31 March 2013 amounting to RM452,127,727 was paid on 12 September 2013 to shareholders whose names appear in the record of Depositors on 30 August 2013.

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

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At Fair Value</b>		
<b>Money Market Instruments:</b>		
Malaysian Government Securities	444,151	240,252
Government Investment Issues	365,595	366,752
Bank Negara Monetary Notes	3,366	813,112
Negotiable instruments of deposits	-	68,460
	<u>813,112</u>	<u>1,488,576</u>
<b>Quoted Securities:</b>		
In Malaysia:		
Shares	227,579	176,435
Unit trusts	45,008	89,906
Warrants	5,541	4,651
Private debt securities	14,699	23,179
Outside Malaysia:		
Shares	-	4,852
	<u>292,827</u>	<u>299,023</u>
<b>Unquoted Securities:</b>		
In Malaysia:		
Unit trusts	2,641,337	1,566,829
Private debt securities	1,433,605	3,179,357
Outside Malaysia:		
Unit trusts	-	1,940
Private debt securities	155,049	486,261
	<u>4,229,991</u>	<u>5,234,387</u>
<b>Total</b>	<u><b>5,335,930</b></u>	<u><b>7,021,986</b></u>

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

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At Fair Value</b>		
<b>Money Market Instruments:</b>		
Malaysian Government Securities	296,112	-
Government Investment Issues	222,683	31,975
Negotiable instruments of deposits	619,687	843,075
Islamic negotiable debt securities	1,995,878	745,696
	<u>3,134,360</u>	<u>1,620,746</u>
<b>Quoted Securities:</b>		
In Malaysia:		
Shares	140,203	343,658
Unit trusts	830,917	513,707
Private debt securities	-	5,455
Outside Malaysia:		
Shares	33,580	29,394
	<u>1,004,700</u>	<u>892,214</u>
<b>Unquoted Securities:</b>		
In Malaysia:		
Unit trusts	1,328,268	1,341,251
Private debt securities	3,706,578	2,910,447
Outside Malaysia:		
Unit trusts	2,662	-
Private debt securities	288,595	274,766
	<u>5,326,103</u>	<u>4,526,464</u>
<b>At Cost</b>		
<b>Unquoted Securities:</b>		
In Malaysia:		
Shares	143,382	143,500
Outside Malaysia:		
Shares	8,228	25,680
	<u>151,610</u>	<u>169,180</u>
<b>Total</b>	<u>9,616,773</u>	<u>7,208,604</u>

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

	Group	
	30.09.13	31.03.13
	RM'000	RM'000
<b>At Amortised Cost</b>		
<b>Money Market Instruments:</b>		
Bank Negara Monetary Notes	1,715,868	2,980,844
<b>Unquoted Securities:</b>		
In Malaysia:		
Private debt securities	3,361,146	3,432,969
	5,077,014	6,413,813
Accumulated impairment losses	(8,601)	(194,009)
<b>Total</b>	<b>5,068,413</b>	<b>6,219,804</b>

**A11. LOANS, ADVANCES AND FINANCING**

	Group	
	30.09.13	31.03.13
	RM'000	RM'000
<b>At Amortised Cost:</b>		
Loans and financing:		
Term loans	25,419,621	26,106,610
Revolving credits	8,299,023	7,143,751
Housing loans/financing	13,730,454	13,198,316
Staff loans	141,233	148,965
Hire-purchase receivables	27,300,534	27,564,925
Credit card receivables	2,115,372	2,191,778
Overdraft	3,119,668	3,139,452
Claims on customers under acceptance credits	3,764,346	3,624,811
Trust receipts	1,039,319	934,900
Bills receivables	628,130	534,726
Others	206,990	171,015
Gross loans, advances and financing	85,764,690	84,759,249
Allowance for impairment on loans, advances and financing:		
Collective allowance	(1,943,265)	(1,986,361)
Individual allowance	(214,088)	(186,556)
	(2,157,353)	(2,172,917)
<b>Net loans, advances and financing</b>	<b>83,607,337</b>	<b>82,586,332</b>

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

(a) Gross loans, advances and financing analysed by type of customer are as follows:

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic non-bank financial institutions	422,096	1,788,780
Domestic business enterprises:		
Small and medium enterprises	10,884,236	10,278,020
Others	26,758,613	25,791,379
Government and statutory bodies	445,317	417,382
Individuals	46,600,950	45,978,280
Other domestic entities	16,742	23,053
Foreign entities	636,736	482,355
	<u>85,764,690</u>	<u>84,759,249</u>

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

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
In Malaysia	84,895,745	83,879,206
Outside Malaysia	868,945	880,043
	<u>85,764,690</u>	<u>84,759,249</u>

(c) Gross loans, advances and financing analysed by interest rate/rate of return sensitivity are as follows:

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
Variable rate:		
Base lending rate plus	26,234,445	25,417,300
Cost plus	19,432,415	19,751,119
Other variable rates	2,641,921	1,426,700
	<u>48,308,781</u>	<u>46,595,119</u>
Fixed rate:		
Housing loans/financing	1,917,658	2,069,989
Hire purchase receivables	24,436,209	24,454,794
Other fixed rate loans/financing	11,102,042	11,639,347
	<u>37,455,909</u>	<u>38,164,130</u>
	<u>85,764,690</u>	<u>84,759,249</u>

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

(d) Gross loans, advances and financing analysed by sector are as follows:

	Group	
	30.09.13 RM'000	31.03.13 RM'000
Agriculture	3,616,478	3,265,118
Mining and quarrying	2,611,853	1,785,481
Manufacturing	8,067,206	7,871,984
Electricity, gas and water	819,223	685,621
Construction	3,295,704	3,463,982
Wholesale and retail trade and hotels and restaurants	5,489,389	5,486,758
Transport, storage and communication	2,704,587	2,732,877
Finance and insurance	422,096	1,788,776
Real estate	8,066,076	7,437,154
Business activities	1,742,215	1,995,123
Education and health	1,857,259	1,793,139
Household of which:	46,558,319	45,938,601
Purchase of residential properties	13,909,516	13,353,097
Purchase of transport vehicles	25,360,740	25,495,818
Others	7,288,063	7,089,686
Others	514,285	514,635
	85,764,690	84,759,249

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

	Group	
	30.09.13 RM'000	31.03.13 RM'000
Maturing within one year	18,433,428	18,645,901
Over one year to three years	8,724,278	9,259,486
Over three years to five years	13,511,575	12,991,840
Over five years	45,095,409	43,862,022
	85,764,690	84,759,249

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

	Group	
	30.09.13 RM'000	31.03.13 RM'000
<b>Gross</b>		
Balance at beginning of financial period/year	1,680,471	1,906,176
Impaired during the period/year	878,983	1,253,501
Reclassified as non-impaired	(298,082)	(292,479)
Recoveries	(170,986)	(408,636)
Amount written-off	(420,090)	(793,677)
Repurchase of impaired loans	-	2,888
Arising from acquisition of subsidiary	-	12,698
Balance at end of financial period/year	1,670,296	1,680,471
Gross impaired loans, advances and financing as % of gross loans, advances and financing	1.9%	2.0%
Loan loss coverage excluding collateral values	129.2%	129.3%

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

(g) Impaired loans, advances and financing analysed by geographical distribution are as follows:

	Group	
	30.09.13	31.03.13
	RM'000	RM'000
In Malaysia	1,670,296	1,680,471

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

	Group	
	30.09.13	31.03.13
	RM'000	RM'000
Agriculture	22,860	20,598
Mining and quarrying	3,479	17,888
Manufacturing	226,717	254,786
Electricity, gas and water	24,042	25,906
Construction	40,633	51,111
Wholesale and retail trade and hotels and restaurants	47,678	49,908
Transport, storage and communication	90,900	18,593
Finance and insurance	1,428	28,287
Real estate	9,890	18,244
Business activities	31,287	18,898
Education and health	53,207	56,066
Household of which:	1,113,778	1,109,222
Purchase of residential properties	514,839	547,409
Purchase of transport vehicles	488,499	439,164
Others	110,440	122,649
Others	4,397	10,964
	<u>1,670,296</u>	<u>1,680,471</u>

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

	Group	
	30.09.13	31.03.13
	RM'000	RM'000
<b>Collective allowance</b>		
Balance at beginning of financial period/year	1,986,361	2,048,758
Allowance made during the financial period/year, net	265,048	455,228
Amount written-off	(309,487)	(563,368)
Arising from acquisition of subsidiary	-	40,536
Exchange fluctuation adjustments	1,343	5,207
Balance at end of financial period/year	<u>1,943,265</u>	<u>1,986,361</u>
Collective allowance as % of gross loans, advances and financing less individual allowance	<u>2.3%</u>	<u>2.3%</u>
<b>Individual allowance</b>		
Balance at beginning of financial period/year	186,556	134,792
Allowance made during the financial period/year, net	139,736	287,718
Amount written-off	(112,204)	(235,954)
Balance at end of financial period/year	<u>214,088</u>	<u>186,556</u>

#### A12. STATUTORY DEPOSIT WITH BANK NEGARA MALAYSIA

The non-interest bearing statutory deposits pertaining to investment banking, commercial and Islamic banking subsidiaries are maintained with Bank Negara Malaysia in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act, 1958 (revised 1994), the amounts of which are determined as a set percentage of total eligible liabilities.

