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

AUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	Group			Company	
		31.03.18	31.03.17 (Restated)	01.04.16 (Restated)	31.03.18	31.03.17
		RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS						
Cash and short-term funds		5,515,856	8,337,200	11,988,321	79,080	2,051
Securities purchased under resale agreements		-	10,369	-	-	-
Deposits and placements with banks and other financial institutions		215,602	1,129,987	1,333,630	-	24,006
Derivative financial assets	A31	1,125,617	1,166,422	1,884,001	-	-
Financial assets held-for-trading	A8	12,944,783	9,533,088	4,920,618	-	-
Financial investments available-for-sale	A9	7,702,886	9,068,862	11,680,520	1,008	130,984
Financial investments held-to-maturity	A10	3,028,316	3,460,368	4,167,494	1,425,000	750,000
Loans, advances and financing	A11	95,377,900	89,865,085	86,513,254	-	-
Receivables: Investments not quoted in active markets		1,940,433	1,986,877	565,322	-	-
Statutory deposits with Bank Negara Malaysia	A12	2,836,841	2,575,444	2,590,145	-	-
Deferred tax assets		75,324	21,651	66,044	-	-
Investment in subsidiaries and other investments		-	-	-	9,487,139	9,506,300
Investment in associates and joint ventures		690,294	700,162	674,463	-	-
Other assets	A13	2,269,106	2,802,771	3,179,108	7,313	75,893
Reinsurance assets and other insurance receivables	A14	536,859	403,113	513,555	-	-
Property and equipment		191,412	234,619	292,787	940	900
Intangible assets		3,426,051	3,444,004	3,369,998	-	-
Assets held for sale	A29	3,963	27,593	24,740	-	-
TOTAL ASSETS		137,881,243	134,767,615	133,764,000	11,000,480	10,490,134
LIABILITIES AND EQUITY						
Deposits from customers	A15	95,805,187	93,935,058	90,257,394	-	-
Investment accounts of customers		138,956	24,374	18,411	-	-
Deposits and placements of banks and other financial institutions	A16	3,432,578	1,529,421	1,213,769	-	-
Securities sold under resale agreements		-	9,464	-	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad		4,273,621	3,280,818	3,935,775	-	-
Derivative financial liabilities	A31	1,278,792	958,686	2,022,807	-	-
Term funding		4,329,713	7,392,479	9,238,796	500,000	1,176,000
Debt capital		4,579,504	4,174,086	4,094,077	1,424,585	749,491
Redeemable cumulative convertible preference share		217,451	210,965	204,760	-	-
Deferred tax liabilities		65,403	204,321	83,050	-	-
Other liabilities	A17	3,336,516	3,228,215	3,809,943	24,722	39,138
Insurance contract liabilities and other insurance payables	A18	2,763,512	2,666,844	2,761,460	-	-
Liabilities directly associated with assets held for sale		-	-	4,370	-	-
Total Liabilities		120,221,233	117,614,731	117,644,612	1,949,307	1,964,629
Share capital		5,551,557	5,551,557	3,014,185	5,550,250	5,550,250
Reserves		10,964,048	10,475,511	12,154,293	3,500,923	2,975,255
Equity attributable to equity holders of the Company		16,515,605	16,027,068	15,168,478	9,051,173	8,525,505
Non-controlling interests		1,144,405	1,125,816	950,910	-	-
Total Equity		17,660,010	17,152,884	16,119,388	9,051,173	8,525,505
TOTAL LIABILITIES AND EQUITY		137,881,243	134,767,615	133,764,000	11,000,480	10,490,134
COMMITMENTS AND CONTINGENCIES	A30	143,672,497	134,563,308	125,037,110	-	-
NET ASSETS PER SHARE (RM)		5.48	5.32	5.03	3.00	2.83

The audited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2017.

