

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

AUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	Group		Company	
		31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
ASSETS					
Cash and short-term funds		11,988,321	10,758,600	21,033	12,464
Deposits and placements with banks and other financial institutions		1,333,630	4,068,819	5,354	25,131
Derivative financial assets	A30	1,884,001	1,437,537	-	-
Financial assets held-for-trading	A8	4,920,618	4,674,223	-	-
Financial investments available-for-sale	A9	11,680,520	10,387,275	121,860	110,704
Financial investments held-to-maturity	A10	4,167,494	3,864,508	-	-
Loans, advances and financing	A11	86,513,254	86,173,795	-	-
Receivables: Investments not quoted in active markets		565,322	551,163	-	-
Statutory deposits with Bank Negara Malaysia	A12	2,590,145	3,214,591	-	-
Deferred tax assets		66,044	83,434	-	-
Investment in subsidiaries and other investments		-	-	9,507,225	9,507,225
Investment in associates and joint ventures		674,463	662,273	-	-
Other assets	A13	3,179,108	3,667,045	3,716	20,381
Reinsurance, retakaful assets and other insurance receivables	A14	513,555	433,929	-	-
Investment properties		-	7,713	-	-
Property and equipment		292,787	266,562	377	536
Intangible assets		3,369,998	3,348,121	-	-
Assets held for sale		24,740	204,236	-	-
TOTAL ASSETS		133,764,000	133,803,824	9,659,565	9,676,441
LIABILITIES AND EQUITY					
Deposits and placements of banks and other financial institutions	A15	1,743,769	2,301,664	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad		3,935,775	2,769,585	-	-
Derivative financial liabilities	A30	2,022,807	1,385,478	-	-
Deposits from customers	A16	90,358,576	92,130,049	-	-
Investment accounts of customers		18,411	-	-	-
Term funding		8,607,614	8,302,354	1,206,000	1,206,000
Debt capital		4,094,077	4,580,573	-	-
Redeemable cumulative convertible preference share		204,760	198,821	-	-
Deferred tax liabilities		83,050	116,557	-	-
Other liabilities	A17	3,809,943	3,917,675	37,259	40,873
Insurance, takaful contract liabilities and other insurance payables	A18	2,761,460	2,544,649	-	-
Liabilities directly associated with assets held for sale		4,370	48,995	-	-
Total Liabilities		117,644,612	118,296,400	1,243,259	1,246,873
Share capital		3,014,185	3,014,185	3,014,185	3,014,185
Reserves		12,154,293	11,440,960	5,402,121	5,415,383
Equity attributable to equity holders of the Company		15,168,478	14,455,145	8,416,306	8,429,568
Non-controlling interests		950,910	1,052,279	-	-
Total Equity		16,119,388	15,507,424	8,416,306	8,429,568
TOTAL LIABILITIES AND EQUITY		133,764,000	133,803,824	9,659,565	9,676,441
COMMITMENTS AND CONTINGENCIES	A29	125,037,110	116,765,056	-	-
NET ASSETS PER SHARE (RM)		5.03	4.80	2.79	2.80

The audited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2015.

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

AUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2016

Group	Note	Individual Quarter		Cumulative Quarter	
		31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
Operating revenue	A25	2,102,514	2,219,048	8,416,039	9,142,521
Interest income	A19	1,010,999	1,069,223	4,097,215	4,327,234
Interest expense	A20	(623,350)	(597,887)	(2,459,459)	(2,346,099)
Net interest income		387,649	471,336	1,637,756	1,981,135
Net income from Islamic banking business		190,359	224,616	805,837	864,687
Income from insurance business		354,422	336,415	1,447,839	1,495,615
Insurance claims and commissions		(266,314)	(245,947)	(1,068,519)	(1,077,566)
Net income from insurance business	A21	88,108	90,468	379,320	418,049
Other operating income	A22	234,599	336,461	870,393	1,457,585
Share in results of associates and joint ventures		3,822	(10,659)	2,502	3,188
Net income		904,537	1,112,222	3,695,808	4,724,644
Other operating expenses	A23	(618,980)	(544,488)	(2,176,863)	(2,089,442)
Acquisition and business efficiency income/(expenses)		(1,636)	11,841	2,558	(68,436)
Operating profit		283,921	579,575	1,521,503	2,566,766
Writeback for impairment on loans, advances and financing	A24	39,558	59,421	164,092	30,534
Net impairment (loss)/writeback on:					
Financial investments		(1,863)	(200)	11,924	(2,541)
Doubtful sundry receivables-net		(2,351)	34,628	(4,046)	36,867
Foreclosed properties		(79)	(73)	(277)	(5,770)
Property and equipment		(700)	(4,116)	(700)	(4,116)
Intangible assets		(260)	(1,211)	(919)	(1,336)
Writeback of provision for commitments and contingencies		23,643	15,708	40,841	19,255
Transfer to profit equalisation reserve		-	(15,358)	(1,406)	(35,379)
Profit before taxation and zakat		341,869	668,374	1,731,012	2,604,280
Taxation and zakat	B5	(30,643)	(118,345)	(331,533)	(559,727)
Profit for the period/year		311,226	550,029	1,399,479	2,044,553
Attributable to:					
Equity holders of the Company		280,024	519,224	1,302,206	1,918,630
Non-controlling interests		31,202	30,805	97,273	125,923
Profit for the period/year		311,226	550,029	1,399,479	2,044,553
EARNINGS PER SHARE (SEN)	B11				
Basic		9.32	17.27	43.33	63.83
Fully diluted		9.32	17.27	43.33	63.82

The audited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2015.

AMMB HOLDINGS BERHAD
(223035-V) (Incorporated in Malaysia)
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AUDITED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2016

Group	Individual Quarter		Cumulative Quarter	
	31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
Profit for the period/year	311,226	550,029	1,399,479	2,044,553
Other comprehensive income/(loss):				
Items that will not be reclassified subsequently to income statement				
Remeasurement of defined benefit liability	781	1,016	781	1,016
Income tax effect	(154)	(224)	(154)	(224)
	<u>627</u>	<u>792</u>	<u>627</u>	<u>792</u>
Items that may be reclassified to income statement				
Translation of foreign operations	(57,159)	32,348	21,993	60,237
Net movement on cash flow hedge	(8,197)	(12,725)	5,173	(4,672)
Net movement on financial investments available-for-sale	83,174	64,721	(7,360)	66,369
Income tax effect	(21,057)	(12,100)	(5,887)	(13,138)
	<u>(3,239)</u>	<u>72,244</u>	<u>13,919</u>	<u>108,796</u>
Other comprehensive (loss)/income for the period/year, net of tax	<u>(2,612)</u>	<u>73,036</u>	<u>14,546</u>	<u>109,588</u>
Total comprehensive income for the period/year	<u>308,614</u>	<u>623,065</u>	<u>1,414,025</u>	<u>2,154,141</u>
Total comprehensive income for the period/year attributable to:				
Equity holders of the Company	276,613	591,375	1,315,459	2,039,275
Non-controlling interests	32,001	31,690	98,566	114,866
	<u>308,614</u>	<u>623,065</u>	<u>1,414,025</u>	<u>2,154,141</u>

The audited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2015.

AMMB HOLDINGS BERHAD
(223035-V) (Incorporated in Malaysia)
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AUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2016

Company	Note	Individual Quarter		Cumulative Quarter	
		31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
Operating revenue		999	47,739	664,258	1,390,013
Interest income	A19	120	302	1,240	4,655
Interest expense	A20	(14,026)	(13,872)	(56,277)	(67,116)
Net interest expense		(13,906)	(13,570)	(55,037)	(62,461)
Other operating income	A22	879	47,437	663,018	1,385,358
Operating profit/(loss)		(13,027)	33,867	607,981	1,322,897
Other operating income/(expenses)	A23	9,382	(1,320)	(20,062)	(11,224)
Profit/(Loss) before taxation		(3,645)	32,547	587,919	1,311,673
Taxation	B5	(32)	(16)	(309)	(1,197)
Profit/(Loss) for the period/year		(3,677)	32,531	587,610	1,310,476

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AMMB HOLDINGS BERHAD
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AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2016

Group	Attributable to Equity Holders of the Company												Total	Non-controlling interests	Total equity
	Non-Distributable						Distributable								
	Ordinary share capital	Share premium	Statutory reserve	Regulatory reserve	Profit equalisation reserve	AFS reserve/ (deficit)	Cash flow hedging reserve/ (deficit)	Foreign currency translation reserve	Executives' share scheme reserve	Shares held in trust for ESS	Retained Earnings Non-participating funds				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 01.04.14	3,014,185	2,537,372	1,938,849	-	1,260	(41,687)	3,030	8,213	79,456	(58,434)	132,993	5,527,704	13,142,941	951,448	14,094,389
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	1,918,630	1,918,630	125,923	2,044,553
Other comprehensive income/(loss), net	-	-	-	-	-	63,509	(3,511)	60,243	-	-	-	404	120,645	(11,057)	109,588
Total comprehensive income/(loss) for the year	-	-	-	-	-	63,509	(3,511)	60,243	-	-	-	1,919,034	2,039,275	114,866	2,154,141
Purchase of shares pursuant to Executives' Share Scheme ("ESS")^	-	-	-	-	-	-	-	-	-	(81,655)	-	-	(81,655)	-	(81,655)
Share-based payment under ESS, net	-	-	-	-	-	-	-	-	32,455	-	-	-	32,455	-	32,455
ESS shares vested to employees of subsidiaries	-	-	-	-	-	-	-	-	(41,918)	53,979	-	-	12,061	-	12,061
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	-	-	-	-	-	(4,252)	(4,252)	(100)	(4,352)
Transfer to regulatory reserve	-	-	-	2,800	-	-	-	-	-	-	-	(2,800)	-	-	-
Net utilisation of profit equalisation reserve	-	-	-	-	2,644	-	-	-	-	-	-	(2,644)	-	-	-
Unallocated surplus transfer	-	-	-	-	-	-	-	-	-	-	63,800	(54,175)	9,625	-	9,625
Redemption of shares in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,543)	(2,543)
Arising from disposal of equity interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	(142,618)	318,412	175,794	-	175,794
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(871,099)	(871,099)	(11,392)	(882,491)
Transactions with owners and other equity movements	-	-	-	2,800	2,644	-	-	-	(9,463)	(27,676)	(78,818)	(616,558)	(727,071)	(14,035)	(741,106)
At 31.03.15	3,014,185	2,537,372	1,938,849	2,800	3,904	21,822	(481)	68,456	69,993	(86,110)	54,175	6,830,180	14,455,145	1,052,279	15,507,424

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AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2016

Group	Attributable to Equity Holders of the Company												Total	Non-controlling interests	Total equity
	Non-Distributable						Distributable								
	Ordinary share capital	Share premium	Statutory reserve	Regulatory reserve	Profit equalisation reserve	AFS reserve/(deficit)	Cash flow hedging reserve/(deficit)	Foreign currency translation reserve	Executives' share scheme reserve	Shares held in trust for ESS	Retained Earnings Non-participating funds	Retained Earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 01.04.15	3,014,185	2,537,372	1,938,849	2,800	3,904	21,822	(481)	68,456	69,993	(86,110)	54,175	6,830,180	14,455,145	1,052,279	15,507,424
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	1,302,206	1,302,206	97,273	1,399,479
Other comprehensive income/(loss), net	-	-	-	-	-	(13,187)	4,117	22,003	-	-	-	320	13,253	1,293	14,546
Total comprehensive income/(loss) the year	-	-	-	-	-	(13,187)	4,117	22,003	-	-	-	1,302,526	1,315,459	98,566	1,414,025
Purchase of shares pursuant to ESS [^]	-	-	-	-	-	-	-	-	-	(3,004)	-	-	(3,004)	-	(3,004)
Share-based payment under ESS, net	-	-	-	-	-	-	-	-	10,722	-	-	-	10,722	-	10,722
ESS shares vested to employees of subsidiaries	-	-	-	-	-	-	-	-	(30,977)	33,271	-	-	2,294	-	2,294
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	-	-	-	-	-	(258)	(258)	(33)	(291)
Net utilisation of profit equalisation reserve	-	-	-	-	(3,904)	-	-	-	-	-	-	3,904	-	-	-
Unallocated surplus transfer	-	-	-	-	-	-	-	-	-	-	(8,460)	8,460	-	-	-
Redemption of shares in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,677)	(3,677)
Reclassification of foreign currency translation reserve	-	-	-	-	-	-	-	(6,160)	-	-	-	6,160	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(611,880)	(611,880)	(196,225)	(808,105)
Transactions with owners and other equity movements	-	-	-	-	(3,904)	-	-	(6,160)	(20,255)	30,267	(8,460)	(593,614)	(602,126)	(199,935)	(802,061)
At 31.03.16	3,014,185	2,537,372	1,938,849	2,800	-	8,635	3,636	84,299	49,738	(55,843)	45,715	7,539,092	15,168,478	950,910	16,119,388

The audited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2015.

AMMB HOLDINGS BERHAD
(223035-V) (Incorporated in Malaysia)
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AUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2016

Company	Attributable to Equity Holders of the Company					
	Non-Distributable			Distributable		
	Ordinary share capital RM'000	Share premium RM'000	Executives' share scheme reserve RM'000	Shares held in trust for ESS RM'000	Retained earnings RM'000	Total equity RM'000
At 01.04.14	3,014,185	2,536,065	79,456	(58,434)	2,454,052	8,025,324
Profit for the year	-	-	-	-	1,310,476	1,310,476
Total comprehensive income for the year	-	-	-	-	1,310,476	1,310,476
Purchase of shares pursuant to ESS [^]	-	-	-	(81,655)	-	(81,655)
Share-based payment under ESS, net	-	-	32,455	-	-	32,455
ESS shares vested to employees of subsidiaries	-	-	(41,918)	53,979	2,006	14,067
Dividends paid	-	-	-	-	(871,099)	(871,099)
Transactions with owners and other equity movements	-	-	(9,463)	(27,676)	(869,093)	(906,232)
At 31.03.15	3,014,185	2,536,065	69,993	(86,110)	2,895,435	8,429,568

Company	Attributable to Equity Holders of the Company					
	Non-Distributable			Distributable		
	Ordinary share capital RM'000	Share premium RM'000	Executives' share scheme reserve RM'000	Shares held in trust for ESS RM'000	Retained earnings RM'000	Total equity RM'000
At 01.04.15	3,014,185	2,536,065	69,993	(86,110)	2,895,435	8,429,568
Profit for the year	-	-	-	-	587,610	587,610
Total comprehensive income for the year	-	-	-	-	587,610	587,610
Purchase of shares pursuant to ESS ^{^^}	-	-	-	(3,004)	-	(3,004)
Share-based payment under ESS, net	-	-	10,722	-	-	10,722
ESS shares vested to employees of subsidiaries	-	-	(30,977)	33,271	996	3,290
Dividends paid	-	-	-	-	(611,880)	(611,880)
Transactions with owners and other equity movements	-	-	(20,255)	30,267	(610,884)	(600,872)
At 31.03.16	3,014,185	2,536,065	49,738	(55,843)	2,872,161	8,416,306

[^] Represents the purchase of 12,221,600 of the Company's issued ordinary shares from the open market by a trustee appointed by the ESS committee at an average price of RM6.68 per share.