#### A13. OTHER ASSETS

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade receivables, net of allowance for doubtful debts	840,006	973,257
Other receivables, deposits and prepayments, net of allowance for impairment	1,086,899	1,161,287
Interest receivables, net of allowance for impairment	238,513	217,152
Fee receivable, net of allowance for impairment	62,155	47,269
Amount due from Originators	370,869	379,657
Amount due from agents, brokers and reinsurers	35,163	12,812
Foreclosed properties, net of allowance for impairment	66,848	72,832
	<u>2,700,453</u>	<u>2,864,266</u>

Amount due from Originators represents housing loans and personal financing acquired from originators for onward sale to Cagamas Berhad with recourse.

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

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits from:		
Licensed banks	1,493,245	233,412
Licensed investment banks	511,692	402,298
Bank Negara Malaysia	126,095	863,663
Other financial institutions	1,359,071	1,653,573
	<u>3,490,103</u>	<u>3,152,946</u>

#### A15. DEPOSITS FROM CUSTOMERS

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
Demand deposits	11,380,086	11,776,089
Savings deposits	5,140,957	5,071,454
Term/Investment deposits	71,664,143	67,928,630
Negotiable instruments of deposits	68,654	83,814
	<u>88,253,840</u>	<u>84,859,987</u>

The deposits are sourced from the following types of customers:

Business enterprises	43,058,628	39,348,222
Individuals	33,380,873	33,952,401
Government and statutory bodies	9,429,129	9,852,981
Others	2,385,210	1,706,383
	<u>88,253,840</u>	<u>84,859,987</u>



**A16. OTHER LIABILITIES**

	Group	
	30.09.13 RM'000	31.03.13 RM'000
Trade payables	560,374	930,052
Other payables and accruals	2,068,576	3,060,408
Interest payable	790,519	712,719
Lease deposits and advance rentals	23,007	29,401
Provision for commitments and contingencies	79,692	204,795
Profit equalisation reserve	8,205	1,659
Provision for taxation	47,717	107,405
	3,665,640	5,046,439

**A17. INTEREST INCOME**

Group	Individual Quarter		Cumulative Quarter	
	30.09.13 RM'000	30.09.12 RM'000	30.09.13 RM'000	30.09.12 RM'000
Short-term funds and deposits with financial institutions	51,737	60,648	100,107	105,476
Financial assets held-for-trading	20,008	81,034	54,100	145,570
Financial investments available-for-sale	46,938	48,416	93,431	104,460
Financial investments held-to-maturity	53,415	18,394	108,894	19,921
Loans and advances	957,396	910,201	1,914,647	1,815,666
Impaired loans and advance	1,092	1,087	1,597	3,455
Others	4,188	5,329	9,386	10,823
	1,134,774	1,125,109	2,282,162	2,205,371

**A18. INTEREST EXPENSE**

Group	Individual Quarter		Cumulative Quarter	
	30.09.13 RM'000	30.09.12 RM'000	30.09.13 RM'000	30.09.12 RM'000
Deposits from customers	468,681	450,236	926,079	879,284
Deposit and placements of banks and other financial institutions	7,835	8,245	19,198	22,094
Senior notes	48,145	39,790	94,257	72,719
Credit-Linked Note	4,296	6,256	10,618	12,870
Recourse obligation on loans sold to Cagamas Berhad	10,266	10,281	20,432	20,449
Term loans	6,522	5,959	13,496	11,778
Subordinated deposits and term loans	5,476	5,919	11,160	11,715
Medium term notes	20,875	22,255	41,523	44,268
Hybrid and Innovative Tier 1 capital securities	20,635	20,245	40,606	40,360
Others	10,695	4,886	17,616	11,094
	603,426	574,072	1,194,985	1,126,631

#### A19. NET INCOME FROM INSURANCE BUSINESS

Group	Individual Quarter		Cumulative Quarter	
	30.09.13 RM'000	30.09.12 RM'000	30.09.13 RM'000	30.09.12 RM'000
Income from Insurance Business:				
Premium income from general insurance business	396,505	144,364	778,621	283,708
Premium income from life and family takaful insurance business	134,949	96,657	270,474	201,756
	<u>531,454</u>	<u>241,021</u>	<u>1,049,095</u>	<u>485,464</u>
Insurance Claims and Commissions:				
Insurance commission	59,722	20,615	116,707	49,770
General insurance claims	251,274	72,513	491,191	163,197
Life and family takaful insurance claims	87,464	139,228	195,077	227,147
	<u>398,460</u>	<u>232,356</u>	<u>802,975</u>	<u>440,114</u>
Total income from insurance business, net	<u>132,994</u>	<u>8,665</u>	<u>246,120</u>	<u>45,350</u>

#### A20. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.09.13 RM'000	30.09.12 RM'000	30.09.13 RM'000	30.09.12 RM'000
Fee and commission income:				
Fees on loans, financing and securities	66,024	45,632	133,299	99,097
Corporate advisory	19,855	5,246	24,632	15,410
Guarantee fees	12,623	9,127	24,811	18,368
Underwriting commissions	1,810	3,632	1,810	7,240
Portfolio management fees	8,860	7,640	17,026	14,940
Unit trust management fees	25,943	24,862	50,682	48,383
Brokerage rebates	145	97	303	166
Property trust management fees	1,574	1,456	3,157	2,897
Brokerage fees and commissions	21,147	19,305	46,158	39,516
Bancassurance commission	7,602	8,868	16,902	17,352
Wealth management fees	4,229	6,471	10,861	11,567
Other fee and commission income	20,576	24,096	43,627	46,998
	<u>190,388</u>	<u>156,432</u>	<u>373,268</u>	<u>321,934</u>
Investment and trading income:				
Net gain/(loss) from sale of financial assets held-for-trading	(28,049)	12,115	(22,220)	27,541
Net gain from sale of financial investments available-for-sale	14,438	21,295	31,105	51,305
Net gain on redemption of financial investments held-to-maturity	6,674	4,306	7,459	35,699
Net gain/(loss) on revaluation of financial assets held-for-trading	(12,674)	(29,544)	(42,392)	(44,503)
Net foreign exchange gain <sup>1</sup>	24,607	31,371	53,522	48,572
Net gain on derivatives	27,504	13,588	56,680	41,608
Gross dividend income from:				
Financial assets held-for-trading	12,587	5,206	22,626	10,383
Financial investments available-for-sale	24,433	10,296	55,255	26,934
Others	(2)	3	(6)	(247)
	<u>69,512</u>	<u>68,636</u>	<u>162,026</u>	<u>197,292</u>

**A20. OTHER OPERATING INCOME (CONT'D.)**

Group	Individual Quarter		Cumulative Quarter	
	30.09.13 RM'000	30.09.12 RM'000	30.09.13 RM'000	30.09.12 RM'000
Other income:				
Net non-trading foreign exchange gain/(loss)	(1,140)	1	(1,201)	(125)
Net gain/(loss) on disposal of property and equipmen	132	(1,644)	375	(1,618)
Rental income	1,879	2,735	3,843	2,784
Others	29,359	2,012	42,707	7,607
	<u>30,230</u>	<u>3,104</u>	<u>45,724</u>	<u>8,648</u>
	<u>290,130</u>	<u>228,172</u>	<u>581,018</u>	<u>527,874</u>

<sup>1</sup> Foreign exchange gain includes gains and losses from spot and forward contracts and other currency derivatives.