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

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

		Individual Quarter		Cumulative Quarter	
Group	**Note**	**31.03.18 RM'000**	**31.03.17 RM'000**	**31.03.18 RM'000**	**31.03.17 RM'000**
Operating revenue	A25	2,211,339	2,145,147	8,576,739	8,285,751
Interest income	A19	1,124,388	1,022,139	4,319,975	3,996,612
Interest expense	A20	(699,093)	(617,910)	(2,655,630)	(2,432,014)
Net interest income		425,295	404,229	1,664,345	1,564,598
Net income from Islamic banking		250,019	213,665	941,019	805,188
Income from insurance business		339,431	355,979	1,390,417	1,437,643
Insurance claims and commissions		(191,201)	(281,975)	(925,364)	(1,053,997)
Net income from insurance business	A21	148,230	74,004	465,053	383,646
Other operating income	A22	248,041	314,233	915,131	975,469
Share in results of associates and joint ventures		(729)	549	(6,309)	36,663
Net income		1,070,856	1,006,680	3,979,239	3,765,564
Other operating expenses	A23	(728,366)	(582,550)	(2,420,805)	(2,160,479)
Operating profit before impairment losses		342,490	424,130	1,558,434	1,605,085
Net writeback for impairment on loans, advances and financing	A24	29,045	21,979	1,082	173,510
Net impairment writeback/(loss) on:					
Financial investments		-	(1)	(1,483)	2,806
Doubtful sundry receivables		(868)	8,498	(8,368)	(4,168)
Foreclosed properties		-	(194)	(35)	(553)
Property and equipment		-	-	369	-
Intangible assets		-	(1,322)	-	(1,322)
Insurance receivables		2,459	233	602	1,081
Provision for commitments and contingencies - writeback/(charge)		(14,641)	(12,824)	(10,384)	11,698
Other recoveries, net		1,203	245	2,496	13,053
Profit before taxation and zakat		359,688	440,744	1,542,713	1,801,190
Taxation and zakat	B5	(57,616)	(84,061)	(288,889)	(392,414)
Profit for the financial period/year		**302,072**	**356,683**	**1,253,824**	**1,408,776**
Attributable to:					
Equity holders of the Company		253,414	335,814	1,132,131	1,324,607
Non-controlling interests		48,658	20,869	121,693	84,169
Profit for the financial period/year		302,072	356,683	1,253,824	1,408,776
EARNINGS PER SHARE (SEN)	B11				
Basic		8.43	11.17	37.64	44.06
Fully diluted		8.42	11.16	37.64	44.03

The audited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2017.

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

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

	Individual Quarter		Cumulative Quarter	
Group	**31.03.18 RM'000**	**31.03.17 RM'000**	**31.03.18 RM'000**	**31.03.17 RM'000**
Profit for the financial period/year	302,072	356,683	1,253,824	1,408,776
Other comprehensive income/(loss):				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability	(403)	(226)	(403)	(226)
	(403)	(226)	(403)	(226)
Items that may be reclassified to profit or loss				
Translation of foreign operations	(28,368)	(8,380)	(91,768)	69,069
Cash flow hedge				
- gain arising during the financial period/year	5,163	582	3,518	1,279
- reclassification adjustments for gain included in profit or loss	(2,542)	(368)	(3,302)	(1,861)
Financial investments available-for-sale				
- net unrealised gain/(loss) on changes in fair value	(334)	40,012	30,027	(25,129)
- net gain reclassified to profit or loss	(23,190)	(9,330)	(48,851)	(38,014)
Income tax relating to the components of other comprehensive income/(loss)				
- defined benefit liability	97	54	97	54
- cash flow hedging	(629)	(51)	(52)	(44)
- financial investments available-for-sale	4,888	(8,003)	4,850	8,727
Share of reserve movements in equity accounted joint ventures	(2,240)	1,720	978	(1,789)
	(47,155)	16,236	(104,503)	12,292
Other comprehensive income/(loss) for the financial period/year, net of tax	(47,558)	16,010	(104,906)	12,066
Total comprehensive income for the financial period/year	254,514	372,693	1,148,918	1,420,842
Total comprehensive income for the financial period/year attributable to:				
Equity holders of the Company	210,134	350,659	1,029,263	1,336,807
Non-controlling interests	44,380	22,034	119,655	84,035
	254,514	372,693	1,148,918	1,420,842

The audited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2017.

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

AUDITED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

		Individual Quarter		Cumulative Quarter	
Company	**Note**	**31.03.18 RM'000**	**31.03.17 RM'000**	**31.03.18 RM'000**	**31.03.17 RM'000**
Operating revenue		220,422	62,393	1,376,542	674,736
Interest income	A19	12,762	2,184	43,139	3,043
Interest expense	A20	(18,175)	(15,263)	(76,992)	(57,101)
Net interest expense		(5,413)	(13,079)	(33,853)	(54,058)
Other operating income	A22	207,660	60,209	1,333,403	671,693
Net operating income		202,247	47,130	1,299,550	617,635
Other operating expenses	A23	(9,473)	(7,391)	(16,070)	(23,475)
Operating profit		192,774	39,739	1,283,480	594,160
Impairment of subsidiary		(207,655)	-	(219,161)	-
Profit/(Loss) before taxation		(14,881)	39,739	1,064,319	594,160
Taxation		(10)	(7,601)	(51)	(7,639)
Profit/(Loss) for the financial period representing total comprehensive income for the financial period/year		**(14,891)**	**32,138**	**1,064,268**	**586,521**

The audited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2017.