^{^^} Represents the purchase of 472,400 of the Company's issued ordinary shares from the open market by a trustee appointed by the ESS committee at an average price of RM6.36 per share.

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AMMB HOLDINGS BERHAD
(223035-V) (Incorporated in Malaysia)
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AUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2016

	Group		Company	
	31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
Profit before taxation and zakat	1,731,012	2,604,280	587,919	1,311,673
Add/(Less) adjustments for:				
Accretion of discount less amortisation of premium for securities	(135,673)	(150,243)	-	-
Allowance for losses on loans, advances and financing	403,050	595,623	-	-
Dividend income from investments	(46,961)	(40,753)	(662,867)	(1,384,876)
Net loss/(gain) on revaluation of derivatives	191,879	(103,915)	-	-
Net gain on revaluation of financial assets held-for-trading	(1,865)	(27,349)	-	-
Net gain on sale of financial investments available-for-sale	(60,244)	(56,850)	-	-
Net (gain)/loss on sale of financial assets held-for-trading	(12,812)	24,903	-	-
Other non-operating and non-cash items	254,047	(39,040)	159	169
Operating profit/(loss) before working capital changes	2,322,433	2,806,656	(74,789)	(73,034)
<i>Decrease/(Increase) in operating assets:</i>				
Securities purchased under resale agreements	-	(50,336)	-	-
Deposits and placements with banks and other financial institutions	538,814	(1,423,879)	-	-
Financial assets held-for-trading	(215,933)	(732,730)	-	-
Loans, advances and financing	(739,915)	474,078	-	-
Statutory deposits with Bank Negara Malaysia	624,446	(91,630)	-	-
Other assets	721,221	(648,561)	(7,738)	(5,628)
Reinsurance, retakaful assets and other insurance receivables	(79,626)	35,604	-	-
<i>Increase/(Decrease) in operating liabilities:</i>				
Deposits and placements of banks and other financial institutions	(557,895)	(1,819,259)	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad	1,167,838	(546,941)	-	-
Deposits from customers	(1,771,473)	2,431,171	-	-
Investment accounts of customers	18,411	-	-	-
Term funding	226,077	1,451,174	-	(700,000)
Other liabilities	17,630	427,985	(3,892)	(11,753)
Insurance, takaful contract liabilities and other insurance payables	216,811	23,977	-	-
Cash generated from/(used in) operations	2,488,839	2,337,309	(86,419)	(790,415)
Taxation and zakat refunded/(paid), net	(568,536)	(549,615)	4,117	(1,519)
Net cash generated from/(used in) operating activities	1,920,303	1,787,694	(82,302)	(791,934)
<i>Cash flows from investing activities</i>				
Purchase of shares for ESS by the appointed trustee	(3,004)	(81,655)	(3,004)	(81,655)
Dividends received from investments	55,163	43,024	659,877	1,381,267
ESS shares vested to eligible employees	33,271	53,979	33,271	53,979
Net cash inflow/(outflow) from disposal of subsidiaries	(40,221)	653,038	-	-
Proceeds from disposal of property and equipment	8,032	429	-	-
Disposal/(Purchase) of financial investments - net	(1,410,066)	1,379,430	(8,166)	79,740
Purchase of property and equipment and intangible assets	(244,594)	(161,896)	-	-
Purchase of receivables: investments not quoted in active markets	(10,000)	(378,193)	-	-
Proceeds from disposal of asset held for sale	83,775	-	-	-
Subscription of shares in joint venture	(15,000)	-	-	-
Transfer of ESS shares recharged - difference on purchase price for shares vested	(258)	(4,252)	996	2,006
Net cash generated from/(used in) investing activities	(1,542,902)	1,503,904	682,974	1,435,337

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

AUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2016 (CONT'D.)

	Group		Company	
	31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
<i>Cash flows from financing activities</i>				
Dividends paid by Company to its shareholders	(611,880)	(871,099)	(611,880)	(871,099)
Dividends paid to non-controlling interests by subsidiaries	(196,225)	(11,392)	-	-
Redemption of shares in subsidiary by non-controlling interests	(3,677)	(2,543)	-	-
Proceeds from subordinated sukuk	250,000	-	-	-
Repayment of debt capital	(827,737)	(247,800)	-	-
Net cash used in financing activities	<u>(1,389,519)</u>	<u>(1,132,834)</u>	<u>(611,880)</u>	<u>(871,099)</u>
Net increase/(decrease) in cash and cash equivalents	(1,012,118)	2,158,764	(11,208)	(227,696)
Cash and cash equivalents at beginning of financial year	13,629,676	11,471,077	37,595	265,291
Effect of exchange rate changes	7,663	(165)	-	-
Cash and cash equivalents at end of the financial year	<u>12,625,221</u>	<u>13,629,676</u>	<u>26,387</u>	<u>37,595</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 statements of cash flows comprise the following financial position amounts:

	Group		Company	
	31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
Cash and short-term funds	11,988,321	10,758,600	21,033	12,464
Deposits and placements with banks and other financial institutions	1,333,630	4,068,819	5,354	25,131
Reclassified to assets held for sale	3,369	41,169	-	-
Less: Deposits with original maturity more than 3 months	(700,099)	(1,238,912)	-	-
Cash and cash equivalents	<u>12,625,221</u>	<u>13,629,676</u>	<u>26,387</u>	<u>37,595</u>

The audited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2015.

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

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. These financial statements also comply with IAS 34, Interim Financial Reporting.

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 and the Company for the financial year ended 31 March 2015 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 significant accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those of the most recent audited annual financial statements for the financial year ended 31 March 2015 except for the adoption of the following amendments and annual improvements to standards which became effective for the Group and the Company on 1 April 2015:

- Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions
- Annual Improvements to MFRSs 2010-2012 Cycle
- Annual Improvements to MFRSs 2011-2013 Cycle

The adoption of these amendments and annual improvements to standards did not have any material impact on the financial statements of the Group and the Company.

The nature of the amendments and annual improvements to standards are described below:

Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions

The amendments to MFRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

Annual Improvements to MFRSs 2010-2012 Cycle

The Annual Improvements to MFRSs 2010-2012 Cycle include a number of amendments to various MFRSs, which are summarised below.

(i) MFRS 2: Share-based Payment

This improvement clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- a performance condition must contain a service condition;
- a performance target must be met while the counterparty is rendering service;
- a performance target may relate to the operations or activities of an entity, or those of another entity in the same group;
- a performance condition may be a market or non-market condition; and
- if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

This improvement is effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

(ii) MFRS 3: Business Combinations

The amendments to MFRS 3 clarifies that contingent consideration classified as liabilities (or assets) should be measured at fair value through profit or loss at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of MFRS 139. The amendments are effective for business combinations for which the acquisition date is on or after 1 July 2014.

A1. BASIS OF PREPARATION (CONT'D.)

Annual Improvements to MFRSs 2010-2012 Cycle (Cont'd.)

(iii) MFRS 8: Operating Segments

The amendments are to be applied retrospectively and clarify that:

- an entity must disclose the judgements made by management in applying the aggregation criteria in MFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar; and
- the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

(iv) MFRS 116: Property, Plant and Equipment and MFRS 138 Intangible Assets

The amendments remove inconsistencies in the accounting for accumulated depreciation or amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amendments clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

(v) MFRS 124: Related Party Disclosures

The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services.

Annual Improvements to MFRSs 2011-2013 Cycle

The Annual Improvements to MFRSs 2011-2013 Cycle include a number of amendments to various MFRSs, which are summarised below.

(i) MFRS 3: Business Combinations

The amendments to MFRS 3 clarify that the standard does not apply to the accounting for formation of all types of joint arrangement in the financial statements of the joint arrangement itself. This amendment applies prospectively.

(ii) MFRS 13: Fair Value Measurement

The amendments to MFRS 13 clarify that the portfolio exception in MFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of MFRS 139.

(iii) MFRS 140: Investment Property

The amendments to MFRS 140 clarify that an entity acquiring investment property must determine whether:

- the property meets the definition of investment property in terms of MFRS 140; and
- the transaction meets the definition of a business combination under MFRS 3, to determine if the transaction is a purchase of an asset or is a business combination.

Significant change in regulatory requirements: Bank Negara Malaysia ("BNM") Guidelines

(a) BNM Policy Document on Investment Account and the Transition Policy under the Islamic Financial Services Act 2013 ("IFSA")

On 14 March 2014, BNM issued a policy document on Investment Account ("policy document") aimed at outlining the regulatory requirements on the conduct of investment accounts that are consistent with the IFSA and that comply with standards on Shariah issued by BNM. This policy document comes into effect on 14 March 2014.

On 14 February 2014, BNM issued the Transition Policy under IFSA ("transition policy"), allowing Islamic financial institutions a transition period until 30 June 2015 to comply with IFSA and BNM standards on Shariah and policy document on Investment Account. Pursuant to the application of the policy document on Investment Account and the transition policy, the Group:

- (i) segregated investment deposit products of customers from deposit accounts and presented these separately as investment accounts in the financial statements;
- (ii) discontinued with the application of profit equalisation reserve ("PER"). The available amounts in PER had been distributed to the remaining account holders in the form of hibah;

A1. BASIS OF PREPARATION (CONT'D.)

Significant change in regulatory requirements: Bank Negara Malaysia ("BNM") Guidelines (Cont'd.)

(a) BNM Policy Document on Investment Account and the Transition Policy under the Islamic Financial Services Act 2013 ("IFSA") (Cont'd.)

The policy document and the transition policy have been applied prospectively in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors as these investment accounts are new products offered by the Group.

The accounting policy adopted for Investment Account is as follows:

Unrestricted Investment Account

The Group's Unrestricted Investment Account is based on the Shariah concept of Wakalah bil Istithmar. It refers to an arrangement whereby the Investment Account Holder ("IAH") (as the principal or "muwakkil") appoints the Group as an agent (the "wakil") for the purpose of investment. The Group as wakil shall not be liable to compensate losses except losses due to its own misconduct, negligence or breach of specified terms. The amount invested by the IAH aims to provide the IAH with steady flow of income by investing in low risk investments which the Group deems appropriate. The Group may however change the investment strategy if the Group decides that it will be in the best interest of the IAH to do so in order to achieve the investment objectives. The Group at present does not impose specific Wakalah fees to the IAH.

Restricted Investment Account ("RIA")

The Group's RIA is based on Mudarabah concept where the IAH agree to participate in the specific financial/investment activities undertaken by the Group and share the profit generated from financing and/or investment activities based on an agreed profit-sharing ratio. The IAH shall bear the losses arising from the assets funded under the Mudarabah concept except in cases of misconduct, negligence or breach of contracted terms by the Group. Therefore, any allowances for impairment and capital charged will be transferred to the IAH to reflect the potential losses to the IAH. Currently, the existing RIA arrangement is between AmBank Islamic Berhad and AmBank (M) Berhad.

Distribution of profit between the unrestricted IAH and the Group

The unrestricted IAH place funds with the Group in exchange for an expected rate of return ("ERR") for the agreed period of the investment. The Group mobilises the investment account funds in accordance with its investment strategy to generate returns. In the event that the actual rate of return ("ARR") is higher than the ERR, the IAH agree that this difference shall be retained by the Group as a performance incentive. On the contrary, if the ARR is lower than the ERR, the Group is obliged to distribute the ARR to the IAH.

The Group adopts the standard methodology in calculating the rate of return and profit distribution to the IAH consistent with Rate of Return framework issued by BNM. The Group neither adopt profit smoothing practices nor employ displaced commercial risk technique in the calculation of the ARR to the IAH.

(b) BNM Policy Document on Classification and Impairment Provisions for Loans/Financing

On 6 April 2015, BNM issued a revised policy document on Classification and Impairment Provisions for Loans/Financing. The requirements in this revised policy document are effective for financial years beginning on or after 1 January 2015, except for the following:

- (i) the requirement to classify loans/financing as rescheduled and restructured in the Central Credit Reference Information System ("CCRIS") is effective on or after 1 April 2015; and
- (ii) the requirement for a banking institution to maintain, in aggregate, collective impairment allowance and regulatory reserves of no less than 1.2% of total outstanding loans/financing, net of individual impairment allowance will be effective beginning 31 December 2015.

The revised policy did not result in significant impairment charges to the Group for the current financial year.

The Group had early adopted the requirement in item (ii) above in the financial year ended 31 March 2015.

A1. BASIS OF PREPARATION (CONT'D.)

Standards issued but not yet effective

Description	Effective for financial year ending
- Annual Improvements to MFRSs 2012-2014 Cycle	31 March 2017
- Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	31 March 2017
- Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants	31 March 2017
- Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception	31 March 2017
- Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations	31 March 2017
- Amendments to MFRS 127 Equity Method in Separate Financial Statements	31 March 2017
- Amendments to MFRS 101 Disclosure Initiative	31 March 2017
- MFRS 14 Regulatory Deferral Accounts	31 March 2017
- Amendments to MFRS 107 Disclosure Initiative	31 March 2018
- Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	31 March 2018
- MFRS 15 Revenue from Contracts with Customers	31 March 2019
- MFRS 9 Financial Instruments	31 March 2019
- MFRS 16 Leases	31 March 2020

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

(a) Standards effective for financial year ending 31 March 2017

Annual Improvements to MFRSs 2012-2014 Cycle

The Annual Improvements to MFRSs 2012-2014 Cycle include a number of amendments to various MFRSs, which are summarised below.

(i) MFRS 5 Non-current Assets Held for Sale and Discontinued Operations

The amendment to MFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in MFRS 5.

The amendment also clarifies that changing the disposal method does not change the date of classification. This amendment is to be applied prospectively to changes in methods of disposal that occur in annual periods beginning on or after 1 January 2016, with earlier application permitted.

(ii) MFRS 7 Financial Instruments: Disclosures

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in MFRS 7 in order to assess whether the disclosures are required.

In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

(iii) MFRS 119 Employee Benefits

The amendment to MFRS 119 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

(iv) MFRS 134 Interim Financial Reporting

MFRS 134 requires entities to disclose information in the notes to the interim financial statements "if not disclosed elsewhere in the interim financial report".

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

A1. BASIS OF PREPARATION (CONT'D.)

(a) Standards effective for financial year ending 31 March 2017 (Cont'd.)

Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to MFRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant MFRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to MFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to MFRS 127 Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to MFRS 101 Disclosure Initiative

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

(b) Standards effective for financial year ending 31 March 2018

Amendments to MFRS 107 Disclosure Initiative

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

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

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

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

A1. BASIS OF PREPARATION (CONT'D.)