**A21. OTHER OPERATING EXPENSES**

Group	Individual Quarter		Cumulative Quarter	
	30.09.13 RM'000	30.09.12 RM'000	30.09.13 RM'000	30.09.12 RM'000
Personnel costs:				
Salaries, allowances and bonuses	245,881	212,207	509,670	432,124
Shares/options granted under Group Executives' Share Scheme	16,117	20,516	21,764	24,458
Others	72,993	64,222	144,495	123,891
	<u>334,991</u>	<u>296,945</u>	<u>675,929</u>	<u>580,473</u>
Establishment costs:				
Depreciation of property and equipment	16,031	14,039	32,764	27,903
Amortisation of intangible assets	22,509	13,097	49,998	25,788
Computerisation costs	46,940	42,343	94,956	85,936
Rental of premises	25,578	23,899	50,661	47,656
Cleaning, maintenance and security	7,460	6,553	14,387	13,504
Others	10,455	6,477	22,440	13,972
	<u>128,973</u>	<u>106,408</u>	<u>265,206</u>	<u>214,759</u>
Marketing and communication expenses:				
Sales commission	2,667	70	5,883	565
Advertising, promotional and other marketing activities	16,239	9,397	31,339	21,710
Telephone charges	5,302	4,438	10,356	9,074
Postage	4,009	3,702	8,897	7,926
Travel and entertainment	6,205	5,400	13,194	10,143
Others	9,194	5,442	18,355	11,329
	<u>43,616</u>	<u>28,449</u>	<u>88,024</u>	<u>60,747</u>
Administration and general expenses:				
Professional services	34,811	20,869	63,478	44,370
Donations	397	549	5,495	579
Administration and management expenses	97	240	273	497
Others	23,889	10,448	46,697	28,979
	<u>59,194</u>	<u>32,106</u>	<u>115,943</u>	<u>74,425</u>
Expenses capitalised	(10,271)	(4,712)	(18,442)	(8,795)
	<u>556,503</u>	<u>459,196</u>	<u>1,126,660</u>	<u>921,609</u>

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

<b>Group</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30.09.13</b>	<b>30.09.12</b>	<b>30.09.13</b>	<b>30.09.12</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowance for impaired loans, advances and financing:				
Individual allowance, net	80,897	49,426	139,736	66,687
Collective allowance, net	82,373	106,649	265,048	268,235
Impaired loans, advances and financing:				
Recovered, net	(173,908)	(142,967)	(435,819)	(306,636)
	<u>(10,638)</u>	<u>13,108</u>	<u>(31,035)</u>	<u>28,286</u>

**A23. BUSINESS SEGMENT ANALYSIS**

<b>Group</b>	<b>Retail</b>	<b>Business</b>	<b>Investment</b>	<b>Corporate and</b>	<b>Insurance</b>	<b>Markets</b>	<b>Group</b>	<b>Total</b>
<b>30.09.13</b>	<b>Banking</b>	<b>Banking</b>	<b>Banking</b>	<b>Institutional Banking</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Functions</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>and Others</b>	<b>RM'000</b>
							<b>RM'000</b>	<b>RM'000</b>
Operating revenue	1,491,356	430,897	218,379	900,619	1,179,880	119,829	447,829	4,788,789
Income	989,326	315,206	215,977	262,334	370,465	102,138	125,455	2,380,901
Expenses	(455,111)	(52,936)	(125,611)	(43,471)	(207,505)	(35,261)	(213,241)	(1,133,136)
Profit/(Loss) before provisions	534,215	262,270	90,366	218,863	162,960	66,877	(87,786)	1,247,765
(Provisions)/Writeback of provisions	(60,758)	(2,182)	9,103	28,702	(2,148)	2,741	19,933	(4,609)
Profit after provisions	473,457	260,088	99,469	247,565	160,812	69,618	(67,853)	1,243,156
Taxation and zakat	(117,014)	(64,356)	(21,363)	(52,786)	(48,352)	(16,907)	28,393	(292,385)
Net profit for the period	356,443	195,732	78,106	194,779	112,460	52,711	(39,460)	950,771

**Other information:**

Cost to income ratio	46.0%	16.8%	58.2%	16.6%	56.0%	34.5%	170.0%	47.6%
Gross loans/ financing	49,154,676	18,405,809	1,118,374	16,679,542	133,838	-	272,451	85,764,690
Net loans/ financing	48,135,919	18,200,635	1,110,780	16,575,700	132,685	-	(548,382)	83,607,337
Gross impaired loans, advances and financing	1,287,532	118,252	3,505	-	-	-	261,007	1,670,296
Total deposits	38,491,297	10,016,218	52,920	41,841,258	-	375,267	966,983	91,743,943

**A23. BUSINESS SEGMENT ANALYSIS (CONT'D.)**

<b>Group</b>	<b>Retail Banking</b>	<b>Business Banking</b>	<b>Investment Banking</b>	<b>Corporate and Institutional Banking</b>	<b>Insurance</b>	<b>Markets</b>	<b>Group Functions and Others</b>	<b>Total</b>
<b>30.09.12</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Operating revenue	1,366,704	397,096	176,482	883,072	598,590	158,356	437,807	4,018,107
Income	907,381	303,971	174,651	266,629	158,476	139,606	142,697	2,093,411
Expenses	(394,787)	(52,239)	(119,626)	(39,392)	(97,906)	(39,355)	(178,304)	(921,609)
Profit before provisions	512,594	251,732	55,025	227,237	60,570	100,251	(35,607)	1,171,802
(Provisions)/Writeback of provisions	(95,066)	(35,535)	(5,534)	26,814	(7,512)	9,040	86,374	(21,419)
Profit/(Loss) after provisions	417,528	216,197	49,491	254,051	53,058	109,291	50,767	1,150,383
Taxation and zakat	(104,382)	(53,733)	(17,738)	(56,688)	(21,642)	(27,208)	(22,538)	(303,929)
Net profit/(loss) for the period	313,146	162,464	31,753	197,363	31,416	82,083	28,229	846,454

**Other information**

Cost to income ratio	43.5%	17.2%	68.5%	14.8%	61.8%	28.2%	125.0%	44.0%
Gross loans/ financing	47,764,633	17,313,399	660,175	16,328,444	121,845	-	202,394	82,390,890
Net loans/ financing	46,750,320	16,921,416	653,229	16,184,056	121,411	-	(460,228)	80,170,204
Gross impaired loans, advances and financing	1,288,336	270,265	4,133	-	-	-	260,523	1,823,257
Total deposits	34,627,133	7,749,962	83,574	43,393,041	-	172,628	2,592,849	88,619,187

The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia except for FIPL and its subsidiaries, AMCI, AmCapital (B) Sdn Bhd, AmSecurities (H.K.) Limited and AmTrade Services Limited, activities of which are principally conducted in Singapore, Indonesia, Brunei and Hong Kong respectively. These activities are not significant in relation to the Group's activities in Malaysia.

Certain comparative figures have been restated to conform with current period's presentation.

**A24. VALUATION OF PROPERTY AND EQUIPMENT**

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

**A25. EVENTS SUBSEQUENT TO REPORTING DATE**

There were no other significant events subsequent to reporting date other than as disclosed in Note B6.

**A26. CHANGES IN THE COMPOSITION OF THE GROUP AND THE COMPANY**

There were no material changes in the composition of the Group and the Company for the current financial quarter.

## A27. COMMITMENTS AND CONTINGENCIES

In the normal course of business, AmBank (M) Berhad, AmInvestment Bank Berhad, AmIslamic Bank Berhad and AmInternational (L) Ltd, make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions other than those where provision had been made in the financial statements. The commitments and contingencies are not secured against the Group's assets.