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

AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

	Attributable to Equity Holders of the Company													
		Non-Distributable									Distributable			
										Retained Earnings				
Group	**Ordinary share capital RM'000**	**Share premium RM'000**	**Statutory reserve RM'000**	**Regulatory reserve RM'000**	**AFS reserve/ (deficit) RM'000**	**Cash flow hedging reserve RM'000**	**Foreign currency translation reserve RM'000**	**Executives' share scheme reserve RM'000**	**Shares held in trust for ESS RM'000**	**Non-participating funds RM'000**	**RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 01.04.16	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
Profit for the financial year	-	-	-	-	-	-	-	-	-	-	1,324,607	1,324,607	84,169	1,408,776
Other comprehensive income/(loss), net	-	-	-	-	(56,155)	(626)	69,069	-	-	-	(88)	12,200	(134)	12,066
Total comprehensive income/(loss) for the financial year	-	-	-	-	(56,155)	(626)	69,069	-	-	-	1,324,519	1,336,807	84,035	1,420,842
Share-based payment under Executives' Share Scheme ("ESS"), net	-	-	-	-	-	-	-	(11,043)	-	-	-	(11,043)	-	(11,043)
ESS shares vested to employees	-	-	-	-	-	-	-	(7,697)	8,570	-	-	873	-	873
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	-	-	-	-	(848)	(848)	(20)	(868)
Transfer to paid up share capital	2,537,372	(2,537,372)	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of shares in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(3,470)	(3,470)
Additional investment in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	100,000	100,000
Arising from disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(1,863)	(1,863)
Distribution payable	-	-	-	-	-	-	-	-	-	-	-	-	(294)	(294)
Transfer to regulatory reserve	-	-	-	222,250	-	-	-	-	-	-	(222,250)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(467,199)	(467,199)	(3,482)	(470,681)
Transactions with owners and other equity movements	2,537,372	(2,537,372)	-	222,250	-	-	-	(18,740)	8,570	-	(690,297)	(478,217)	90,871	(387,346)
At 31.03.17	5,551,557	-	1,938,849	225,050	(47,520)	3,010	153,368	30,998	(47,273)	45,715	8,173,314	16,027,068	1,125,816	17,152,884

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

AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

	Attributable to Equity Holders of the Company												
		Non-Distributable								Distributable			
									Retained Earnings				
Group	**Ordinary share capital RM'000**	**Statutory reserve RM'000**	**Regulatory reserve RM'000**	**AFS reserve/ (deficit) RM'000**	**Cash flow hedging reserve RM'000**	**Foreign currency translation reserve RM'000**	**Executives' share scheme reserve RM'000**	**Shares held in trust for ESS RM'000**	**Non-participating funds RM'000**	**RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 01.04.17	5,551,557	1,938,849	225,050	(47,520)	3,010	153,368	30,998	(47,273)	45,715	8,173,314	16,027,068	1,125,816	17,152,884
Profit for the financial year	-	-	-	-	-	-	-	-	-	1,132,131	1,132,131	121,693	1,253,824
Other comprehensive income/(loss), net	-	-	-	(11,108)	164	(91,768)	-	-	-	(156)	(102,868)	(2,038)	(104,906)
Total comprehensive income/(loss) for the financial year	-	-	-	(11,108)	164	(91,768)	-	-	-	1,131,975	1,029,263	119,655	1,148,918
Purchase of shares pursuant to ESS^^	-	-	-	-	-	-	-	(370)	-	-	(370)	-	(370)
Share-based payment under ESS, net	-	-	-	-	-	-	(9,675)	-	-	-	(9,675)	-	(9,675)
ESS shares vested to employees	-	-	-	-	-	-	(3,895)	6,023	-	-	2,128	-	2,128
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	-	-	-	(2,312)	(2,312)	(55)	(2,367)
Transfer to regulatory reserve	-	-	477,684	-	-	-	-	-	-	(477,684)	-	-	-
Transfer to retained earnings	-	(1,938,849)	-	-	-	-	-	-	-	1,938,849	-	-	-
Arising from withdrawal of investment by the Group	-	-	-	-	-	-	-	-	-	-	-	(100,615)	(100,615)
Dividends paid	-	-	-	-	-	-	-	-	-	(530,497)	(530,497)	(396)	(530,893)
Transactions with owners and other equity movements	-	(1,938,849)	477,684	-	-	-	(13,570)	5,653	-	928,356	(540,726)	(101,066)	(641,792)
At 31.03.18	5,551,557	-	702,734	(58,628)	3,174	61,600	17,428	(41,620)	45,715	10,233,645	16,515,605	1,144,405	17,660,010

The audited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2017.