Standards effective for financial year ending 31 March 2018 (Cont'd.)

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

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

(c) Standards effective for financial year ending 31 March 2019

MFRS 15 Revenue from Contracts with Customers

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

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

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

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

MFRS 9 Financial Instruments

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

(d) Standards effective for financial year ending 31 March 2020

MFRS 16 Leases

MFRS 16 'Leases' supersedes MFRS 117 'Leases' and the related interpretations.

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense recognised in the income statement.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019, with early application permitted provided MFRS 15 is also applied.

A1. BASIS OF PREPARATION (CONT'D.)

(e) Standard deferred to a date to be determined by MASB

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

A2. AUDIT QUALIFICATION

There was no audit qualification in the annual financial statements for the financial year ended 31 March 2016.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

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

There were no unusual items during the current financial quarter and year other than as disclosed in Note A23.

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 year ended 31 March 2016.

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

The following are changes in debt and equity securities during the financial year.

(a) Quarter ended 31 December 2015

On 21 December 2015, AmBank Islamic Berhad had issued Tranche 3 of the Subordinated Sukuk amounting to RM250.0 million under its Subordinated Sukuk Murabahah programme of RM3.0 billion. The profit rate of this tranche is at 5.35% per annum, payable semi annually and has a tenure of ten (10) years.

(b) Quarter ended 31 March 2016

On the first call date of 27 January 2016, AMBB Capital (L) Ltd had redeemed its Hybrid Securities of USD200.0 million comprising 2,000 preference shares of USD 100,000 each.

Save as disclosed above, there were no share cancellations, share held as treasury shares, resale of treasury shares, and issuance and repayment of other debt and equity securities by the Group and the Company during the financial quarter and year.

A7. DIVIDENDS PAID

During the financial year, a final single tier dividend of 15.3% for the financial year ended 31 March 2015 amounting to RM461,170,284 was paid on 11 September 2015 to shareholders whose names appear in the record of Depositors on 28 August 2015.

An interim single tier dividend of 5.0% for the financial year ended 31 March 2016 amounting to RM150,709,242 was paid on 18 December 2015 to shareholders whose names appear in the record of Depositors on 4 December 2015.

A8. FINANCIAL ASSETS HELD-FOR-TRADING

	Group	
	31.03.16	31.03.15
	RM'000	RM'000
At Fair Value		
Money Market Instruments:		
Malaysian Treasury Bills	-	9,830
Malaysian Government Securities	287,528	797,037
Government Investment Issues	382,004	491,950
Cagamas bonds	113,352	109,111
Bank Negara Monetary Notes	-	14,767
	<u>782,884</u>	<u>1,422,695</u>
Quoted Securities:		
In Malaysia:		
Shares	67,560	71,323
Unit trusts	131,961	14,519
Warrants	80	-
Private debt securities	38,962	39,394
Outside Malaysia:		
Shares	102,101	95,933
	<u>340,664</u>	<u>221,169</u>
Unquoted Securities:		
In Malaysia:		
Private debt securities	3,760,660	2,863,838
Outside Malaysia:		
Private debt securities	36,410	166,521
	<u>3,797,070</u>	<u>3,030,359</u>
Total	<u><u>4,920,618</u></u>	<u><u>4,674,223</u></u>

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group		Company	
	31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
At Fair Value				
Money Market Instruments:				
Malaysian Treasury Bills	-	39,691	-	-
Malaysian Government Securities	384,777	350,238	-	-
Government Investment Issues	1,048,494	576,623	-	-
Bank Negara Monetary Notes	-	634,483	-	-
Negotiable instruments of deposits	2,049,644	600,078	-	-
Islamic negotiable instruments of deposit	1,984,615	3,045,886	-	-
Islamic Treasury Bills	28,723	-	-	-
	<u>5,496,253</u>	<u>5,246,999</u>	<u>-</u>	<u>-</u>
Quoted Securities:				
In Malaysia:				
Shares	50,776	51,271	-	-
Unit trusts	1,041,844	681,686	121,860	110,704
Outside Malaysia:				
Shares	5,148	41,636	-	-
	<u>1,097,768</u>	<u>774,593</u>	<u>121,860</u>	<u>110,704</u>
Unquoted Securities:				
In Malaysia:				
Unit trusts	33,725	33,343	-	-
Private debt securities	4,620,364	3,910,263	-	-
Outside Malaysia:				
Unit trusts	-	314	-	-
Private debt securities	312,739	301,957	-	-
	<u>4,966,828</u>	<u>4,245,877</u>	<u>-</u>	<u>-</u>
At Cost				
Unquoted Securities:				
In Malaysia:				
Shares	119,489	119,643	-	-
Outside Malaysia:				
Shares	182	163	-	-
	<u>119,671</u>	<u>119,806</u>	<u>-</u>	<u>-</u>
Total	<u>11,680,520</u>	<u>10,387,275</u>	<u>121,860</u>	<u>110,704</u>

Previously, the Group had reclassified securities out of the available-for-sale category to the loans and receivables category as the Group has the intention to hold the securities until maturity.

As at 31 March 2016, the fair value gain that would have been recognised in other comprehensive income for the current year if the securities had not been reclassified amounted to RM4,607,000 (31 March 2015: RM4,334,000).

A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group	
	31.03.16	31.03.15
	RM'000	RM'000
At Amortised Cost		
Money Market Instruments:		
Foreign Treasury Bills	780,153	518,486
Unquoted Securities:		
In Malaysia:		
Private debt securities	3,390,349	3,352,220
	4,170,502	3,870,706
Less: Accumulated impairment losses	(3,008)	(6,198)
Total	<u>4,167,494</u>	<u>3,864,508</u>

A11. LOANS, ADVANCES AND FINANCING

	Group	
	31.03.16	31.03.15
	RM'000	RM'000
At Amortised Cost:		
Loans, advances and financing:		
Term loans	23,516,466	26,101,737
Revolving credit	12,705,796	10,990,796
Housing loans/financing	17,834,206	15,529,057
Staff loans	117,824	126,200
Hire-purchase receivables	22,289,047	24,096,098
Credit card receivables	1,565,150	1,712,916
Overdraft	3,362,823	3,225,224
Claims on customers under acceptance credits	4,068,149	3,756,802
Trust receipts	1,266,807	1,330,515
Bills receivables	948,127	796,914
Others	217,878	156,783
Gross loans, advances and financing	<u>87,892,273</u>	<u>87,823,042</u>
Allowance for impairment on loans, advances and financing:		
Collective allowance	(1,061,750)	(1,413,424)
Individual allowance	(317,269)	(235,823)
	<u>(1,379,019)</u>	<u>(1,649,247)</u>
Net loans, advances and financing	<u>86,513,254</u>	<u>86,173,795</u>

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

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

	Group	
	31.03.16	31.03.15
	RM'000	RM'000
Domestic banking institutions	160,533	6,718
Domestic non-bank financial institutions	2,136,480	2,162,647
Domestic business enterprises:		
Small and medium enterprises	12,433,469	12,154,408
Others	25,353,208	26,389,665
Government and statutory bodies	937,533	458,194
Individuals	45,384,258	45,016,784
Other domestic entities	152,388	196,804
Foreign individuals and entities	1,334,404	1,437,822
	<u>87,892,273</u>	<u>87,823,042</u>

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

	Group	
	31.03.16	31.03.15
	RM'000	RM'000
In Malaysia	87,257,253	86,959,227
Outside Malaysia	635,020	863,815
	<u>87,892,273</u>	<u>87,823,042</u>

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

	Group	
	31.03.16	31.03.15
	RM'000	RM'000
Fixed rate:		
Housing loans/financing	581,597	647,158
Hire purchase receivables	20,842,691	22,101,194
Other loans/financing	9,312,703	9,370,037
	<u>30,736,991</u>	<u>32,118,389</u>
Variable rate:		
Base rate and lending/financing rate plus	29,915,438	29,416,068
Cost plus	24,467,953	24,676,178
Other variable rates	2,771,891	1,612,407
	<u>57,155,282</u>	<u>55,704,653</u>
	<u>87,892,273</u>	<u>87,823,042</u>

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

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

	Group	
	31.03.16 RM'000	31.03.15 RM'000
Agriculture	4,127,749	4,285,412
Mining and quarrying	2,994,710	3,075,692
Manufacturing	9,002,061	8,553,568
Electricity, gas and water	496,654	1,237,957
Construction	4,148,298	3,979,622
Wholesale and retail trade and hotels and restaurants	4,348,936	4,611,285
Transport, storage and communication	1,791,661	2,334,695
Finance and insurance	2,336,283	2,169,365
Real estate	8,761,700	8,667,880
Business activities	1,285,646	1,215,866
Education and health	2,102,987	1,707,568
Household of which:	46,062,330	45,518,392
Purchase of residential properties	17,636,684	15,389,672
Purchase of transport vehicles	21,231,382	22,713,649
Others	7,194,264	7,415,071
Others	433,258	465,740
	<u>87,892,273</u>	<u>87,823,042</u>

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

	Group	
	31.03.16 RM'000	31.03.15 RM'000
Maturing within one year	24,074,634	20,990,183
Over one year to three years	10,009,904	10,034,651
Over three years to five years	13,085,051	12,803,857
Over five years	40,722,684	43,994,351
	<u>87,892,273</u>	<u>87,823,042</u>

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

	Group	
	31.03.16 RM'000	31.03.15 RM'000
Gross		
Balance at beginning of financial year	1,572,730	1,662,141
Impaired during the year	1,417,669	1,989,676
Reclassified as non-impaired	(75,246)	(337,426)
Disposal of subsidiary	-	(9,905)
Recoveries	(549,849)	(666,728)
Amount written off	(664,449)	(1,065,479)
Exchange differences	-	451
Balance at end of financial year	<u>1,700,855</u>	<u>1,572,730</u>
Gross impaired loans, advances and financing as % of gross loans, advances and financing	<u>1.9%</u>	<u>1.8%</u>
Loan loss coverage	<u>81.1%</u>	<u>104.9%</u>

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

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

	Group	
	31.03.16	31.03.15
	RM'000	RM'000
In Malaysia	1,599,569	1,572,730
Outside Malaysia	101,286	-
	1,700,855	1,572,730

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

	Group	
	31.03.16	31.03.15
	RM'000	RM'000
Agriculture	2,422	9,142
Mining and quarrying	88,437	7,041
Manufacturing	185,051	206,878
Electricity, gas and water	16,498	21,361
Construction	50,433	21,685
Wholesale and retail trade and hotels and restaurants	33,682	43,289
Transport, storage and communication	25,270	24,277
Finance and insurance	477	451
Real estate	571,936	398,608
Business activities	10,751	15,921
Education and health	7,043	12,603
Household of which:	701,960	797,552
Purchase of residential properties	326,824	360,538
Purchase of transport vehicles	268,258	366,612
Others	106,878	70,402
Others	6,895	13,922
	1,700,855	1,572,730

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

	Group	
	31.03.16	31.03.15
	RM'000	RM'000
Collective allowance		
Balance at beginning of the financial year	1,413,424	1,950,384
Allowance made during the financial year, net	264,121	504,597
Reclassified to held for sale	-	(25)
Amount written off and others	(617,070)	(1,043,531)
Foreign exchange differences	1,275	1,999
Balance at end of the financial year	1,061,750	1,413,424
Collective allowance and Regulatory reserve as % of gross loans, advances and financing less individual allowance	1.2%	1.6%
Individual allowance		
Balance at beginning of the financial year	235,823	167,552
Allowance made during the financial year, net	138,929	91,026
Disposal of subsidiary	-	(9,905)
Amount written off and others	(57,483)	(12,850)
Balance at end of the financial year	317,269	235,823

A12. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

The non-interest/profit bearing statutory deposits are maintained with Bank Negara Malaysia in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act 2009, the amounts of which are determined as set percentages of total eligible liabilities.

A13. OTHER ASSETS

	Group		Company	
	31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
Trade receivables	604,589	469,191	-	-
Other receivables, deposits and prepayments	662,685	1,346,188	2,873	15,353
Interest receivable	283,151	255,473	12	49
Fee receivable	36,114	73,532	-	-
Amount due from originators	432,594	464,711	-	-
Amount due from agents, brokers and reinsurers	26,443	15,742	-	-
Foreclosed properties	52,808	74,497	-	-
Tax recoverable	467,857	355,404	831	4,979
Collateral pledged for derivative transactions	670,715	682,843	-	-
	<u>3,236,956</u>	<u>3,737,581</u>	<u>3,716</u>	<u>20,381</u>
Allowance for impairment	(57,848)	(70,536)	-	-
	<u>3,179,108</u>	<u>3,667,045</u>	<u>3,716</u>	<u>20,381</u>

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

A14. REINSURANCE, RETAKAFUL ASSETS AND OTHER INSURANCE RECEIVABLES

	Note	Group	
		31.03.16 RM'000	31.03.15 RM'000
Reinsurance assets from general insurance business		423,931	364,753
Other insurance receivables	(i)	89,624	69,176
		<u>513,555</u>	<u>433,929</u>
(i) Other insurance receivables			
Due premiums including agents/brokers and co-insurers balances		85,967	71,705
Amount owing by reinsurance and cedants		20,719	21,835
Reinsurance deposit		16,815	-
Allowance for impairment		(33,877)	(33,548)
Disposal of subsidiaries		-	9,184
		<u>89,624</u>	<u>69,176</u>

A15. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	31.03.16 RM'000	31.03.15 RM'000
Licensed banks	334,831	913,644
Bank Negara Malaysia	44,411	59,548
Other financial institutions	1,364,527	1,328,472
	<u>1,743,769</u>	<u>2,301,664</u>

A16. DEPOSITS FROM CUSTOMERS

	Group	
	31.03.16	31.03.15
	RM'000	RM'000
Demand deposits	13,448,089	13,463,013
Savings deposits	5,268,017	5,254,753
Term/Investment deposits	71,635,826	73,401,321
Negotiable instruments of deposits	6,644	10,962
	<u>90,358,576</u>	<u>92,130,049</u>

The deposits are sourced from the following types of customers:

Government and statutory bodies	11,335,303	10,745,204
Business enterprises	40,455,179	41,988,048
Individuals	34,889,340	35,775,692
Others	3,678,754	3,621,105
	<u>90,358,576</u>	<u>92,130,049</u>

A17. OTHER LIABILITIES

	Group		Company	
	31.03.16	31.03.15	31.03.16	31.03.15
	RM'000	RM'000	RM'000	RM'000
Trade payables	698,583	482,916	-	-
Other payables and accruals	1,568,877	2,064,935	21,427	33,949
Interest payable on deposits and borrowings	933,303	811,443	6,878	6,812
Lease deposits and advance rental	10,146	11,874	-	-
Provision for commitments and contingencies	116,161	156,266	-	-
Amount due to subsidiaries	-	-	8,954	112
Profit equalisation reserve	-	1,680	-	-
Provision for taxation	13,843	110,834	-	-
Collateral received for derivative transactions	469,030	277,727	-	-
	<u>3,809,943</u>	<u>3,917,675</u>	<u>37,259</u>	<u>40,873</u>