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

<b>Group</b>	<b>30.09.13</b>	<b>31.03.13</b>
	<b>Principal Amount RM'000</b>	<b>Principal Amount RM'000</b>
<b>Commitments</b>		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
up to one year	19,642,199	19,414,354
over one year	7,130,815	6,925,080
Unutilised credit card lines	3,683,005	3,789,713
Forward asset purchases	393,353	108,266
	<u>30,849,372</u>	<u>30,237,413</u>
<b>Contingent Liabilities</b>		
Direct credit substitutes	1,453,588	1,505,620
Transaction related contingent items	4,747,363	4,393,242
Obligations under underwriting agreements	421,981	330,000
Short term self liquidating trade related contingencies	666,078	676,655
	<u>7,289,010</u>	<u>6,905,517</u>
<b>Derivative Financial Instruments</b>		
Interest/Profit rate related contracts:	39,225,406	36,341,198
One year or less	3,126,510	4,548,404
Over one year to five years	26,828,013	22,110,387
Over five years	9,270,883	9,682,407
Foreign exchange related contracts:	22,447,720	27,176,687
One year or less	18,029,737	22,898,737
Over one year to five years	3,510,705	3,440,503
Over five years	907,278	837,447
Credit related contracts:	611,863	863,536
One year or less	-	267,510
Over one year to five years	306,207	298,275
Over five years	305,656	297,751
Equity and commodity related contracts:	835,850	943,133
One year or less	440,053	395,123
Over one year to five years	395,797	547,989
Over five years	-	21
	<u>63,120,839</u>	<u>65,324,554</u>
	<u>101,259,221</u>	<u>102,467,484</u>



## A27. COMMITMENTS AND CONTINGENCIES (CONT'D.)

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

- (a) The Company has given unsecured guarantees amounting to RM150,000,000 (31 March 2013: RM225,000,000) on behalf of a subsidiary for the payment and discharge of all monies due on trading accounts maintained by customers with the said subsidiary.
- (b) The Company has given a continuing undertaking totalling SGD40,000,000 (31 March 2013: SGD40,000,000) to the Monetary Authority of Singapore on behalf of AmFraser Securities Pte Ltd to meet its liabilities and financial obligations and requirements.
- (c) AmBank (M) Berhad has given a continuing guarantee to Labuan Financial Services Authority ("LFSA") on behalf of AmInternational (L) Ltd ("AMIL"), AmBank's offshore banking subsidiary, to meet all its liabilities and financial obligations and requirements.
- (d) The Company has given a guarantee to HSI Services Limited ("HSI") and Hang Seng Data Services Limited ("HSDS") on behalf of its subsidiary, AmLife Insurance Berhad ("AmLife"), for the performance and discharge by AmLife of its obligations under the licence agreement with HSI and HSDS for use of the Hang Seng China Enterprise Index in respect of AmLife's investment-linked product called AmAsia Link-Capital Guaranteed Fund.
- (e) 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 RM19,602,119.23 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. Just before the trial proceeded, MAA added Meridian as a Co-Defendant in the MAA Suit.

AmTrustee was also served on 2 September 2009 with a copy of a Third Party Notice dated 12 August 2009 by solicitors acting for Meridian. The Third Party Notice was taken against AmTrustee by Meridian to indemnify Meridian on a suit filed by Kumpulan Wang Persaraan (DiPerbadankan) ("KWAP") against Meridian in 2007. AmTrustee filed an application to strike out the Third Party Notice. The court allowed AmTrustee's application. Meridian appealed against this decision to the Court of Appeal and the Court of Appeal dismissed the appeal on 1 November 2010 ("Order"). With this Order, AmTrustee is no longer involved in KWAP's claim against Meridian. Decision was handed down by the High Court against Meridian in KWAP's claim on 5 May 2012 for a sum of RM7,254,050.42 with interest on the said sum from the date of the misappropriation of the said sum to the date of judgment and a further interest of 8% on the said sum from the date of judgment to the date of settlement of the judgment sum.

In the MAA Suit, prior to the commencement of the trial, MAA amended its Statement of Claim to include Meridian as a second Defendant. Prior to this MAA's amendment, AmTrustee had already filed a Third Party Notice against Meridian on 6 November 2006 in the MAA Suit 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 another subsidiary of the Banking Group, namely AmInvestment Bank Berhad 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 AmInvestment Bank Berhad as a party to the Meridian's Suit "Order" 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 "Order", hence no litigation is pending today against AmInvestment Bank Berhad 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.

Trial proceeded on 3rd to 5th of December 2012 and on 10th and 13th December 2012 and continued on 18th to 20th February 2013. Matter was fixed for decision and or clarification on 11 April 2013.

After clarification of the matter on 11 April 2013 the court decided as follows ("Decision"):

## A27. COMMITMENTS AND CONTINGENCIES (CONT'D.)

(e) In the MAA Suit:

- the court dismissed MAA's claim against AmTrustee with costs of RM100,000.00 and interest at 5% on the cost from the date of the decision to the date of settlement. Meridian on the other hand was found to be fully liable to MAA and was ordered to pay the sum of RM19,602,119.23 with interest from the date of filing of the writ to the date of realization and costs of RM100,000.00 with interest at 5% on the cost from the date of the decision to the date of settlement.

In the Meridian Suit:

- the court found that AmTrustee is liable to contribute and indemnify Meridian for 40% of the amount that Meridian has been found liable to MAA and KWAP.

This essentially means that Meridian has to pay MAA and KWAP for all the damages claimed by MAA and KWAP and AmTrustee has to pay 40% of that amount that Meridian has paid to MAA and KWAP. Court further awarded Meridian to pay AmTrustee cost of RM20,000.00.

Both Meridian and MAA to date have filed their appeals (against the Decision on 8 May 2013 and 9 May 2013 respectively). The appeals were called up for Case Management on 20 June 2013, wherein parties were directed to take steps prior to the actual hearing of the appeals and is now refixed for further Case Management on 6 August 2013.

Am Trustee obtained solicitors advice on MAA appeal and Meridian appeal. AmTrustee's solicitors advised Am Trustee to file its cross appeals against MAA's appeal and Meridian's appeal so as to reduce Am Trustee's 40% contribution of amount that Meridian has paid to MAA and KWAP. Am Trustee's solicitors are of the view that Am Trustee has a fair chance of succeeding in its cross-appeals.

On 6 August 2013, the Court of Appeal ordered MAA and Meridian to file their Supplementary Record of Appeal by 23 August 2013 and AmTrustee to file its notice of cross-appeals by 2 September 2013.

On 23 August 2013, MAA and Meridian filed their Supplementary Record of Appeal on 23 August 2013 and AmTrustee filed its notice of cross-appeals on 30 August 2013.

Altogether, there will be 6 appeals by the parties in the Court of Appeal:

- MAA Suit:
- (i) MAA's appeal against the Decision in the MAA Suit;
  - (ii) Meridian's appeal against the Decision in the MAA Suit;
  - (iii) AmTrustee's cross-appeal against MAA's appeal in the MAA Suit;
  - (iv) AmTrustee's cross-appeal against Meridian's appeal in the MAA Suit;
- Meridian's Suit:
- (v) Meridian's appeal against the Decision in the Meridian Suit;
  - (vi) AmTrustee's appeal against Meridian's appeal in the Meridian Suit.

The Court of Appeal was fixed the appeals for further case management on 5 September 2013 for parties to update Court of Appeal on the status of their appeals. On 5 September 2013 the Court of Appeal fixed 29 January 2014 for the parties to file Written Submissions. The Court of Appeal also had fixed the hearing on the appeals and cross appeals on 14 February 2014.

**A28. DERIVATIVE FINANCIAL ASSETS/LIABILITIES**

Group	30.09.13			31.03.13		
	Contract/ Notional Amount RM'000	Fair Value		Contract/ Notional Amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>						
Interest rate related contracts:	36,285,406	186,541	199,016	34,316,198	214,474	229,217
- One year or less	2,656,510	940	3,351	4,103,404	5,343	6,297
- Over one year to three years	12,923,765	49,243	60,972	8,643,427	36,959	55,507
- Over three years	20,705,131	136,358	134,693	21,569,367	172,172	167,413
Foreign exchange related contracts:	22,447,720	344,900	334,916	27,176,687	149,127	141,108
- One year or less	18,029,737	136,750	135,362	22,898,737	77,451	64,887
- Over one year to three years	3,505,801	129,897	135,092	1,615,738	18,008	20,965
- Over three years	912,182	78,253	64,462	2,662,212	53,668	55,256
Credit derivative contracts:	611,864	29,679	11,555	863,536	12,932	6,113
- One year or less	-	-	-	267,510	-	2,140
- Over one year to three years	306,207	5,712	1,207	-	-	-
- Over three years	305,657	23,967	10,348	596,026	12,932	3,973
Equity and commodity related contracts:	835,849	4,951	40,572	943,133	6,191	29,585
- One year or less	505,363	4,307	39,928	488,457	1,528	20,210
- Over one year to three years	330,486	644	644	454,655	4,661	9,375
- Over three years	-	-	-	21	2	-
	<b>60,180,839</b>	<b>566,071</b>	<b>586,059</b>	<b>63,299,554</b>	<b>382,724</b>	<b>406,023</b>
<b>Hedging derivatives</b>						
Interest rate related contracts,						
Interest rate swaps:						
Cash flow hedge	2,940,000	1,286	12,499	2,025,000	533	16,632
- One year or less	470,000	-	706	445,000	-	1,391
- Over one year to three years	1,470,000	827	9,493	1,480,000	-	15,241
- Over three years	1,000,000	459	2,300	100,000	533	-
	<b>2,940,000</b>	<b>1,286</b>	<b>12,499</b>	<b>2,025,000</b>	<b>533</b>	<b>16,632</b>
Total	<b>63,120,839</b>	<b>567,357</b>	<b>598,558</b>	<b>65,324,554</b>	<b>383,257</b>	<b>422,655</b>

**Purpose of engaging in financial derivatives**

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

The principal foreign exchange rate contracts used are forward foreign exchange contracts, cross currency swaps and foreign exchange options. Forward foreign exchange contracts are agreements to buy or sell a specified quantity of foreign currency on a specified future date at an agreed rate. A cross currency swap generally involves the exchange, or notional exchange, of equivalent amounts of two currencies and a commitment to exchange interest periodically until the principal amounts are re-exchanged on a future date. A foreign exchange option is a financial derivative that provides the buyer of the option with the right, but not obligation, to buy/sell a specified amount of one currency for another currency at a nominated strike rate during a certain period of time or on a specific date.

## **A28. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONT'D.)**

### **Purpose of engaging in financial derivatives (Cont'd.)**

An Interest Rate Option ("IRO") is a financial derivative that provides the buyer of the option with the right, but not obligation, to buy/sell a specified underlying interest rate related asset e.g. the KLIBOR index at a nominated strike rate during a certain period of time or on a specific date. Basic IRO includes interest rate cap and interest rate floor.

The principal interest rate contracts used are interest rate futures, interest rate swaps and forward rate agreements. Forward rate agreements are contracts for the payment of the difference between a specified interest rate and a reference rate on a notional deposit at a future settlement date. There is no exchange of principal. An interest rate futures contract is an exchange traded contract whose value is based on the difference between a specific interest rate and a reference rate on a notional deposit or fixed income security at a future settlement date. Interest rate swap transactions generally involve the exchange of fixed and floating interest payment obligations without the exchange of the underlying principal amounts.

The principal equity contracts used are equity option, equity futures and equity swaps. An equity option is a financial derivative that represents a contract sold by one party (option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) an equity at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). An equity futures contract is an exchange traded contract to buy specific quantities of an equity at a specified price with delivery set at a specified time in the future. Equity Swaps are one of the most basic equity derivatives products and are usually traded over-the-counter ("OTC") with financial institutions and corporates. It is a contractual agreement between parties to exchange two streams of payments, one based on a predetermined index or equity price, and the other based on a reference interest rate (ie KLIBOR or LIBOR). The underlying reference for Equity Swaps is usually to an index, a basket of stocks or a single underlying stock.

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

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

### **Risk associated with financial derivatives**

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

### **Market risk of derivatives used for trading purposes**

Market risk arising from the above interest rate-related, foreign exchange-related and equity-related derivatives contracts measures the potential losses to the value of these contracts due to changes in market rates/prices. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions.

The contractual amounts of these contracts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk, Value at risk method is used to measure the market risk from these contracts. Value at risk, is a statistical measure that estimates the potential changes in portfolio value that may occur, brought about by daily changes in market rates over a specified holding period at a specific confidence level under normal market condition.

## **A28. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONT'D.)**

### **General disclosure for derivatives and counterparty credit risk**

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

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

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

### **Liquidity risk of derivatives**

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

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

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

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

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

## A28. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONT'D.)

### Derivative Financial Instruments and Hedge Accounting

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

The Group enters into derivative transactions for trading and for hedging purposes. For derivatives held-for-trading, fair value changes are recognised in the income statements. For derivative transactions that meet the specific criteria for hedge accounting, the Group applies either fair value, cash flow or net investment hedge accounting.

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

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

#### (i) Fair value hedge

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

#### (ii) Cash flow hedge

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

## A29. CAPITAL ADEQUACY RATIO

(a) The capital adequacy ratios of our regulated banking subsidiaries and a pro-forma Group view are as follows:

	30.09.13			
	AmBank	AmIslamic Bank	AmInvestment Bank	Group *
Before deducting proposed dividends:				
Common Equity Tier 1 ("CET1") Capital	8.833%	9.984%	23.925%	9.534%
Tier 1 capital ratio	11.087%	9.984%	23.925%	11.207%
Total capital ratio	14.432%	15.136%	23.925%	14.937%
After deducting proposed dividends:				
Common Equity Tier 1 ("CET1") Capital	8.833%	9.984%	23.925%	9.534%
Tier 1 capital ratio	11.087%	9.984%	23.925%	11.207%
Total capital ratio	14.432%	15.136%	23.925%	14.937%

	31.03.13			
	AmBank (Restated)	AmIslamic Bank	AmInvestment Bank	Group * (Restated)
Before deducting proposed dividends:				
Common Equity Tier 1 ("CET1") Capital	9.196%	9.470%	25.749%	9.807%
Tier 1 capital ratio	11.450%	9.470%	25.749%	11.493%
Total capital ratio	14.792%	14.620%	25.749%	15.235%
After deducting proposed dividends:				
Common Equity Tier 1 ("CET1") Capital	8.619%	9.470%	25.749%	9.375%
Tier 1 capital ratio	10.872%	9.470%	25.749%	11.061%
Total capital ratio	14.215%	14.620%	25.749%	14.803%

\* Notes:

- The capital adequacy ratios on a consolidated basis of the banking institution include the financial related services within the Group. The Group have adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk. With effect from 1 January 2013, the capital adequacy ratios are computed in accordance with BNM's guidelines on Capital Adequacy Framework (Capital Components) issued on 28 November 2012, which is based on the Basel III capital accord. The minimum regulatory capital adequacy requirements are as follows:

	Calendar Year		
	2013	2014	2015
Common Equity Tier 1 ("CET 1")	3.5%	4.0%	4.5%
Tier 1 capital ratio	4.5%	5.5%	6.0%
Total capital ratio	8.0%	8.0%	8.0%

- Group\* figures presented in this Report represent an **aggregation** of the consolidated capital positions and risk weighted assets ("RWA") of our regulated banking institutions. The consolidated positions of each entity are published at [www.ambankgroup.com](http://www.ambankgroup.com).
- The capital position and RWA of AmBank refers to the combined capital base and RWA of AmBank (M) Bhd and its wholly-owned offshore banking subsidiary, AmInternational (L) Ltd ("AMIL")

**A29. CAPITAL MANAGEMENT (CONTD.)**

(b) The aggregated components of Tier 1 and Tier 2 Capital of the Group are as follows:

	30.09.13			Group *
	AmBank RM'000	AmIslamic Bank RM'000	AmInvestment Bank RM'000	
<b><u>Common Equity Tier 1 ("CET1") Capital</u></b>				
Ordinary shares	820,364	462,922	200,000	1,483,286
Share premium	942,844	724,185	-	1,667,029
Retained earnings	3,734,283	652,753	125,077	4,526,539
Unrealised gains/(losses) on available-for-sale ("AFS") financial instruments	(54,604)	(13,449)	1,822	(66,337)
Foreign exchange translation reserve	(2,635)	-	-	31,955
Statutory reserve	980,969	424,266	200,000	1,605,235
Capital reserve	-	-	-	2,815
Merger reserve	48,516	-	-	111,805
Cash flow hedging reserve	(7,875)	-	-	(7,875)
Less: Regulatory adjustments applied on CET1 capital				
Goodwill	-	-	-	(11,243)
Intangible assets	(283,025)	(36)	(2,100)	(289,883)
Deferred tax assets	(68,018)	-	(9,713)	(139,730)
Cash flow hedging reserve	7,875	-	-	7,875
55% of cumulative gains of AFS financial instruments	-	-	(1,002)	(1,031)
Deduction in excess of Tier 2 capital**	-	-	(146,411)	(22,319)
<b>CET1 capital</b>	<b>6,118,694</b>	<b>2,250,641</b>	<b>367,673</b>	<b>8,898,121</b>
<b><u>Additional Tier 1 ("T1") capital</u></b>				
Additional Tier 1 capital instruments (subject to gradual phase-out treatment)	1,561,590	-	-	1,561,590
<b>Tier 1 capital</b>	<b>7,680,284</b>	<b>2,250,641</b>	<b>367,673</b>	<b>10,459,711</b>
<b><u>Tier 2 ("T2") capital</u></b>				
Tier 2 capital instruments (subject to gradual phase-out treatment)	1,557,800	900,000	-	2,457,800
Collective allowance and regulatory reserves	768,060	261,420	4,300	1,029,438
Less: Regulatory adjustments applied on Tier 2 capital	(8,609)	-	(4,300)	(6,665)
<b>Tier 2 capital</b>	<b>2,317,251</b>	<b>1,161,420</b>	<b>-</b>	<b>3,480,573</b>
<b>Total Capital</b>	<b>9,997,535</b>	<b>3,412,061</b>	<b>367,673</b>	<b>13,940,284</b>
Credit RWA	61,444,822	21,392,148	969,400	83,996,020
Less: Credit RWA absorbed by Restricted Profit Sharing Investment Account	-	(478,528)	-	(478,528)
Total Credit RWA	61,444,822	20,913,620	969,400	83,517,492
Market RWA	2,894,538	179,688	173,021	3,248,025
Operational RWA	4,931,192	1,449,621	394,327	6,562,672
Large exposure risk RWA for equity holdings	713	-	-	713
<b>Total Risk Weighted Assets</b>	<b>69,271,265</b>	<b>22,542,929</b>	<b>1,536,748</b>	<b>93,328,902</b>