A18. INSURANCE, TAKAFUL CONTRACT LIABILITIES AND OTHER INSURANCE PAYABLES

Group	Note	31.03.16 RM'000	31.03.15 RM'000
Insurance contract liabilities	(i)	2,643,896	2,467,505
Other insurance payables	(ii)	117,564	77,144
		<u>2,761,460</u>	<u>2,544,649</u>
 (i) Insurance contract liabilities			
		31.03.16	31.03.15
		Gross contract liabilities RM'000	Reinsurance assets RM'000
		RM'000	RM'000
General insurance business		<u>2,643,896</u>	<u>(423,931)</u>
		31.03.15	31.03.15
		Gross contract liabilities RM'000	Reinsurance assets RM'000
		RM'000	RM'000
General insurance business		<u>2,467,505</u>	<u>(364,753)</u>
 (ii) Other insurance payables			
		31.03.16	31.03.15
		RM'000	RM'000
Amount due to agents and intermediaries		25,270	24,658
Amounts due to reinsurers and cedants		92,294	52,486
		<u>117,564</u>	<u>77,144</u>

A19. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
Short-term funds and deposits with financial institutions	29,730	63,289	180,899	198,769
Financial assets held-for-trading	46,893	30,536	156,590	111,923
Financial investments available-for-sale	84,127	70,596	302,475	284,967
Financial investments held-to-maturity	24,919	23,934	101,367	99,601
Loans and advances	808,535	871,917	3,288,704	3,598,969
Impaired loans and advances	1,769	1,502	8,409	7,055
Others	15,026	7,449	58,771	25,950
	<u>1,010,999</u>	<u>1,069,223</u>	<u>4,097,215</u>	<u>4,327,234</u>
 Company				
Short-term funds and deposits with financial institutions	120	302	1,240	4,655
	<u>120</u>	<u>302</u>	<u>1,240</u>	<u>4,655</u>

A20. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
Deposits from customers	474,943	470,077	1,889,889	1,823,126
Deposit and placements of banks and other financial institutions	7,562	4,869	35,782	24,532
Senior notes	50,298	47,947	203,955	191,473
Credit-Linked Notes	3,985	3,982	15,975	16,541
Recourse obligation on loans sold to Cagamas Berhad	26,897	10,069	70,842	40,764
Term loans	9,509	7,090	33,747	29,268
Subordinated term loans and notes	10,249	4,319	21,283	20,094
Interest on bonds	5,223	5,164	21,005	20,941
Medium term notes	17,226	18,768	69,284	80,827
Hybrid and Innovative Tier 1 capital securities	14,073	21,640	83,228	83,658
Others	3,385	3,962	14,469	14,875
	623,350	597,887	2,459,459	2,346,099
Company				
Senior notes	10,970	10,850	44,121	55,317
Term loans	3,056	3,022	12,156	11,799
	14,026	13,872	56,277	67,116

A21. NET INCOME FROM INSURANCE BUSINESS

Group	Note	Individual Quarter		Cumulative Quarter	
		31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
Income from insurance business:	(a)				
Premium income from general insurance business		354,422	336,415	1,447,839	1,450,169
Premium income from life and family takaful insurance business		-	-	-	45,446
		<u>354,422</u>	<u>336,415</u>	<u>1,447,839</u>	<u>1,495,615</u>
Insurance claims and commissions:	(b)				
Insurance commission ¹		38,804	31,330	141,461	111,192
General insurance claims		227,510	214,617	927,058	910,188
Life and family takaful insurance claims		-	-	-	56,186
		<u>266,314</u>	<u>245,947</u>	<u>1,068,519</u>	<u>1,077,566</u>
Total income from insurance business, net		<u>88,108</u>	<u>90,468</u>	<u>379,320</u>	<u>418,049</u>
(a) Income from insurance business					
Gross Premium					
- insurance contract		425,152	386,645	1,567,387	1,616,152
- change in unearned premium provision		(38,224)	(27,115)	14,178	32,448
		<u>386,928</u>	<u>359,530</u>	<u>1,581,565</u>	<u>1,648,600</u>
Premium ceded					
- insurance contract		(35,768)	(33,846)	(127,248)	(146,844)
- change in unearned premium provision		3,262	10,731	(6,478)	(6,141)
		<u>(32,506)</u>	<u>(23,115)</u>	<u>(133,726)</u>	<u>(152,985)</u>
		<u>354,422</u>	<u>336,415</u>	<u>1,447,839</u>	<u>1,495,615</u>
(b) Insurance claims					
- gross benefits and claims paid		235,803	214,436	888,808	1,029,140
- claims ceded to reinsurers		(29,457)	(28,286)	(87,158)	(109,899)
- change in contract liabilities - insurance contract		90,272	15,885	190,570	(21,039)
- change in contract liabilities ceded to reinsurers					
- insurance contract		(69,108)	12,582	(65,162)	68,172
		<u>227,510</u>	<u>214,617</u>	<u>927,058</u>	<u>966,374</u>

¹ Net of bancassurance commission paid/payable to subsidiaries of the Group of RM17,190,000 (31 March 2015: RM24,902,000) eliminated upon consolidation.

A22. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
Fee and commission income:				
Fees on loans and securities	31,979	64,720	138,534	225,086
Corporate advisory	2,414	3,100	15,774	21,274
Guarantee fees	14,466	13,510	55,521	57,469
Underwriting commission	267	4,010	3,404	12,360
Portfolio management fees	5,703	11,366	32,571	36,780
Unit trust management fees	26,469	24,733	103,135	107,098
Property trust management fees	1,781	1,498	6,323	6,162
Brokerage fees and commission	9,293	13,056	49,470	69,418
Wealth management fees	4,910	7,056	25,359	26,606
Other fee and commission income	22,628	24,970	93,825	95,043
	<u>119,910</u>	<u>168,019</u>	<u>523,916</u>	<u>657,296</u>
Investment and trading income:				
Net gain/(loss) from sale of financial assets held-for-trading	19,877	3,828	12,258	(25,020)
Net gain from sale of financial investments available-for-sale	8,671	18,203	61,097	56,980
Net gain on revaluation of financial assets held-for-trading	21,403	16,629	1,873	26,476
Net foreign exchange gain/(loss) ¹	64,380	(16,669)	145,332	37,369
Net (loss)/gain on derivatives	(50,575)	36,779	(11,521)	103,683
Gain on disposal of equity interests in subsidiaries ²	3,211	76,712	11,965	475,873
Dividend income from:				
Financial assets held-for-trading	147	193	5,023	7,247
Financial investments available-for-sale	16,231	10,586	41,938	33,506
Others	(173)	(246)	29	890
	<u>83,172</u>	<u>146,015</u>	<u>267,994</u>	<u>717,004</u>
Other income:				
Net non-trading foreign exchange gain/(loss)	(15,636)	6,163	(17,961)	17,103
Gain on repayment of capital by a subsidiary	21,706	-	21,706	-
Net gain/(loss) on disposal of property and equipment	386	80	(520)	30
Rental income	1,036	1,177	4,037	4,922
Profit from sale of goods and services	12,220	9,792	41,229	30,808
Others	11,805	5,215	29,992	30,422
	<u>31,517</u>	<u>22,427</u>	<u>78,483</u>	<u>83,285</u>
	<u>234,599</u>	<u>336,461</u>	<u>870,393</u>	<u>1,457,585</u>

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

² Includes additional gain of RM11.9 million arising from adjustment to sales proceeds pursuant to the finalisation of completion audit in the current financial year in connection with disposal of subsidiary, AmFraser Securities Pte Ltd in the financial year ended 31 March 2015. In prior year, the gain of RM475.9 million related to the disposal of 50% equity stake in AmMetLife Insurance Berhad and AmMetLife Takaful Berhad to MetLife and AmFraser Securities Pte Ltd to KGI Asia (Holdings) Pte Ltd.

A22. OTHER OPERATING INCOME (CONT'D.)

Company	Individual Quarter		Cumulative Quarter	
	31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
Fee and commission income:				
Other fee and commission income	-	-	150	300
	<u>-</u>	<u>-</u>	<u>150</u>	<u>300</u>
Investment and trading income:				
Dividend income from:				
Subsidiaries	-	46,889	659,877	1,381,267
Financial investments available-for-sale	879	548	2,991	3,609
	<u>879</u>	<u>47,437</u>	<u>662,868</u>	<u>1,384,876</u>
Other income:				
Others	-	-	-	182
	<u>-</u>	<u>-</u>	<u>-</u>	<u>182</u>
	<u>879</u>	<u>47,437</u>	<u>663,018</u>	<u>1,385,358</u>

A23. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
Personnel costs:				
Salaries, allowances and bonuses	231,814	228,731	844,627	906,240
Shares/options granted under ESS	4,879	8,267	11,036	31,386
Contributions to EPF	37,075	35,852	134,599	145,715
Social security cost	1,622	1,641	6,510	6,658
Others	40,801	35,844	126,493	106,655
	<u>316,191</u>	<u>310,335</u>	<u>1,123,265</u>	<u>1,196,654</u>
Establishment costs:				
Depreciation of property and equipment	14,053	14,036	52,678	58,776
Amortisation of intangible assets	29,833	20,692	96,189	84,674
Computerisation costs	61,859	32,332	204,605	183,802
Rental of premises	27,755	24,271	107,388	100,127
Cleaning, maintenance and security	9,890	9,603	34,020	33,512
Others	11,816	11,824	42,521	45,534
	<u>155,206</u>	<u>112,758</u>	<u>537,401</u>	<u>506,425</u>
Marketing and communication expenses:				
Sales commission	5,626	2,141	15,884	9,838
Advertising, promotional and other marketing activities	25,469	26,899	70,351	59,110
Telephone charges	5,486	3,230	23,531	19,990
Postage	5,352	2,993	13,844	13,860
Travel and entertainment	4,440	4,376	16,439	18,836
Others	8,352	9,566	26,162	30,227
	<u>54,725</u>	<u>49,205</u>	<u>166,211</u>	<u>151,861</u>
Administration and general expenses:				
Professional services	35,975	38,541	128,588	130,328
Donations	173	306	890	813
Travelling	(385)	1,265	5,341	8,518
Others ³	57,095	32,078	215,167	94,843
	<u>92,858</u>	<u>72,190</u>	<u>349,986</u>	<u>234,502</u>
	<u>618,980</u>	<u>544,488</u>	<u>2,176,863</u>	<u>2,089,442</u>

³ Included for the current financial year was RM53.7 million administrative monetary penalty imposed by BNM pursuant to section 234 of the Financial Services Act ("FSA") 2013 and section 245 of the IFSA 2013 arising from non-compliance of the Group with certain regulations. The Group had committed to set aside an average of RM25 million per annum for four years for investment in system, infrastructure and training.

A23. OTHER OPERATING EXPENSES (CONT'D.)

Company	Individual Quarter		Cumulative Quarter	
	31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
Personnel costs ⁴ :				
Salaries, allowances and bonuses	3,775	-	15,197	-
Contributions to EPF	661	-	2,196	-
Others	198	81	549	116
	<u>4,634</u>	<u>81</u>	<u>17,942</u>	<u>116</u>
Establishment costs:				
Depreciation of property and equipment	44	42	167	169
Cleaning, maintenance and security	-	-	1	1
Others	3	2	14	14
	<u>47</u>	<u>44</u>	<u>182</u>	<u>184</u>
Marketing and communication expenses:				
Advertising, promotional and other marketing activities	4	15	319	256
Telephone charges	3	5	14	15
Postage	(1)	1	21	27
Travel and entertainment	11	7	50	24
Others	7	6	168	157
	<u>24</u>	<u>34</u>	<u>572</u>	<u>479</u>
Administration and general expenses:				
Professional services	755	167	3,342	1,035
Travelling	27	3	44	27
Others	672	894	4,740	8,940
	<u>1,454</u>	<u>1,064</u>	<u>8,126</u>	<u>10,002</u>
Service transfer pricing income/(expense) to related company, net	(15,541)	97	(6,760)	443
	<u>(9,382)</u>	<u>1,320</u>	<u>20,062</u>	<u>11,224</u>

⁴ Personnel costs include salaries, allowances, bonuses, contributions to defined contribution plan and all other staff related expenses for Senior Management of the Company. In the previous year, the costs are fully recovered from its subsidiaries.

A24. ALLOWANCE/(WRITEBACK) FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

Group	Individual Quarter		Cumulative Quarter	
	31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
Allowance/(writeback) for loans, advances and financing:				
Individual allowance, net	95,017	38,321	138,929	91,026
Collective allowance, net	(13,418)	68,667	264,121	504,597
Impaired loans, advances and financing:				
Written off	(243)	-	(603)	-
Recovered, net	(120,914)	(166,409)	(564,950)	(624,425)
Recovery from loans sold to Danaharta	-	-	(1,589)	(1,732)
	<u>(39,558)</u>	<u>(59,421)</u>	<u>(164,092)</u>	<u>(30,534)</u>

A25. BUSINESS SEGMENT ANALYSIS

Segment information is presented in respect of the Group's business segments. The business segment information is prepared based on internal management reports, which are regularly reviewed by the chief operating decision-maker in order to allocate resources to segment and to assess its performance. The Group comprises the following main business segments:

(a) Retail Banking

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

(b) Wholesale Banking

Wholesale banking comprises Corporate and Commercial Banking, Markets, Investment Banking and Fund Management.

(i) Corporate and Commercial Banking offers a full range of products and services of corporate lending, trade finance, offshore banking, and cash management solutions to wholesale banking clients;

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

(iii) Investment Banking offers investment banking solutions and services, encompassing capital markets activities, equity derivatives, broking, private banking services, corporate advisory and fund raising services (equity and debt capital); and

(iv) Fund Management comprises the asset and fund management services, offering a variety of investment solutions for various asset classes to retail, corporate and institutional clients.

(c) Insurance

Insurance segment offers a broad range of general insurance products, namely motor, personal accident, property and household. It also offers life insurance and takaful products namely wealth protection/ savings, health and medical protection and family takaful solutions provided through our joint venture operations.

(d) Group Funding and Others (previously known as Operating Segments)

Group funding and others comprises activities to maintain the liquidity of the Group as well as support operations of its main business units and non-core operations of the Group.

During the current financial year, the Group:

(i) has presented allowances for impairment on financing and advances separately from other assets to better align with internal information used to manage the business;

(ii) expanded the disclosure for Wholesale Banking Division to provide disclosures that help investors and other stakeholders understand the Group's performance; and

(iii) has presented non-recurring gains/losses separately for other operating income to provide more meaningful information.

Accordingly, comparatives have been restated to conform with current year's presentation.

A25. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group

For the financial year ended 31.03.16	Wholesale Banking						Group Funding and Others RM'000	Total RM'000
	Retail Banking RM'000	Corporate & Commercial Banking RM'000	Markets RM'000	Investment Banking RM'000	Fund Management RM'000	Insurance RM'000		
External revenue	2,976,145	2,271,544	487,067	225,638	134,727	1,588,124	732,794	8,416,039
Revenue from other segments	(248,034)	367,528	(279,718)	(24,474)	-	-	184,698	-
Total operating revenue	<u>2,728,111</u>	<u>2,639,072</u>	<u>207,349</u>	<u>201,164</u>	<u>134,727</u>	<u>1,588,124</u>	<u>917,492</u>	<u>8,416,039</u>
Net interest income	1,223,337	779,727	43,213	39,124	2,471	132,997	157,937	2,378,806
Other income	254,688	177,327	122,222	149,640	132,256	370,565	95,838	1,302,536
Gain on disposal of subsidiary Income	-	-	-	11,935	-	-	30	11,965
Share in results of associates and joint ventures	1,478,025	957,054	165,435	200,699	134,727	503,562	253,805	3,693,307
Other operating expenses	3,536	-	-	-	-	(19,311)	18,277	2,502
of which:	(940,331)	(238,373)	(75,162)	(132,832)	(70,697)	(320,125)	(396,785)	(2,174,305)
<i>Depreciation of property and equipment</i>	(22,687)	(1,743)	(905)	(1,682)	(375)	(12,667)	(17,134)	(57,193)
<i>Amortisation of intangible assets</i>	(17,735)	(3,006)	(6,571)	(835)	(1,387)	(8,558)	(59,843)	(97,935)
Profit/(Loss) before provisions	541,230	718,681	90,273	67,867	64,030	164,126	(124,703)	1,521,504
(Allowance)/Writeback for impairment losses on loan, advances and financing	71,247	94,889	-	(3,426)	-	(237)	1,619	164,092
(Allowance)/Writeback for impairment losses on other assets	(1,148)	10,680	(209)	(6,153)	-	(3,207)	4,613	4,576
Writeback of provision for commitments and contingencies	2,878	26,285	-	101	-	-	11,576	40,840
Profit/(Loss) before taxation and zakat	614,207	850,535	90,064	58,389	64,030	160,682	(106,895)	1,731,012
Taxation and zakat	(146,979)	(196,037)	(21,615)	(9,179)	(14,914)	14,043	43,148	(331,533)
Profit/(Loss) for the year	<u>467,228</u>	<u>654,498</u>	<u>68,449</u>	<u>49,210</u>	<u>49,116</u>	<u>174,725</u>	<u>(63,747)</u>	<u>1,399,479</u>
Other information								
Total segment assets	46,656,442	40,305,784	9,660,265	2,508,973	144,881	5,537,944	28,949,711	133,764,000
Total segment liabilities	42,054,745	51,671,052	5,093,198	654,374	22,049	3,635,685	14,513,509	117,644,612
Cost to income ratio	63.5%	24.9%	45.4%	66.2%	52.5%	66.1%	145.8%	58.8%
Gross loans/financing	46,302,620	40,247,126	-	1,391,646	-	5,301	(54,420)	87,892,273
Net loans/financing	45,836,798	39,773,010	-	1,379,973	-	5,065	(481,592)	86,513,254
Impaired loans, advances and financing	775,690	922,913	-	1,782	-	-	470	1,700,855
Total deposits	41,519,878	49,077,918	697,757	-	-	-	806,790	92,102,343
Additions to:								
Property and equipment	23,301	490	388	1,692	2,321	47,844	38,204	114,240
Intangible assets	15,192	137	1,871	1,743	266	24,813	86,332	130,354

A25. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group	Wholesale Banking						Group Funding and Others RM'000	Total RM'000
	Retail Banking RM'000	Corporate & Commercial Banking RM'000	Markets RM'000	Investment Banking RM'000	Fund Management RM'000	Insurance RM'000		
For the financial year ended 31.03.15 (Restated)								
External revenue	3,233,531	2,175,451	437,593	298,725	141,339	1,684,522	1,171,360	9,142,521
Revenue from other segments	(354,576)	441,097	(222,021)	(18,155)	-	-	153,655	-
Total operating revenue	<u>2,878,955</u>	<u>2,616,548</u>	<u>215,572</u>	<u>280,570</u>	<u>141,339</u>	<u>1,684,522</u>	<u>1,325,015</u>	<u>9,142,521</u>
Net interest income	1,443,147	862,389	44,872	52,087	2,859	127,137	237,800	2,770,291
Other income	279,212	209,677	140,395	200,789	138,480	447,839	58,900	1,475,292
Gain on disposal of subsidiary	-	-	-	25,255	-	-	450,618	475,873
Income	<u>1,722,359</u>	<u>1,072,066</u>	<u>185,267</u>	<u>278,131</u>	<u>141,339</u>	<u>574,976</u>	<u>747,318</u>	<u>4,721,456</u>
Share in results of associates and joint ventures	3,460	-	-	-	-	(10,521)	10,249	3,188
Other operating expenses	<u>(935,445)</u>	<u>(257,828)</u>	<u>(74,541)</u>	<u>(189,077)</u>	<u>(75,318)</u>	<u>(303,280)</u>	<u>(322,390)</u>	<u>(2,157,879)</u>
of which:								
<i>Depreciation of property and equipment</i>	(24,711)	(2,594)	(1,417)	(3,753)	(406)	(12,799)	(16,778)	(62,458)
<i>Amortisation of intangible assets</i>	<u>(16,845)</u>	<u>(3,517)</u>	<u>(4,555)</u>	<u>(802)</u>	<u>(1,430)</u>	<u>(6,379)</u>	<u>(51,647)</u>	<u>(85,175)</u>
Profit before provisions	790,374	814,238	110,726	89,054	66,021	261,175	435,177	2,566,765
(Allowance)/Writeback for impairment losses on loan, advances and financing	(237,363)	204,719	-	6,883	-	-	56,296	30,535
(Allowance)/Writeback for impairment losses on other assets	220	(5,770)	(245)	(15,483)	-	60,057	(51,054)	(12,275)
(Allowance)/Writeback of provision for commitments and contingencies	10,439	23,495	-	(533)	-	-	(14,146)	19,255
Profit before taxation and zakat	<u>563,670</u>	<u>1,036,682</u>	<u>110,481</u>	<u>79,921</u>	<u>66,021</u>	<u>321,232</u>	<u>426,273</u>	<u>2,604,280</u>
Taxation and zakat	<u>(140,569)</u>	<u>(245,830)</u>	<u>(27,620)</u>	<u>(20,221)</u>	<u>(12,033)</u>	<u>(60,225)</u>	<u>(53,229)</u>	<u>(559,727)</u>
Profit for the year	<u>423,101</u>	<u>790,852</u>	<u>82,861</u>	<u>59,700</u>	<u>53,988</u>	<u>261,007</u>	<u>373,044</u>	<u>2,044,553</u>
Other information								
Total segment assets	46,440,738	40,201,326	8,732,515	2,445,967	159,003	5,499,153	30,325,122	133,803,824
Total segment liabilities	43,498,003	52,251,467	4,249,864	586,567	41,207	3,376,268	14,293,024	118,296,400
Cost to income ratio	54.2%	24.0%	40.2%	68.0%	53.3%	53.7%	42.6%	45.7%
Gross loans/financing	46,301,290	40,101,460	-	1,462,249	-	10,917	(52,873)	87,823,043
Net loans/financing	45,602,354	39,647,066	-	1,455,957	-	10,917	(542,500)	86,173,794
Impaired loans, advances and financing	929,598	638,340	-	4,324	-	-	469	1,572,731
Total deposits	42,763,166	47,199,707	510,577	-	-	-	3,958,263	94,431,713
Additions to:								
Property and equipment	23,736	497	210	3,477	291	26,001	21,664	75,876
Intangible assets	9,086	1,112	6,164	851	300	8,931	59,576	86,020

A26. VALUATION OF PROPERTY AND EQUIPMENT

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

A27. EVENTS SUBSEQUENT TO REPORTING DATE

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

A28. 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 other than as disclosed in Note B6.

A29. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the banking subsidiaries of the Company 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:

	Group	
	31.03.16	31.03.15
	Principal/ Notional Amount RM'000	Principal/ Notional Amount RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
up to one year	14,691,791	15,126,229
over one year	4,703,052	4,970,928
Unutilised credit card lines	2,846,456	3,955,894
Forward asset purchases	866,986	824,066
	<u>23,108,285</u>	<u>24,877,117</u>
Contingent Liabilities		
Direct credit substitutes	2,267,415	996,116
Transaction related contingent items	5,047,478	6,355,902
Obligations under underwriting agreements	73,348	250,000
Short term self liquidating trade related contingencies	649,520	715,135
	<u>8,037,761</u>	<u>8,317,153</u>
Derivative Financial Instruments		
Interest/Profit rate related contracts:	47,352,541	43,862,385
One year or less	8,175,391	4,922,517
Over one year to five years	30,103,999	31,036,563
Over five years	9,073,151	7,903,305
Foreign exchange related contracts:	45,631,935	38,377,491
One year or less	42,525,684	33,926,800
Over one year to five years	1,125,881	2,500,277
Over five years	1,980,370	1,950,414
Credit related contracts:	673,394	654,404
One year or less	337,027	-
Over one year to five years	336,367	327,515
Over five years	-	326,889
Equity and commodity related contracts:	233,194	676,506
One year or less	159,622	606,676
Over one year to five years	73,572	69,830
	<u>93,891,064</u>	<u>83,570,786</u>
	<u>125,037,110</u>	<u>116,765,056</u>

A29. 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 2015: RM150,000,000) on behalf of AmFutures Sdn Bhd for the payment and discharge of all monies due on trading accounts maintained by customers.
- (b) Legal suits:
 - Zurich insurance Malaysia Bhd -V- AmTrustee Bhd & Meridian Asset Management S/B ("Zurich Suit")
 - Meridian Asset Management S/b -V- AmTrustee Bhd ("Meridian Suit")(Currently pending before the Federal Court)

Nature of Claim

Zurich Suit: Zurich claims for breach of trust for losses suffered by it when Zurich appointed Meridian as an external fund manager for certain of its insurance funds. Meridian appointed AmTrustee as custodian for the said insurance funds.

Meridian Suit: Meridian claims for losses suffered by it arising from the custodian services provided by AmTrustee to Meridian. The losses are funds invested by Zurich and Kumpulan Wang Persaraan (KWAP), with Meridian.

Status

High Court

Zurich Suit: High Court dismissed Zurich's claim against AmTrustee. Meridian was found to be fully liable to Zurich.

Meridian Suit: High Court held AmTrustee liable to contribute to Meridian for 40% of the sum amount that Meridian pays Zurich and KWAP. Until Meridian pays Zurich and KWAP, there is no liability on AmTrustee to contribute (reimburse).

Parties then appealed to the Court of Appeal

Court of Appeal

Zurich Suit: High Court decision varied. AmTrustee and Meridian were now held to be severally liable to Zurich. This means that both AmTrustee and Meridian are fully liable for the amount and Zurich may elect whom to pursue.

Meridian Suit: the High Court decision was maintained.

Parties applied for leave (i.e. permission) to appeal to the Federal Court.

Federal Court

Prior to hearing the application for leave to appeal, on 22 September 2015, AmTrustee was informed that Meridian had been wound up on 7 August 2015. Accordingly, AmTrustee has instructed its solicitors to file for leave to proceed against Meridian. Leave was granted by the Winding Up Court on 20 January 2016. The application for permission to appeal to the Federal Court is now fixed for hearing on 17 February 2016. Should permission be granted on 17 February 2016, the matter will then proceed to a full appeal hearing on a date to be fixed by the Federal Court. The Federal Court granted the adjournment and fixed the leave application for Case Management on 24 March 2016, for the Insolvency Department to revert with their instructions.

Solicitors' Opinion

Solicitors are of the view that AmTrustee would be able to satisfy the threshold set out under section 96 of the Court of Judicature Act (CJA) and be granted permission to appeal: The threshold requires permission to be granted when there is public importance or the issue in the appeal has not been previously decided by the Federal Court. AmTrustee's solicitors take the view that as the questions of law posed to the Federal Court in the Leave Application have never before been decided by the Federal Court, AmTrustee has good prospects of obtaining permission to appeal.

In the event that permission to appeal is granted on 17 February 2016 and the matter proceeds to a full appeal hearing, AmTrustee's solicitors opine that AmTrustee has a reasonably good chance to overturn the Court of Appeal's decision at the full appeal hearing.

Due to the winding up of Meridian and subsequent appointment of the Insolvency Department over Meridian, the Insolvency Department sought an adjournment of the hearing of AmTrustee's leave application to enable them to obtain instructions from the contributories and creditors of Meridian. On 24 March 2016, the Insolvency Department sought for another adjournment as they are as yet unable to revert with their instructions. This adjourned Case Management took place on 22 April 2016 and the Court then fixed AmTrustee's leave application for hearing on 29 June 2016.

A29. COMMITMENTS AND CONTINGENCIES (CONT'D.)

- (c) In the previous financial year, AmFutures Sdn Bhd ("AmF") and AmInvestment Bank Berhad ("AMIB") were served with a total of 19 suits by 19 individuals ("Claimants") in relation to a purported investment scheme called Futures Crude Palm Oil ("Alleged Scheme") allegedly offered by person(s) unknown to AmF and AMIB to the Claimants. In the suits, the Claimants claim for the return of their alleged principal investment sum and the return of investment in the Alleged Scheme.

The parties to the suits had agreed that trial of one test case to be heard first by the Court and the decision in the test case shall be binding on all the other suits filed by the Claimants. The trial hearing dates for the test case were fixed on from 27 April 2015 to 29 April 2015. The decision of the test case was delivered on 22 June 2015 in which the Court dismissed the claim against AmFutures and AmInvestment with costs, to be borne by the Claimants. One of the Claimants managed to file an appeal. All other 18 Claimants did not appeal against the dismissal of their suits. The Solicitors for AmFutures and AmInvestment is of the view that AmFutures and AmInvestment have a good chance of successfully challenging the appeal. The appeal fixed for hearing on 22 January 2016.

On 18 February 2016, the High Court was heard and dismissed appeal. AmF and AmIB were awarded with total costs of RM10,000. The deadline to file a further appeal to the Court of Appeal was on 18 March 2016. No further appeal was filed.

- (d) During the previous financial year, AmMetLife Insurance Berhad (formerly known as AmLife Insurance Berhad) ("AmMetLife") received complaints from 9 policyholders relating to the alleged mis-selling of a certain insurance product of AmMetLife. Since the last financial year end until 31 March 2016, AmMetLife received complaints from 50 policyholders. The Company and MetLife are working jointly in the process of investigating these complaints and assessing any financial impact thereon.

Under the terms for the sale by the Company to MetLife of shares in AmMetLife, the Group would fully indemnify MetLife or AmMetLife from any losses arising from incidences of mis-selling of certain specified insurance products occurring prior to the share sale.