\*\* The portion of regulatory adjustments not deducted from Tier 2 (as the AmInvestment Bank does not have enough Tier 2 to satisfy the deduction) is deducted from the next higher level of capital as per paragraph 31.1 of the Bank Negara Malaysia's Capital Adequacy Framework (Capital Components).



**A29. CAPITAL MANAGEMENT (CONTD.)**

(b) The aggregated components of Tier 1 and Tier 2 Capital of the Group are as follows:

	31.03.13			Group *
	AmBank RM'000 (Restated)	AmIslamic Bank RM'000	AmInvestment Bank RM'000	
<b><u>Common Equity Tier 1 ("CET1") Capital</u></b>				
Ordinary shares	820,364	462,922	200,000	1,483,286
Share premium	942,844	724,185	-	1,667,029
Retained earnings	3,501,590	521,327	118,308	4,155,650
Less: proposed dividend - final	(400,338)	-	-	(400,338)
Unrealised gains/(losses) on available-for-sale ("AFS") financial instruments	(8,402)	(7,256)	3,110	(13,268)
Foreign exchange translation reserve	(14,760)	-	-	15,228
Statutory reserve	980,969	424,266	200,000	1,605,235
Capital reserve	-	-	-	2,815
Merger reserve	507,017	-	-	578,129
Cash flow hedging reserve	(12,644)	-	-	(12,644)
Less: Regulatory adjustments applied on CET1 capital				
Goodwill	-	-	-	(11,243)
Intangible assets	(235,655)	(50)	(2,347)	(238,108)
Deferred tax assets	(120,523)	-	(11,512)	(135,531)
Cash flow hedging reserve	12,644	-	-	12,644
55% of cumulative gains of AFS financial instruments	-	-	(1,711)	(1,739)
Deduction in excess of Tier 2 capital**	-	-	(110,010)	(23,267)
<b>CET1 capital</b>	<b>5,973,106</b>	<b>2,125,394</b>	<b>395,837</b>	<b>8,683,878</b>
<b><u>Additional Tier 1 ("T1") capital</u></b>				
Additional Tier 1 capital instruments (subject to gradual phase-out treatment)	1,561,590	-	-	1,561,590
<b>Tier 1 capital</b>	<b>7,534,696</b>	<b>2,125,394</b>	<b>395,837</b>	<b>10,245,468</b>
<b><u>Tier 2 ("T2") capital</u></b>				
Tier 2 capital instruments (subject to gradual phase-out treatment)	1,557,800	900,000	-	2,457,800
Collective allowance and regulatory reserves	758,815	255,665	2,789	1,013,216
Less: Regulatory adjustments applied on Tier 2 capital	(133)	-	(2,789)	(4,744)
<b>Tier 2 capital</b>	<b>2,316,482</b>	<b>1,155,665</b>	<b>-</b>	<b>3,466,272</b>
<b>Total Capital</b>	<b>9,851,178</b>	<b>3,281,059</b>	<b>395,837</b>	<b>13,711,740</b>
Credit RWA	60,705,227	20,954,069	1,118,859	82,822,720
Less: Credit RWA absorbed by Restricted Profit Sharing Investment Account	-	(500,866)	-	(500,866)
Total Credit RWA	60,705,227	20,453,203	1,118,859	82,321,854
Market RWA	3,722,181	583,120	9,366	4,318,447
Operational RWA	4,875,083	1,406,226	409,052	5,988,974
Large exposure risk RWA for equity holdings	713	-	-	713
<b>Total Risk Weighted Assets</b>	<b>69,303,204</b>	<b>22,442,549</b>	<b>1,537,277</b>	<b>92,629,988</b>

\*\* The portion of regulatory adjustments not deducted from Tier 2 (as the AmInvestment Bank does not have enough Tier 2 to satisfy the deduction) is deducted from the next higher level of capital as per paragraph 31.1 of the Bank Negara Malaysia's Capital Adequacy Framework (Capital Components).

The risk weighted assets of the Group are derived by aggregating the consolidated risk weighted assets of the banking subsidiaries. The aggregated Operational risk weighted assets of the Group has been adjusted to reflect the disposal of AmIslamic Bank by AmBank to the Company on 28 February 2011.

**A30. CREDIT EXPOSURE ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES**

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
Outstanding credit exposures with connected parties	3,330,385	3,647,974
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	3.40	3.79
- which is non-performing or in default	0.47	0.25

The disclosure on Credit Transaction and Exposures with Connected Parties above is presented in accordance with para 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

**A31. ISLAMIC BANKING BUSINESS**

The state of affairs as at 30 September 2013 and the results for the period ended 30 September 2013 of the Islamic banking business of the Group and included in the financial statements after elimination of intercompany transactions and balances are summarised as follows:

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2013**

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
Cash and short-term funds	3,713,180	3,546,395
Deposit and placements with banks and other financial institutions	968,383	1,548,383
Derivative financial assets	14,480	7,924
Financial assets held-for-trading	222,659	1,216,381
Financial investments available-for-sale	2,655,807	1,197,335
Financial Investments held-to-maturity	1,979,843	1,920,361
Financing and advances	22,321,816	21,987,306
Statutory deposit with Bank Negara Malaysia	797,000	771,000
Deferred tax assets	207	212
Other assets	297,546	332,467
Property and equipment	472	519
Intangible assets	39	54
<b>TOTAL ASSETS</b>	<b>32,971,432</b>	<b>32,528,337</b>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>		
Deposits and placements of banks and other financial institutions	2,996,683	2,349,592
Recourse obligation on financing sold to Cagamas Berhad	2,071,182	2,073,690
Derivative financial liabilities	14,463	7,894
Deposits from customers	23,476,067	23,176,547
Term funding	550,000	550,000
Bills and acceptances payable	69,940	722,821
Subordinated Sukuk Musharakah	1,000,000	1,000,000
Deferred tax liabilities	12,966	15,945
Other liabilities	368,182	351,098
<b>TOTAL LIABILITIES</b>	<b>30,559,483</b>	<b>30,247,587</b>
Share capital/Capital funds	495,761	495,761
Reserves	1,916,188	1,784,989
<b>TOTAL ISLAMIC BANKING FUNDS</b>	<b>2,411,949</b>	<b>2,280,750</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS</b>	<b>32,971,432</b>	<b>32,528,337</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>7,725,461</b>	<b>8,553,161</b>

**A31. ISLAMIC BANKING BUSINESS (CONT'D.)****UNAUDITED CONSOLIDATED INCOME STATEMENT  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

Group	Individual Quarter		Cumulative Quarter	
	30.09.13 RM'000	30.09.12 RM'000	30.09.13 RM'000	30.09.12 RM'000
Income derived from investment of depositors' funds and others	406,342	369,199	806,217	716,672
Allowance for impairment on financing and advances (Provision)/Writeback for commitments and contingencies	(56,946)	(44,230)	(73,753)	(70,351)
Transfer from profit equalisation reserve	976	1,001	694	(3,711)
	(1,802)	(4,446)	(9,011)	(4,842)
Total attributable income	348,570	321,524	724,147	637,768
Income attributable to the depositors	(200,986)	(181,741)	(398,340)	(349,000)
Profit attributable to the Group	147,584	139,783	325,807	288,768
Income derived from Islamic Banking Funds	28,011	35,706	67,869	82,721
Total net income	175,595	175,489	393,676	371,489
Operating expenditure	(90,088)	(90,745)	(180,835)	(175,206)
Finance cost	(17,052)	(14,782)	(33,918)	(29,435)
Profit before taxation and zakat	68,455	69,962	178,923	166,848
Taxation and zakat	(16,078)	(12,109)	(41,787)	(37,495)
Profit for the period	52,377	57,853	137,136	129,353