A30. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

Group	31.03.16			31.03.15		
	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
Trading derivatives						
Interest rate related contracts:	41,047,541	276,216	288,903	38,722,385	164,303	179,699
- One year or less	7,825,391	3,517	2,438	4,102,517	1,889	6,836
- Over one year to three years	14,806,859	45,475	45,109	16,054,025	45,803	37,764
- Over three years	18,415,291	227,224	241,356	18,565,843	116,611	135,099
Foreign exchange related contracts:	45,631,935	1,544,842	1,674,274	38,377,491	1,216,197	1,172,071
- One year or less	42,525,684	1,224,960	1,399,483	33,926,800	784,662	761,802
- Over one year to three years	459,391	9,692	10,746	2,356,883	202,122	217,705
- Over three years	2,646,860	310,190	264,045	2,093,808	229,413	192,564
Credit related derivative contracts:	673,394	19,978	9,679	654,404	40,705	8,931
- One year or less	337,027	485	176	-	-	-
- Over one year to three years	-	-	-	327,515	7,572	-
- Over three years	336,367	19,493	9,503	326,889	33,133	8,931
Equity and commodity related contracts:	233,194	3,014	2,959	676,506	3,262	3,835
- One year or less	159,622	1,881	1,826	606,676	1,506	2,079
- Over three years	73,572	1,133	1,133	69,830	1,756	1,756
	87,586,064	1,844,050	1,975,815	78,430,786	1,424,467	1,364,536
Hedging derivatives						
Interest rate related contracts -						
Interest rate swaps:						
Cash flow hedge	5,955,000	39,951	35,705	4,790,000	13,070	13,842
- One year or less	350,000	222	304	820,000	100	39
- Over one year to three years	2,435,000	6,129	3,762	1,380,000	1,165	2,642
- Over three years	3,170,000	33,600	31,639	2,590,000	11,805	11,161
Fair value hedge	350,000	-	11,287	350,000	-	7,100
- Over three years	350,000	-	11,287	350,000	-	7,100
Total	93,891,064	1,884,001	2,022,807	83,570,786	1,437,537	1,385,478

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.

A30. 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 derivative 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 derivative 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.

A30. 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 foreign exchange options while interest rate futures, equity futures and equity options are examples of exchange traded derivatives. The liquidity risk of a position can be estimated by the notional amount of contracts held and the market value of the contract position. Both the OTC and exchange markets have liquid and illiquid contracts.

Funding risk is the risk of derivative activities placing an adverse funding and cash flow pressure on the 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.

A30. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONT'D.)

Derivative Financial Instruments and Hedge Accounting

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

The Group enters into derivative transactions for trading and for hedging purposes. For derivatives held-for-trading, fair value changes are recognised in the income statement. 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 income statement. For qualifying fair value hedges, the changes in fair value of the hedging instrument and the hedged item relating to the hedged risk are recognised in the income statement. In the event the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to the income statement over the expected life of the hedged item.

(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 income statement. For qualifying cash flow hedges, the effective portion of the change in fair value of the hedging instrument is taken to equity as a cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are released to the income statement in the periods when the hedged forecast transactions affect the income 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.

A31. FAIR VALUES OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

The Group and the Company measure fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

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

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

The following tables show the Group's and the Company's financial instruments that are measured at fair value at the reporting date analysed by levels within the fair value hierarchy.

Group

31.03.16	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Derivative financial assets	33	1,883,968	-	1,884,001
Financial assets held-for-trading				
- Money market securities	-	782,884	-	782,884
- Equities	301,702	-	-	301,702
- Quoted private debt securities	38,962	-	-	38,962
- Unquoted private debt securities	-	3,797,070	-	3,797,070
Financial investments available-for-sale				
- Money market securities	-	5,496,253	-	5,496,253
- Equities	1,097,768	33,725	-	1,131,493
- Unquoted private debt securities	-	4,933,103	-	4,933,103
	<u>1,438,465</u>	<u>16,927,003</u>	<u>-</u>	<u>18,365,468</u>
Derivative financial liabilities	<u>1,992</u>	<u>2,020,815</u>	<u>-</u>	<u>2,022,807</u>

A31. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D)

31.03.16	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company				
Financial investments available-for-sale				
- Equities	121,860	-	-	121,860
	<u>121,860</u>	<u>-</u>	<u>-</u>	<u>121,860</u>

31.03.15

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Derivative financial assets	1	1,437,536	-	1,437,537
Financial assets held-for-trading				
- Money market securities	-	1,422,695	-	1,422,695
- Equities	181,775	-	-	181,775
- Quoted private debt securities	39,394	-	-	39,394
- Unquoted private debt securities	-	3,030,359	-	3,030,359
Financial investments available-for-sale				
- Money market securities	-	5,246,999	-	5,246,999
- Equities	774,593	33,657	-	808,250
- Unquoted private debt securities	-	4,212,220	-	4,212,220
	<u>995,763</u>	<u>15,383,466</u>	<u>-</u>	<u>16,379,229</u>
Derivative financial liabilities	<u>2,702</u>	<u>1,382,776</u>	<u>-</u>	<u>1,385,478</u>
Company				
Financial investments available-for-sale				
- Equities	110,704	-	-	110,704
	<u>110,704</u>	<u>-</u>	<u>-</u>	<u>110,704</u>

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

A31. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)

Movements in Level 3 financial instruments measured at fair value

The level of the fair value hierarchy of financial instruments is determined at the beginning of each reporting period. The following table shows a reconciliation of the opening and closing amounts of level 3 financial assets which are recorded at fair value at the reporting date.

	Financial investments available -for-sale	Financial investments available -for-sale
	Group	
	31.03.16 RM'000	31.03.15 RM'000
Balance at beginning of financial year	-	417
Total gains/(losses) recognised in:		
- income statement:		
- other operating income	1,235	325
- impairment writeback	10,956	-
Settlements	(12,191)	(742)
Balance at end of financial year	<u>-</u>	<u>-</u>

There were no transfers between Level 2 and Level 3 during the current financial year and previous financial year for the Group and the Company.

Changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

A32. CAPITAL ADEQUACY

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

	31.03.16			
	AmBank	AmBank Islamic	AmInvestment Bank	Group *
Before deducting proposed dividends:				
CET1 Capital ratio	11.082%	9.846%	33.574%	11.530%
Tier 1 Capital ratio	12.555%	9.846%	33.574%	12.568%
Total Capital ratio	15.770%	15.320%	33.574%	16.405%
After deducting proposed dividends:				
CET1 Capital ratio	10.640%	9.846%	31.204%	11.183%
Tier 1 Capital ratio	12.114%	9.846%	31.204%	12.221%
Total Capital ratio	15.328%	15.320%	31.204%	16.058%
	31.03.15			
	AmBank	AmBank Islamic	AmInvestment Bank	Group *
Before deducting proposed dividends:				
CET1 Capital ratio	10.653%	9.200%	24.196%	10.975%
Tier 1 Capital ratio	12.446%	9.200%	24.196%	12.245%
Total Capital ratio	16.020%	14.371%	24.196%	16.233%
After deducting proposed dividends:				
CET1 Capital ratio	10.023%	9.200%	22.820%	10.508%
Tier 1 Capital ratio	11.816%	9.200%	22.820%	11.778%
Total Capital ratio	15.390%	14.371%	22.820%	15.766%

Notes:

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.

The Group has adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk. With effect from 1 January 2013 to 31 December 2015, 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:

	Transitional arrangements		
	Calendar Year		
	2013	2014	2015 onwards #
CET1 Capital ratio	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%

Excluding capital conservation buffer of 2.5% of total risk weighted assets ("RWA") and countercyclical capital buffer ranging between 0% and 2.5% of total RWA and additional buffer requirements that may be specified by BNM.

A32. CAPITAL ADEQUACY (CONT'D.)

With effect from 1 January 2016, pursuant to BNM's guidelines on Capital Adequacy Framework for Banks (Capital Components) issued on 13 October 2015, the minimum capital adequacy ratio to be maintained under the guidelines remained at 4.5% for CET1 capital, 6.0% for Tier 1 capital and 8% for total capital ratio. Banking institutions are also required to maintain capital buffers. The capital buffers shall comprise the sum of the following:

- (a) a Capital Conservation Buffer ("CCB") of 2.5%; and
- (b) a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the bank has credit exposures.

The CCB requirements under transitional arrangements shall be phased-in starting from 1 January 2016 as follows:

	CCB
Calendar year 2016	0.625%
Calendar year 2017	1.25%
Calendar year 2018	1.875%
Calendar year 2019 onwards	2.5%

The Company being a financial holding company ("FHC") will be required to comply with the above BNM's guideline issued on 13 October 2015 on minimum capital adequacy ratios at the consolidated level for FHC effective 1 January 2019.

A32. CAPITAL ADEQUACY (CONT'D.)

- (b) The aggregated components of CET1 Capital, Additional Tier 1 Capital, Tier 2 Capital and Total Capital of the Group are as follows:

	31.03.16			Group *
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	
<u>CET1 Capital</u>				
Ordinary shares	820,364	462,922	200,000	1,483,286
Share premium	942,844	724,185	-	1,667,029
Retained earnings	5,080,500	982,055	99,023	6,421,500
Unrealised gains/(losses) on available-for-sale ("AFS") financial instruments	11,951	(1,589)	-	10,162
Foreign exchange translation reserve	61,296	-	-	65,471
Statutory reserve	980,969	483,345	200,000	1,664,314
Regulatory reserve	-	-	2,800	2,800
Capital reserve	-	-	-	2,815
Merger reserve	-	-	-	111,805
Cash flow hedging reserve	3,635	-	-	3,635
Qualifying minority interest	-	-	-	2
Less: Regulatory adjustments applied on CET1 capital				
Intangible assets	(344,944)	(14)	(2,542)	(353,350)
Deferred tax assets	(115,179)	-	(4,899)	(121,133)
Cash flow hedging reserve	(3,635)	-	-	(3,635)
55% of cumulative gains of AFS financial instruments	(6,573)	-	-	(6,463)
Regulatory reserve	-	-	(2,800)	(2,800)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(23,106)	-	(8,321)	-
Deduction in excess of Tier 2 capital**	-	-	(1,477)	-
CET1 Capital	7,408,122	2,650,904	481,784	10,945,438
<u>Additional Tier 1 Capital</u>				
Additional Tier 1 Capital instruments (subject to gradual phase-out treatment)	985,000	-	-	985,000
Tier 1 Capital	8,393,122	2,650,904	481,784	11,930,438
<u>Tier 2 Capital</u>				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	400,000	600,000	-	1,000,000
Tier 2 Capital instruments (subject to gradual phase-out treatment)	1,180,680	600,000	-	1,780,680
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	-	-	-	1
Collective allowance and regulatory reserve	583,675	273,963	4,071	861,733
Less: Regulatory adjustments applied on Tier 2 Capital	(15,404)	-	(4,071)	-
Tier 2 Capital	2,148,951	1,473,963	-	3,642,414
Total Capital	10,542,073	4,124,867	481,784	15,572,852
Credit RWA	60,022,744	26,112,657	1,096,673	86,456,861
Less: Credit RWA absorbed by Restricted Investment Account	-	(1,003,979)	-	(1,003,979)
Total Credit RWA	60,022,744	25,108,678	1,096,673	85,452,882
Market RWA	2,231,172	296,231	35,738	2,573,750
Operational RWA	4,595,005	1,519,148	302,599	6,902,371
Total Risk Weighted Assets	66,848,921	26,924,057	1,435,010	94,929,003

** 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 guidelines on Capital Adequacy Framework (Capital Components).

A32. CAPITAL ADEQUACY (CONT'D.)

- (b) The aggregated components of CET1 Capital, Additional Tier 1 Capital, Tier 2 Capital and Total Capital of the Group are as follows:

	31.03.15			Group *
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	
<u>CET1 Capital</u>				
Ordinary shares	820,364	462,922	200,000	1,483,286
Share premium	942,844	724,185	-	1,667,029
Retained earnings	4,874,087	747,523	82,533	5,953,934
Unrealised gains/(losses) on available-for-sale ("AFS") financial instruments	1,323	(6,592)	1,024	(4,309)
Foreign exchange translation reserve	50,585	-	-	87,982
Statutory reserve	980,969	483,345	200,000	1,664,314
Regulatory reserve	-	-	2,800	2,800
Profit equalisation reserve	-	3,904	-	3,904
Capital reserve	-	-	-	2,815
Merger reserve	-	-	-	111,805
Cash flow hedging reserve	(481)	-	-	(481)
Less: Regulatory adjustments applied on CET1 capital				
Intangible assets	(327,689)	(20)	(1,710)	(337,689)
Deferred tax assets	(98,869)	-	(2,782)	(105,328)
Profit equalisation reserve	-	(3,904)	-	(3,904)
Cash flow hedging reserve	481	-	-	481
55% of cumulative gains of AFS financial instruments	(728)	-	(563)	(1,256)
Regulatory reserve	-	-	(2,800)	(2,800)
Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(28,652)	-	(52,370)	(12,846)
Deduction in excess of Tier 2 Capital**	-	-	(74,446)	(13,922)
CET1 Capital	7,214,234	2,411,363	351,686	10,495,815
<u>Additional Tier 1 Capital</u>				
Additional Tier 1 Capital instruments (subject to gradual phase-out treatment)	1,214,570	-	-	1,214,570
Tier 1 Capital	8,428,804	2,411,363	351,686	11,710,385
<u>Tier 2 Capital</u>				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	400,000	350,000	-	750,000
Tier 2 Capital instruments (subject to gradual phase-out treatment)	1,310,000	700,000	-	2,010,000
Collective allowance and regulatory reserve	753,172	305,338	4,111	1,059,188
Less: Regulatory adjustments applied on Tier 2 capital	(42,978)	-	(4,111)	(5,348)
Tier 2 Capital	2,420,194	1,355,338	-	3,813,840
Total Capital	10,848,998	3,766,701	351,686	15,524,225
Credit RWA	60,253,770	25,790,830	1,122,413	86,924,956
Less: Credit RWA absorbed by Restricted Investment Account	-	(1,363,811)	-	(1,363,811)
Total Credit RWA	60,253,770	24,427,019	1,122,413	85,561,145
Market RWA	2,774,466	230,629	16,101	3,122,643
Operational RWA	4,694,931	1,553,441	314,533	6,946,680
Large exposure risk RWA for equity holdings	-	-	438	1,474
Total Risk Weighted Assets	67,723,167	26,211,089	1,453,485	95,631,942

** 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 guidelines on Capital Adequacy Framework (Capital Components).

A33. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	Group	
	31.03.16	31.03.15
Outstanding credit exposures with connected parties (RM'000)	<u>2,698,316</u>	<u>3,298,414</u>
Percentage of outstanding credit exposures to connected parties (%)		
- as a proportion of total credit exposures	2.61	3.22
- which is non-performing or in default	<u>0.10</u>	<u>0.42</u>

The disclosure on Credit Transactions 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 issued on 16 July 2014.

A34. INSURANCE BUSINESS
(I) STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	General insurance fund		Shareholders' fund		Total *	
	31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
ASSETS						
Cash and short-term funds	273,201	124,305	1,173	802	274,374	125,107
Deposits and placements with banks and other financial institutions	10,098	61,789	1,086	4,021	11,184	65,810
Financial assets held-for-trading	2,886,136	3,046,435	-	-	2,886,136	3,046,435
Financial investments available-for-sale	37,354	37,019	554,058	563,981	591,412	601,000
Loans, advances and financing	5,065	10,917	-	-	5,065	10,917
Deferred tax assets	21,326	19,511	-	-	21,326	19,511
Investment in subsidiary	-	-	2,108,733	2,108,733	2,108,733	2,108,733
Other assets	157,816	143,203	429,360	805,859	164,844	149,915
Reinsurance, retakaful assets and other insurance receivables	513,555	433,929	-	-	513,555	433,929
Investment properties	-	7,713	-	-	-	7,713
Property and equipment	98,992	82,322	-	-	98,992	82,322
Intangible assets	28,323	8,036	-	-	28,323	8,036
Assets held for sale	18,398	83,775	-	-	18,398	83,775
TOTAL ASSETS	4,050,264	4,058,954	3,094,410	3,483,396	6,722,342	6,743,203
LIABILITIES AND EQUITY						
Redeemable cumulative convertible preference share	-	-	417,878	405,756	417,878	405,756
Deferred tax liabilities	-	-	45,842	48,938	45,842	48,938
Other liabilities	697,409	1,081,789	10,845	25,658	285,922	308,300
Insurance, takaful contract liabilities and other insurance payables	2,761,460	2,544,649	-	-	2,761,460	2,544,649
Total Liabilities	3,458,869	3,626,438	474,565	480,352	3,511,102	3,307,643
Share capital	-	-	1,145,248	1,145,248	1,145,248	1,145,248
Reserves	591,395	432,516	1,474,597	1,857,796	2,065,992	2,290,312
Total Equity	591,395	432,516	2,619,845	3,003,044	3,211,240	3,435,560
TOTAL LIABILITIES AND EQUITY	4,050,264	4,058,954	3,094,410	3,483,396	6,722,342	6,743,203

* after elimination of intercompany balances

A34. INSURANCE BUSINESS (CONT'D.)
(II) INCOME STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

Group	General insurance fund		Life insurance fund		Family takaful fund		Shareholders' fund		Total*	
	31.03.16	31.03.15	31.03.16 #	31.03.15	31.03.16 ##	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	3,985	5,735	-	7,565	-	197	419	1,800	4,404	15,297
Interest expense	-	-	-	-	-	-	(18,121)	(17,599)	(18,121)	(17,599)
Net interest income	3,985	5,735	-	7,565	-	197	(17,702)	(15,799)	(13,717)	(2,302)
Income from insurance business	1,447,839	1,450,170	-	42,843	-	2,602	-	-	1,447,839	1,495,615
Insurance claims and commissions	(1,085,708)	(1,071,293)	-	(28,650)	-	(1,944)	-	(581)	(1,068,519)	(1,077,566)
Net income from insurance business	362,131	378,877	-	14,193	-	658	-	(581)	379,320	418,049
Other operating income	126,151	113,551	-	4,417	-	(832)	22,848	56,113	148,999	173,249
Net income	492,267	498,163	-	26,175	-	23	5,146	39,733	514,602	588,996
Other operating expenses	(297,629)	(273,526)	-	(7,776)	-	(5)	(3,847)	(2,955)	(301,476)	(284,262)
Acquisition and business efficiency expenses	(8,445)	(9,800)	-	-	-	-	-	-	(8,445)	(9,800)
Operating profit	186,193	214,837	-	18,399	-	18	1,299	36,778	204,681	294,934
Allowances for impairment on loans and financing	(237)	-	-	-	-	-	-	-	(237)	-
Net impairment (loss)/writeback on:										
Financial investments	-	-	-	-	-	-	(359)	4,945	(359)	4,945
Doubtful sundry receivables	(3,867)	30,918	-	(1,617)	-	-	-	(72)	(3,867)	29,229
Intangible assets	1,019	(4,116)	-	-	-	-	-	-	1,019	(4,116)
Profit before taxation and zakat	183,108	241,639	-	16,782	-	18	940	41,651	201,237	324,992
Taxation and zakat	(25,116)	(40,822)	-	(3,948)	-	(18)	14,549	(9,685)	(10,567)	(54,473)
Profit for the year	157,992	200,817	-	12,834	-	-	15,489	31,966	190,670	270,519

Previously indirect wholly-owned operation; partial disposal of equity interest during last financial year resulted in closing equity interest of 50% less one share.

Previously indirect wholly-owned operation; partial disposal of equity interest during last financial year resulted in closing equity interest of 50% plus one share.

* after elimination of intercompany balances

A35. OPERATIONS OF ISLAMIC BANKING

**AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016**

	31.03.16	Group 31.03.15 (Restated)	01.04.14 (Restated)
	RM'000	RM'000	RM'000
ASSETS			
Cash and short-term funds	4,385,587	4,307,281	2,941,329
Deposits and placements with banks and other financial institutions	500,000	750,000	1,118,383
Derivative financial assets	57,272	27,469	7,699
Financial assets held-for-trading	174,550	151,783	64,694
Financial investments available-for-sale	3,177,516	4,109,611	3,854,715
Financial Investments held-to-maturity	1,263,639	1,249,567	1,236,055
Financing and advances	27,391,553	27,497,806	24,445,039
Receivables: Investments not quoted in active markets	468,141	463,982	106,649
Statutory deposit with Bank Negara Malaysia	842,000	1,045,000	891,000
Deferred tax assets	296	1	292
Other assets	348,234	378,727	567,242
Property and equipment	368	326	409
Intangible assets	14	20	28
TOTAL ASSETS	38,609,170	39,981,573	35,233,534
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits and placements of banks and other financial institutions	1,451,897	1,356,530	2,672,606
Recourse obligation on financing sold to Cagamas Berhad	1,127,824	1,436,775	2,068,337
Derivative financial liabilities	67,685	34,491	7,675
Deposits from customers	28,375,395	29,748,968	25,423,364
Investment accounts of customers	18,411	-	-
Investment account due to licensed bank	1,000,000	1,363,442	449,982
Term funding	1,850,000	1,850,000	550,000
Subordinated Sukuk	1,399,528	1,149,384	1,149,302
Deferred tax liabilities	5,883	10,839	7,255
Other liabilities	470,486	446,758	387,526
TOTAL LIABILITIES	35,767,109	37,397,187	32,716,047
Share capital/Capital funds	492,922	492,922	495,761
Reserves	2,349,139	2,091,464	2,021,726
TOTAL ISLAMIC BANKING FUNDS	2,842,061	2,584,386	2,517,487
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	38,609,170	39,981,573	35,233,534
COMMITMENTS AND CONTINGENCIES	8,372,430	7,557,214	8,467,022

A35. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

**AUDITED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2016**

Group	Individual Quarter		Cumulative Quarter	
	31.03.16	31.03.15 (Restated)	31.03.16	31.03.15 (Restated)
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	399,474	455,996	1,813,111	1,752,730
Income derived from investment of investment account funds	69,554	-	69,554	-
Charge/(Writeback) impairment on financing and advances	24,422	(19,985)	4,174	(131,549)
Writeback of provision for commitments and contingencies	1,678	65	3,818	10,032
Impairment for sundry debtors	-	-	(10)	-
Transfer to profit equalisation reserve	-	(15,358)	(1,406)	(35,379)
Total distributable income	495,128	420,718	1,889,241	1,595,834
Income attributable to the depositors and others	(273,441)	(239,134)	(1,062,427)	(919,464)
Income attributable to investment account holders	(15,289)	(10,053)	(62,224)	(12,206)
Profit attributable to the Group	206,398	171,531	764,590	664,164
Income derived from Islamic Banking Funds	30,328	28,800	123,674	105,165
Total net income	236,726	200,331	888,264	769,329
Operating expenditure	(93,371)	(96,247)	(412,975)	(369,098)
Finance cost	(36,709)	(21,988)	(137,978)	(80,441)
Profit before taxation and zakat	106,646	82,096	337,311	319,790
Taxation and zakat	(25,409)	(17,869)	(84,628)	(71,247)
Profit for the year	81,237	64,227	252,683	248,543

**AUDITED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2016**

Group	Individual Quarter		Cumulative Quarter	
	31.03.16	31.03.15 (Restated)	31.03.16	31.03.15 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit for the year	81,237	64,227	252,683	248,543
Other comprehensive income/(loss):				
Items that may be reclassified to income statement				
Net change in revaluation of financial investments available-for-sale	16,959	9,205	6,583	15,916
Exchange differences on translation of foreign operations	(1)	(1)	(1)	609
Income tax relating to the components of other comprehensive income	(4,070)	(2,209)	(1,580)	(4,066)
Other comprehensive income for the year, net of tax	12,888	6,995	5,002	12,459
Total comprehensive income for the year	94,125	71,222	257,685	261,002

A35. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(a) Financing and Advances

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

Group 31.03.16	Bai Bithaman	Murabahah RM'000	Musharakah	AI-Ijarah Thummah	Bai Al-Inah RM'000	Others RM'000	Total RM'000
	Ajil RM'000		Mutanaqisah RM'000	AI-Bai (AITAB) RM'000			
Cash lines	-	-	-	-	1,048,099	-	1,048,099
Term financing	2,359,827	2,251,556	9,987	-	3,925,922	80,224	8,627,516
Revolving credit	191,617	1,585,145	-	-	3,045,920	-	4,822,682
Housing financing	2,113,486	-	47,256	-	-	-	2,160,742
Hire purchase receivables	4	-	-	9,455,956	-	-	9,455,960
Bills receivables	-	-	-	-	-	13,134	13,134
Credit card receivables	-	-	-	-	-	260,129	260,129
Trust receipts	-	152,071	-	-	-	-	152,071
Claims on customers under acceptance credits	-	1,114,116	-	-	-	130,211	1,244,327
Gross financing and advances*	<u>4,664,934</u>	<u>5,102,888</u>	<u>57,243</u>	<u>9,455,956</u>	<u>8,019,941</u>	<u>483,698</u>	<u>27,784,660</u>
Allowance for impairment on financing and advances							
- Collective allowance							(329,392)
- Individual allowance							(63,715)
Net financing and advances							<u>27,391,553</u>

A35. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

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

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

Group 31.03.15	Bai Bithaman	Murabahah RM'000	Musharakah	AI-Ijarah Thummah	Bai AI-Inah RM'000	Others RM'000	Total RM'000
	Ajil RM'000		Mutanaqisah RM'000	AI-Bai (AITAB) RM'000			
Cash lines	-	-	-	-	888,591	-	888,591
Term financing	2,561,064	2,530,032	9,325	-	4,122,052	40,429	9,262,902
Revolving credit	456,811	431,597	-	-	3,165,176	-	4,053,584
Housing financing	1,359,372	-	31,114	-	-	-	1,390,486
Hire purchase receivables	4	-	-	10,950,562	-	-	10,950,566
Bills receivables	-	-	-	-	-	735	735
Credit card receivables	-	-	-	-	-	278,597	278,597
Trust receipts	-	100,907	-	-	-	-	100,907
Claims on customers under acceptance credits	-	959,675	-	-	-	136,291	1,095,966
Gross financing and advances*	<u>4,377,251</u>	<u>4,022,211</u>	<u>40,439</u>	<u>10,950,562</u>	<u>8,175,819</u>	<u>456,052</u>	<u>28,022,334</u>
Allowance for impairment on financing and advances							
- Collective allowance							(458,453)
- Individual allowance							(66,075)
Net financing and advances							<u>27,497,806</u>

* Included in financing and advances are exposures to the Restricted Investment Account ("RIA") arrangements between AmBank Islamic Berhad and AmBank (M) Berhad ("AmBank"). Under the RIA contract, the profit is shared based on a pre-agreed ratio. AmBank is exposed to the risks and rewards on the RIA financing and it shall account for all allowance for impairment arising from the RIA financing.

A35. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

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

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

	Group	
	31.03.16	31.03.15
	RM'000	RM'000
Balance at beginning of financial year	606,455	348,515
Impaired during the year	414,127	776,843
Reclassification to non-impaired financing	(59,820)	(81,471)
Recoveries	(126,010)	(123,309)
Amount written off	(229,551)	(314,123)
Balance at end of financial year	<u>605,201</u>	<u>606,455</u>
Impaired financing and advances as % of total financing and advances	<u>2.2%</u>	<u>2.2%</u>

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

	Group	
	31.03.16	31.03.15
	RM'000	RM'000
Collective allowance		
Balance at beginning of financial year	458,453	534,465
Allowance made during the year	77,975	224,295
Transferred (to)/from conventional commercial banking	17	2,463
Foreign exchange differences	(5)	-
Amount written off and others	(207,048)	(302,770)
Balance at end of financial year	<u>329,392</u>	<u>458,453</u>
Collective allowance as % of gross financing and advances (excluding RIA financing) less individual allowance	<u>1.2%</u>	<u>1.7%</u>
Individual allowance		
Balance at beginning of financial year	66,075	19,470
Allowance made during the year	27,588	46,634
Amount written off	(29,948)	(29)
Balance at end of financial year	<u>63,715</u>	<u>66,075</u>

A35. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(b) Deposit From Customers

	Group	
	31.03.16	31.03.15
	RM'000	RM'000
Savings deposits		
<i>Wadiah</i>	1,950,534	1,893,135
<i>Mudarabah</i>	-	5,215
Demand deposits		
<i>Wadiah</i>	3,911,360	3,875,971
<i>Mudarabah</i>	-	45,380
Term deposits		
General investment account		
<i>Wakalah</i>	-	314,750
<i>Mudarabah</i>	-	13,846,615
Commodity murabahah	22,507,105	9,761,507
Negotiable instruments of deposits		
<i>Bai' Bithaman Ajil</i>	6,396	6,395
	<u>28,375,395</u>	<u>29,748,968</u>

(c) Other Liabilities

	Group	
	31.03.16	31.03.15
	RM'000	RM'000
Other payables and accruals	343,221	333,081
Taxation and zakat payable	36,323	30,508
Provision for commitments and contingencies	11,603	15,415
Amount due to head office	77,525	62,642
Lease deposits and advance rental	1,814	3,432
Profit equalisation reserve	-	1,680
	<u>470,486</u>	<u>446,758</u>

A35. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(d) Restatement of Comparatives

During the current financial year, the Islamic banking subsidiary had restated the placement received from a related company, previously classified as Deposits and placements of banks and other financial institutions to Investment account due to licensed bank as the placement was not principal guaranteed and both parties did not enter into a new investment account contract upon expiry of the transition period until 30 June 2015 to comply with IFSA and BNM standards on Shariah and policy document on Investment Account. The non-principal guaranteed placement by the same related company as at 31 March 2015 and 1 April 2014 was also reclassified to Investment account to provide more meaningful information. In the financial statements of the Group, both Investment account (asset) and Investment account due to licensed bank (liability) was eliminated on consolidation.