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013**

Group	Individual Quarter		Cumulative Quarter	
	30.09.13 RM'000	30.09.12 RM'000	30.09.13 RM'000	30.09.12 RM'000
Profit for the period	52,377	57,853	137,136	129,353
Other comprehensive income/(loss):				
Net change in revaluation of financial investments available-for-sale	(9,729)	288	(8,257)	2,492
Exchange differences on translation of foreign operations	182	(220)	306	(13)
Income tax relating to the components of other comprehensive income	2,432	(72)	2,064	(623)
Other comprehensive income/(loss) for the period, net of tax	(7,115)	(4)	(5,887)	1,856
Total comprehensive income for the period	45,262	57,849	131,249	131,209

**A31. ISLAMIC BANKING BUSINESS (CONT'D.)**

**(a) Financing and Advances**

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
Hire purchase	10,739,470	10,884,005
Term financing	6,437,540	6,557,430
Revolving credit	2,424,975	2,037,140
Claims on customers under acceptance credit	1,172,632	1,090,241
Credit card receivables	317,528	328,326
Trust receipts	61,843	49,329
Other financing	1,689,115	1,545,697
Gross financing and advances	<u>22,843,103</u>	<u>22,492,168</u>
Allowance for impairment on financing and advances:		
Collective allowance	(491,855)	(490,410)
Individual allowance	(29,432)	(14,452)
	<u>(521,287)</u>	<u>(504,862)</u>
Net financing and advances	<u>22,321,816</u>	<u>21,987,306</u>

(i) Movements in impaired financing and advances are as follows:

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance at beginning of period/year	268,443	237,724
Impaired during the period/year	252,183	296,001
Reclassification to non-impaired financing	(50,021)	(51,999)
Recoveries	(29,461)	(32,716)
Amount written off	(99,657)	(180,567)
Balance at end of period/year	<u>341,487</u>	<u>268,443</u>
Impaired financing and advances as % of total financing and advances	<u>1.5%</u>	<u>1.2%</u>

**A31. ISLAMIC BANKING BUSINESS (CONT'D.)**

**(a) Financing and Advances (Cont'd.)**

(ii) Movements in allowances for impaired financing and advances are as follows:

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Collective allowance</b>		
Balance at beginning of period/year	490,410	460,411
Allowance made during the period/year	94,568	195,964
Amount written off	(93,123)	(165,965)
Balance at end of period/year	<u>491,855</u>	<u>490,410</u>
% of total financing and advances (including Islamic	<u>2.2%</u>	<u>2.2%</u>
<b>Individual allowance</b>		
Balance at beginning of period/year	14,452	16,324
Allowance made during the period/year	21,467	13,171
Amount written off	(6,487)	(15,043)
Balance at end of period/year	<u>29,432</u>	<u>14,452</u>

**(b) Deposits From Customers**

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Mudharabah Fund:</b>		
Demand deposits	29,638	30,621
Saving deposits	6,034	5,586
General investment deposits	16,282,471	15,361,368
Structured deposits	54,821	134,386
	<u>16,372,964</u>	<u>15,531,961</u>
<b>Non-Mudharabah Fund:</b>		
Demand deposits	3,817,167	4,865,376
Saving deposits	1,785,620	1,738,366
Term deposits	1,479,430	1,020,284
Negotiable instruments of deposits	20,886	20,560
	<u>7,103,103</u>	<u>7,644,586</u>
	<u>23,476,067</u>	<u>23,176,547</u>

**(c) Other Liabilities**

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
Other payables and accruals	278,058	255,276
Taxation and zakat payable	25,668	23,136
Provision for commitments and contingencies	25,345	26,039
Amount owing to head office	23,357	35,425
Advance rentals	7,549	9,563
Profit equalisation reserve	8,205	1,659
	<u>368,182</u>	<u>351,098</u>

**A32. CHANGE IN COMPARATIVES**

**(i) Reconciliation of equity**

	<b>As previously recorded RM'000</b>	<b>Restatement RM'000</b>	<b>As restated RM'000</b>
<b>As at 31 March 2013</b>			
<b>Assets</b>			
Deferred tax assets	136,244	(410)	135,834
Property and equipment	395,147	6,471	401,618
Intangible assets	3,245,653	105,854	3,351,507
<b>Liabilities</b>			
Deferred tax liabilities	32,043	53,168	85,211
Insurance, takaful contract liabilities and other insurance payables	4,582,048	90,000	4,672,048
<b>Equity</b>			
Reserves	9,018,995	(15,939)	9,003,056
Non-controlling interests	1,100,050	(15,314)	1,084,736

## B1. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP

Year-on-year (yoy), the Group's earnings grew 10.1% to RM907 million, supported by good income growth, integration of acquisitions and lower allowances.

Divisional performance for H1FY2014 compared to H1FY2013:

*Retail Banking: Acquisition driven and improved asset quality*

Profit after tax ("PAT") rose 13.8% yoy to RM356.4million progressively benefitting from integration of MBF Cards and improved asset quality. Strong customer deposits growth, while slower lending growth partly reflects impact of regulatory changes.

*Business Banking: Strong profit and deposits growth*

PAT up 20.5% yoy to RM195.7 million underpinned by higher income and better asset quality, provisions were lower and recovery was higher due to better customer credit rating.

*Corporate and Institutional Banking: Improved asset quality*

PAT at RM194.8 million supported by improved asset quality, higher interest income offset by lower non-interest income in the absence of last year's private equity divestment gains. Lower deposits reflect management of depositors concentration.

*Investment Banking: Diversified contribution across businesses led to higher profits*

PAT doubled to RM78.1 million underpinned by strong contributions from corporate finance, debt capital market activities, broking and funds management, as well as write back of allowances. Continued good growth of assets under management from funds management and private banking supports growth of recurring non-interest income.

*Markets: Performance impacted by continued volatility in market*

PAT at RM52.7 million, healthy volume flows from foreign exchange and derivatives sales made up for the paucity of trading revenue, especially from Fixed Income. Excessive market volatility caused temporary deferment of deal flows.

*General Insurance: Improved underwriting profits and integration of Kurnia*

PAT rose 45.3% to RM87.6 million from enlarged scale from the integration of Kurnia, income growth, improved underwriting profits focusing on both motor and niche general insurance segments.

*Life Assurance & Family Takaful: Strong gross written premiums growth*

PAT rose to RM24.9 million from higher gross written premiums driven by single premiums, improving agency recruitment efforts with increased productivity results and ongoing cost rationalisation initiatives.

The Group's PAT increased by RM71.1 million in the current reporting quarter as compared to the previous year corresponding quarter. Earnings improvement was broad based across a few divisions.



## **B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION**

The Group reported a lower pre-tax profit of RM602.5 million for the second quarter ended 30 September 2013 as compared to RM640.6 million for the first quarter ended 30 June 2013. This was mainly due to impairment on sundry receivables of RM32.6 million during the current quarter as compared to writeback of RM8.2 million for the preceding quarter. In addition, lower income were reported from net interest income and net income from Islamic banking business by RM24.5 million and RM9.8 million respectively while lower writeback on impairment on loans and financing by RM9.8 million was reported during current quarter ended 30 September 2013. Business efficiency cost of RM6.5 million, higher impairment on foreclosed properties by RM5.9 million and impairment on intangible assets of RM1.9 million were reported for current quarter.

This was off-set by writeback on provision for commitments and contingencies of RM15.5 million for current reporting quarter as compared to the provision of RM8.2 for the preceding quarter. Higher net income from insurance business by RM19.9 million, lower other operating expenses by RM13.7 million and lower transfer to profit equalisation reserve by RM5.4 million were reported for current quarter ended 30 September 2013.

## **B3. PROSPECTS FOR 31 MARCH 2014**

During first half 2013, Malaysia economy expanded 4.2% year-on-year (yoy) largely driven by domestic demand. The domestic economy growth momentum has moderated over the past two quarters (domestic economy grew 5.6% in 2012), dampened by weaker exports and faltering private consumption. Nevertheless, private investment remains strong and monetary policies remained accommodative to support growth. The Group expects the domestic economy to grow 4.6% yoy for full year 2013. Malaysia economy is expected to pick-up in 2014 from improved global trade, supported by private expenditure.

With the economy expected to grow at a slower pace in the remaining 2013, combined with easing consumer spending from rationalisation of subsidy and responsible lending measures to address household debts, loans growth could moderate. The asset quality trend may come under pressure for potential capital flow risk and inflationary pressure while margins continue to remain under pressure.

The Group remains vigilant against the environment and will maintain our disciplined approach in executing to our strategic priorities. Our strategic priorities for FY2013 – 2015 remain unchanged, (1) Integrate acquisitions and deliver synergies; (2) Simplify business model and streamline processes; (3) Accelerate organic growth with focus on cross-sell, flow business, small business, and emerging affluent customers; (4) Build scale in specialist businesses with strategic partners; and (5) Optimise capital and holding company structures.

## **B4. VARIANCE FROM PROFIT FORECAST AND SHORTFALL FROM PROFIT GUARANTEE**

This is not applicable to the Group.

## B5. TAXATION

Group	Individual Quarter		Cumulative Quarter	
	30.09.13 RM'000	30.09.12 RM'000	30.09.13 RM'000	30.09.12 RM'000
Estimated current tax payable	148,979	197,283	228,395	354,451
Deferred tax	(7,644)	(53,536)	66,011	(50,188)
	<u>141,335</u>	<u>143,747</u>	<u>294,406</u>	<u>304,263</u>
Over provision of current taxation in respect of prior years	(2,950)	(2,781)	(2,827)	(886)
Taxation	<u>138,385</u>	<u>140,966</u>	<u>291,579</u>	<u>303,377</u>
Zakat	325	337	806	552
Taxation and zakat	<u>138,710</u>	<u>141,303</u>	<u>292,385</u>	<u>303,929</u>

The total tax charge of the Group for the financial period ended 30 September 2013 reflect an effective tax rate which is lower than the statutory tax rate mainly due to income not subject to tax, while higher effective tax rate for the previous corresponding period was mainly due to disallowances of certain expenses.

## B6. CORPORATE PROPOSALS

- 1 As at 30 September 2013, the trustee of the ESS held 3,965,550 ordinary shares (net of ESS shares vested to employees) representing 0.13% of the issued and paid-up capital of the Company. These shares are held at a carrying amount of RM24,114,924.
- 2 The Company announced on 16 October 2012 that it has obtained the approval of Bank Negara Malaysia ("BNM") for the Company to commence negotiations with Friends Life FPL Limited ("Friends Life") for the proposed repurchase of the 30% equity interest held by Friends Life in the two joint ventures, namely, AmLife Insurance Berhad and AmFamily Takaful Berhad (the "Proposal").

Subsequently, on 31 December 2012 the Company announced that it has received the notification of BNM (via letter dated 28 December 2012) that the Minister of Finance has approved the Proposal. The approval for the repurchase is subject to the Company or AMAB Holdings Sdn Bhd completing the sale of part of its stake in AmLife Insurance Berhad and AmFamily Takaful Berhad to a new strategic partner within one year of the completion of the repurchase. On 7 January 2013, the Company announced that the repurchase was completed on 4 January 2013 at an aggregate cash consideration of RM245 million.

On 26 August 2013, the Company announced that BNM (via letter dated 26 August 2013) has no objection in principle for the Company to commence negotiations with several shortlisted global insurers in relation to the establishment of a new strategic partnership for its life insurance and family takaful businesses. This exercise is subject to the prior approval of the Minister of Finance/BNM before the Company and the selected strategic partner may enter into any agreement in relation thereto. Further announcement on the development will be made at appropriate time.

**B7. BORROWINGS**

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
(i) Deposits from customers		
Six months or less	72,991,379	68,798,106
Over six months to one year	12,103,056	13,119,691
Over one year to three years	2,563,357	2,630,397
Over three years to five years	596,048	311,793
	<u>88,253,840</u>	<u>84,859,987</u>
(ii) Deposits and placements of banks and other financial institutions		
Six months or less	2,161,786	1,539,831
Over six months to one year	756,127	351,503
Over one year to three years	337,589	1,042,797
Over three years to five years	234,601	218,815
	<u>3,490,103</u>	<u>3,152,946</u>
(iii) Term funding		
(a) Unsecured senior notes		
Due within one year	1,869,003	495,000
More than one year	3,240,895	4,013,771
(b) Credit-Linked Note		
Due within one year	-	138,173
More than one year	276,318	274,469
(c) Term loans and revolving credits		
Due within one year		
Secured	619,455	480,563
Unsecured	206,000	206,000
More than one year		
Unsecured	683,527	647,993
	<u>6,895,198</u>	<u>6,255,969</u>
(iv) Debt capital		
(a) Unsecured bonds		
More than one year	1,000,000	1,000,000
(b) Medium Term Notes		
More than one year	1,557,800	1,557,800
(c) Hybrid capital		
More than one year	685,777	662,432
The above hybrid capital includes amounts denominated in USD. Principal amount - USD200.0 million		
(d) Non-Innovative Tier 1 Capital Securities		
More than one year	500,000	500,000
(e) Innovative Tier 1 Capital Securities		
More than one year	485,000	485,000
	<u>4,228,577</u>	<u>4,205,232</u>

#### B8. REALISED AND UNREALISED PROFITS OR LOSSES

In accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad, the breakdown of the retained earnings as at the end of the reporting period, into realised and unrealised profits or losses is as follows:

	<b>Group</b>	
	<b>30.09.13</b>	<b>31.03.13</b>
	<b>RM'000</b>	<b>RM'000</b>
Total retained earnings		
- Realised	7,786,364	7,377,695
- Unrealised	527,275	391,392
Total share of retained earnings from associate:		
- Realised	4,166	1,646
- Unrealised	15	4
Less: consolidation adjustments	(3,451,952)	(3,315,478)
Total retained earnings as per consolidated financial statements	<u>4,865,868</u>	<u>4,455,259</u>

Disclosure of the above is solely for purposes of complying with the disclosure requirements of Bursa Malaysia Securities Berhad Listing Requirements and should not be applied for any other purposes.

#### B9. MATERIAL LITIGATION

The Group and the Company do not have any material litigation which would materially affect the financial position of the Group and the Company. For other litigations, please refer to Note A27(e).

#### B10. DIVIDENDS

- (i) A proposed interim single tier ordinary dividend of 7.2% for the financial year ending 31 March 2014 has been recommended by the directors;
- (ii) Amount per share: 7.2 Sen;
- (iii) Previous corresponding period: 7.0 Sen single tier;
- (iv) Payment date: To be determined and announced at a later date; and
- (v) In respect of ordinary share capital, entitlement to the proposed dividend will be determined on the basis of the Record of Depositors as at the close of business on the date to be determined and announced at a later date.

**B11. EARNINGS PER SHARE (SEN)**

a. Basic earnings per share

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

	Individual Quarter		Cumulative Quarter	
	30.09.13	30.09.12	30.09.13	30.09.12
	RM'000'000	RM'000'000	RM'000'000	RM'000'000
Net profit attributable to equity holders of the Company	441,228	380,444	906,490	823,319
Weighted average number of ordinary shares in issue	3,007,150	2,999,289	3,005,668	2,997,040
Basic earnings per share (Sen)	14.67	12.68	30.16	27.47

b. Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the adjusted weighted average number of ordinary shares in issue and dilutive effect of Share Options vested and not exercised by eligible executives under ESS as at the reporting date.

The Share Options are dilutive when they would result in the issue of ordinary shares for less than the average market price of ordinary shares during the period. The amount of the dilution is the average market price of ordinary shares during the period minus the issue price.

	Individual Quarter		Cumulative Quarter	
	30.09.13	30.09.12	30.09.13	30.09.12
	RM'000'000	RM'000'000	RM'000'000	RM'000'000
Net profit attributable to equity holders of the Company	441,228	380,444	906,490	823,319
Weighted average number of ordinary shares in issue (as in (a) above)	3,007,150	2,999,289	3,005,668	2,997,040
Effect of options vested under ESS	3,799	4,463	8,544	7,230
Adjusted weighted average number of ordinary shares in issue / issuable	3,010,949	3,003,752	3,014,212	3,004,270
Fully diluted earnings per share (Sen)	14.65	12.67	30.07	27.40