The effects arising from the restatement of comparative information is as follows:

(i) Reconciliation of statement of financial position

	As previously reported RM'000	RM'000	As restated RM'000
As at 1 April 2014			
Deposits and placements of banks and other financial institutions	3,122,588	(449,982)	2,672,606
Investment account due to licensed bank	-	449,982	449,982
	<u>-</u>	<u>449,982</u>	<u>449,982</u>
As at 31 March 2015			
Deposits and placements of banks and other financial institutions	2,719,972	(1,363,442)	1,356,530
Investment account due to licensed bank	-	1,363,442	1,363,442
	<u>-</u>	<u>1,363,442</u>	<u>1,363,442</u>

(ii) Reconciliation of income statement

	As previously reported RM'000	RM'000	As restated RM'000
Individual Quarter ended 31 March 2015			
Income attributable to the depositors and others	249,187	(10,053)	239,134
Income attributable to investment account holders	-	10,053	10,053
	<u>-</u>	<u>10,053</u>	<u>10,053</u>
Cumulative Quarter ended 31 March 2015			
Income attributable to the depositors and others	931,670	(12,206)	919,464
Income attributable to investment account holders	-	12,206	12,206
	<u>-</u>	<u>12,206</u>	<u>12,206</u>

(iii) Reconciliation of statement of cash flows

	As previously reported RM'000	RM'000	As restated RM'000
As at 31 March 2015			
Deposits and placements of banks and other financial institutions	(402,616)	(913,460)	(1,316,076)
Investment account due to licensed bank	-	913,460	913,460
	<u>-</u>	<u>913,460</u>	<u>913,460</u>

B1. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP

The Group recorded a profit after tax ("PAT") of RM1,399.5 million for the financial year ended 31 March 2016, a reduction of RM645.1 million as compared to corresponding financial year ended 31 March 2015 of RM2,044.6 million. The Group's profit attributable to equity holders of the Company ("PATMI") reduced by RM616.4 million.

Reduction in earnings for current financial year ended 31 March 2016 was mainly due to lower income. Income was lower due to decrease in net interest income by RM343.4 million and decrease in income from Islamic banking business and insurance business by RM58.9 million and RM38.7 million respectively. For the last financial year, the Group had reported a non-recurring significant gain on disposal of subsidiaries of RM475.9 million.

This was cushioned by writeback on impairment on loans, advances and financing, writeback on acquisition and business efficiency expenses, writeback on provision for commitments and contingencies and higher writeback on impairment on financial investments by RM133.6 million, RM71.0 million, RM21.6 million and RM14.5 million respectively. In addition, lower transfer to profit equalisation reserve (PER) by RM34.0 million was reported during current financial year due to cessation of PER mechanism.

Gross loans, advances and financing increased marginally to RM87.9 billion as compared to RM87.8 billion reported for the last financial year ended 31 March 2015. This was mostly due to increase from housing loans, revolving credit, claims on customers under acceptance credits, overdraft and bills receivables set off by decrease in hire-purchase financing.

As at 31 March 2016, the Group's total assets stood at RM133.8 billion. The Total Capital ratio from the aggregation of the consolidated capital positions and risk weighted assets of the regulated banking subsidiaries stood at 16.4%.

Divisional performance for FY2016 compared to FY2015:

Retail Banking

Total income fell 14.2% as a result of margin compression and lower fee income, predominantly credit card related fees. During the financial year, the Retail Banking business was impacted by changes in household spending patterns post GST implementation and weak household sentiments associated with the fall in commodity prices and depreciation of ringgit. Expenses, on the other hand, were relatively stable owing to vigilant cost management.

Profit after tax (PAT) however, increased by 10.4% to RM467.2 million underpinned by lower loan loss allowances as asset quality strengthened from portfolio rebalancing initiatives and intensified collection efforts led to better recoveries.

Excluding the auto finance segment, gross loans grew 6.6% anchored by robust growth of 12.7% in mortgage. Deposits contracted 2.9% amid intense competition, the business will continue to focus on driving growth in low cost deposits.

Wholesale Banking

Against the backdrop of heightened market volatility, cautious business outlook and pressures on net interest margin, total income declined 13.1%. The impact was partially mitigated by a 13.4% reduction in operating expenses, reflecting personnel cost savings from right-sizing initiatives.

PAT was weaker at RM821.3 million or 16.8% decrease amidst challenging operating environment coupled with lower recoveries.

Notwithstanding higher loans extended to the SME sector, gross loans growth was flat due to several large corporate repayments during the year. Overall deposits were down marginally, but low cost deposits registered modest growth of 6.2%.

Insurance

General Insurance

Gross written premium was sustained at RM1,567.4 million despite consumption growth moderated post-GST implementation affecting vehicle sales. Nevertheless, PAT decreased 24.3% to RM194.0 million as investment income was lower during the financial year, aggravated by higher claims and operating expenses.

Life Assurance and Family Takafu

The joint ventures posted a net loss during the financial year largely due to unrealised loss on investments. The business aims to strengthen its core business model, operations and systems to achieve the vision in becoming the preferred insurer in Malaysia.

B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION

The Group reported a lower pre-tax profit of RM341.9 million for the fourth quarter ended 31 March 2016 as compared to RM405.8 million for the previous quarter ended 31 December 2015. This was mainly due to higher other operating expenses and lower writeback for impairment on loans and financing by RM45.6 million and RM32.1 million respectively. Financial investments reported impairment loss of RM1.9 million for current quarter ended 31 March 2016 as compared to writeback of RM10.9 million reported for previous quarter ended 31 December 2015. Lower income was reported for the current quarter from Islamic banking business and net interest income by RM18.0 million and RM7.2 million respectively.

This was mitigated by higher writeback on commitments and contingencies and higher other operating income by RM24.6 million and RM20.8 million. The results of associates and joint ventures resulted in profit of RM3.8 million for current quarter ended 31 March 2016 compared to a loss of RM5.4 million reported for previous quarter ended 31 December 2015. Acquisition and business efficiency expenses reported charge of RM1.6 million for current quarter ended 31 March 2016 compared to a writeback of RM6.5 million for previous quarter ended 31 December 2015.

B3. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2017

The Malaysian economy registered a modest growth of 5% in 2015 (2014: 6%), underpinned by continued expansion of private consumption, which grew 6% (2014: 7%) whilst private investment growth moderated to 6.4% (2014: 11%).

For calendar year 2016, the Group forecasts a moderate annual Gross Domestic Product (GDP) growth of circa 4.2% led by domestic demand mainly from private expenditure and counter balanced by softer exports from lower commodity prices.

Inflation is projected to rise 2% in 2016 on the back of low commodity prices, slower demand and high base effect in 2H2015. Against the backdrop of a challenging and uncertain global environment with downside risk still on the table, domestic monetary policy will remain supportive and accommodative of economic activity.

The banking sector is poised to experience slower growth as the economy expands at a more moderate pace and subdued business sentiment. Despite the potential headwinds in the economy, there are still some bright spots and opportunities such as the SME sector which has consistently outpaced the GDP growth since 2005, and still has room for growth. The recalibrated Budget 2016 has also provided some impetus to the domestic consumption, as well as emphasis on affordable homes and implementation of infrastructure projects.

B4. VARIANCE FROM PROFIT FORECAST AND SHORTFALL FROM PROFIT GUARANTEE

This is not applicable to the Group.

B5. TAXATION AND ZAKAT

Group	Individual Quarter		Cumulative Quarter	
	31.03.16 RM'000	31.03.15 RM'000	31.03.16 RM'000	31.03.15 RM'000
Estimated current tax payable	84,898	156,915	378,581	531,888
Deferred tax	(16,185)	(43,493)	(22,588)	29,965
Effect of change in tax rate	-	3,749	-	3,749
	<u>68,713</u>	<u>117,171</u>	<u>355,993</u>	<u>565,602</u>
Under/(Over) provision of current taxation in respect of prior years	<u>(38,688)</u>	<u>934</u>	<u>(26,039)</u>	<u>(7,279)</u>
Taxation	<u>30,025</u>	<u>118,105</u>	<u>329,954</u>	<u>558,323</u>
Zakat	<u>618</u>	<u>240</u>	<u>1,579</u>	<u>1,404</u>
Taxation and zakat	<u><u>30,643</u></u>	<u><u>118,345</u></u>	<u><u>331,533</u></u>	<u><u>559,727</u></u>

The total tax charge of the Group for the financial year ended 31 March 2016 and 31 March 2015 reflects an effective tax rate which is lower than the statutory tax rate mainly due to income not subject to tax.

B6. CORPORATE PROPOSALS

- 1 As at 31 March 2016, the trustee of the ESS held 8,558,150 ordinary shares (net of ESS shares vested to employees) representing 0.28% of the issued and paid-up capital of the Company. These shares are held at a carrying amount of RM55,842,233.
- 2 On 30 September 2014, a wholly-owned subsidiary, AmSecurities Holding Sdn Bhd ("AMSH"), had entered into a sale and purchase agreement with Yuanta Securities (Hong Kong) Company Limited ("Yuanta HK"), a 100%-owned, indirect subsidiary of Yuanta Securities Co., Limited, a Taiwan-based stockbroking company, for the proposed disposal of the Group's 99% shareholding in PT AmCapital Indonesia ("AMCI") (the "Proposed Disposal").

The Disposal involves the sale of 144,724 ordinary shares of Rp1,000,000 each in AMCI for an indicative cash consideration of about Rp83.7 billion (the "Disposal Price") at a premium over the adjusted net assets of AMCI. The Disposal Price would be further adjusted on completion of the Disposal in accordance with the terms of the sale and purchase agreement.

The Disposal was conditional on the approval of relevant regulatory authorities in Indonesia and Taiwan. It was not expected to have any material impact on the Company's consolidated financial results, being a divestment of a non-core operation.

On 22 April 2015, the Company announced that following the approval of the relevant Taiwanese and Indonesian regulatory authorities and fulfilment of other conditions, the Disposal was completed on 22 April 2015.

On 15 July 2015, the Company announced that, with the finalisation of the completion accounts of AMCI, the purchase price for the disposal was fixed at about Rp89.8 billion, compared with the indicative price of Rp83.7 billion announced earlier. The purchase price had been fully settled by Yuanta HK in US Dollar equivalent of about US\$6.99 million.

- 3 With reference to the Company announcement on 25 August 2014 in respect of the disposal of the Group's 100% shareholding in AmFraser Securities Pte Ltd ("AmFraser") to KGI Asia (Holdings) Pte Ltd ("KGI") at an indicative purchase price of S\$38,000,000 (the "Disposal") and the subsequent announcement on 30 January 2015 of the completion of the Disposal.

The Company announced on 1 September 2015 that, based on the finalised audited completion accounts of AmFraser (name changed to KGI Fraser Securities Pte Ltd subsequent to the Disposal), the final purchase price for the Disposal was S\$42,406,507, which had been fully settled in cash by KGI.

- 4 During the current financial year, the Board of directors of the Company has approved the disposal of AmTrustee Berhad. Accordingly, the assets and liabilities of this subsidiary (after elimination of intercompany balances) have been presented as part of assets held for sale and liabilities directly associated with assets held for sale. The disposal is in progress as at the reporting date.

B7. BORROWINGS

	Group	
	31.03.16	31.03.15
	RM'000	RM'000
(i) Deposits from customers		
Six months or less	73,711,147	75,448,971
Over six months to one year	12,365,791	12,548,912
Over one year to three years	3,774,420	3,068,885
Over three years to five years	507,218	1,063,281
	<u>90,358,576</u>	<u>92,130,049</u>
(ii) Deposits and placements of banks and other financial institutions		
Six months or less	1,006,273	559,178
Over six months to one year	165,393	1,464,353
Over one year to three years	70,291	174,881
Over three years to five years	501,812	103,252
	<u>1,743,769</u>	<u>2,301,664</u>
(iii) Term funding (unsecured)		
(a) Senior notes		
Due within one year	324,960	-
More than one year	6,429,641	6,673,039
(b) Credit-Linked Notes		
Due within one year	149,500	-
More than one year	135,363	281,823
(c) Term loans and revolving credits		
Due within one year	401,100	243,036
More than one year	1,167,050	1,104,356
(d) Structured deposit		
Due within one year	-	100
	<u>8,607,614</u>	<u>8,302,354</u>
(iv) Debt capital		
(a) Unsecured notes/sukuk		
More than one year	1,799,077	1,548,785
(b) Medium Term Notes		
More than one year	1,310,000	1,310,000
(c) Hybrid capital		
More than one year	-	736,788
The above hybrid capital includes amount denominated in USD of which 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>4,094,077</u>	<u>4,580,573</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*, issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad dated 25 March 2010, the breakdown of the retained earnings of the Group as at the end of the reporting period, into realised and unrealised profits is as follows:

	Group	
	31.03.16	31.03.15
	RM'000	RM'000
Total retained earnings		
- Realised	8,825,133	8,617,715
- Unrealised	1,965,338	1,553,202
Total share of retained earnings from associates		
- Realised	126,731	86,775
- Unrealised	(6,725)	38,973
Less: Consolidation adjustments	(3,371,385)	(3,466,485)
Total retained earnings as per consolidated financial statements	7,539,092	6,830,180

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 A29.

B10. DIVIDENDS

- (i) A proposed final single tier ordinary dividend of 10.5% for the financial year ended 31 March 2016 has been recommended by the directors;
- (ii) Amount per share: 10.5 Sen;
- (iii) Previous corresponding period: 15.3 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

The basic earnings per share of the Group 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 year.

	Individual Quarter		Cumulative Quarter	
	31.03.16	31.03.15	31.03.16	31.03.15
	RM'000/000	RM'000/000	RM'000/000	RM'000/000
Net profit attributable to equity holders of the Company	280,024	519,224	1,302,206	1,918,630
Weighted average number of ordinary shares in issue	3,005,625	3,000,920	3,005,020	3,005,852
Basic earnings per share (Sen)	9.32	17.30	43.33	63.83

b. Diluted earnings per share

The diluted earnings per share of the Group 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	
	31.03.16	31.03.15	31.03.16	31.03.15
	RM'000/000	RM'000/000	RM'000/000	RM'000/000
Net profit attributable to equity holders of the Company	280,024	519,224	1,302,206	1,918,630
Weighted average number of ordinary shares in issue (as in (a) above)	3,005,625	3,000,920	3,005,020	3,005,852
Effect of executives' share scheme	-	-	108	687
Adjusted weighted average number of ordinary shares in issue/issuable	3,005,625	3,000,920	3,005,128	3,006,539
Fully diluted earnings per share (Sen)	9.32	17.30	43.33	63.82