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

AUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

	Attributable to Equity Holders of the Company					
		Non-Distributable			Distributable	
Company	**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 01.04.16	3,014,185	2,536,065	49,738	(55,843)	2,872,161	8,416,306
Profit for the financial year	-	-	-	-	586,521	586,521
Total comprehensive income for the financial year	-	-	-	-	586,521	586,521
Share-based payment under ESS, net	-	-	(11,043)	-	-	(11,043)
ESS shares vested to employees	-	-	(7,697)	8,570	47	920
Transfer to paid up share capital	2,536,065	(2,536,065)	-	-	-	-
Dividends paid	-	-	-	-	(467,199)	(467,199)
Transactions with owners and other equity movements	2,536,065	(2,536,065)	(18,740)	8,570	(467,152)	(477,322)
At 31.03.17	5,550,250	-	30,998	(47,273)	2,991,530	8,525,505

	Attributable to Equity Holders of the Company				
		Non-Distributable		Distributable	
Company	**Ordinary share capital 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 01.04.17	5,550,250	30,998	(47,273)	2,991,530	8,525,505
Profit for the financial year	-	-	-	1,064,268	1,064,268
Total comprehensive income for the financial year	-	-	-	1,064,268	1,064,268
Purchase of shares pursuant to ESS^^	-	-	(370)	-	(370)
Share-based payment under ESS, net	-	(9,675)	-	-	(9,675)
ESS shares vested to employees	-	(3,895)	6,023	(186)	1,942
Dividends paid	-	-	-	(530,497)	(530,497)
Transactions with owners and other equity movements	-	(13,570)	5,653	(530,683)	(538,600)
At 31.03.18	5,550,250	17,428	(41,620)	3,525,115	9,051,173

^^ Represents the purchase of 71,550 of the Company's issued ordinary shares from the open market by a trustee appointed by the ESS committee at an average price of RM5.17 per share.

The audited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2017.

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

AUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

	Group		**Company**	
	31.03.18	**31.03.17 (Restated)**	**31.03.18**	**31.03.17**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit before taxation and zakat	1,542,713	1,801,190	1,064,319	594,160
Add/(Less) adjustments for:				
Accretion of discount less amortisation of premium for securities	(181,892)	(108,304)	-	-
Allowance for losses on loans, advances and financing, net	450,351	508,146	-	-
Dividend income from securities	(38,399)	(42,780)	(1,137,838)	(671,518)
Impairment loss on subsidiary		-	219,161	-
Net (gain)/loss on revaluation of derivatives	363,246	(343,702)	-	-
Net (gain)/loss on revaluation of financial assets held-for-trading	(32,461)	6,282	-	-
Net gain on sale of financial investments available-for-sale	(91,462)	(38,014)	-	-
Net gain on sale of financial assets held-for-trading	(35,114)	(90,745)	-	-
Other non-operating and non-cash items	(74,595)	180,954	478	202
Operating profit/(loss) before working capital changes	1,902,387	1,873,027	146,120	(77,156)
Decrease/(Increase) in operating assets:				
Securities purchased under resale agreements	10,369	(10,369)	-	-
Deposits and placements with banks and other financial institutions	74,664	609,832	-	-
Financial assets held-for-trading	(3,271,482)	(4,503,291)	-	-
Loans, advances and financing	(5,963,166)	(4,113,486)	-	-
Statutory deposits with Bank Negara Malaysia	(261,397)	14,701	-	-
Other assets	260,591	520,702	61,826	(83,131)
Reinsurance assets and other insurance receivables	(133,144)	111,523	-	-
Increase/(Decrease) in operating liabilities:				
Deposits from customers	1,870,129	3,677,664	-	-
Investment accounts of customers	114,582	5,963	-	-
Deposits and placements of banks and other financial institutions	1,903,157	315,652	-	-
Securities sold under resale agreements	(9,464)	9,464	-	-
Recourse obligation on loans and financing sold to Cagamas Berhad	994,076	(653,091)	-	-
Term funding	(2,835,990)	(2,245,281)	(676,000)	(30,000)
Other liabilities	(14,987)	(83,850)	(12,991)	732
Insurance contract liabilities and other insurance payables	96,668	(94,616)	-	-
Cash used in operations	(5,263,007)	(4,565,456)	(481,045)	(189,555)
Taxation and zakat paid, net	(133,984)	(223,037)	(2,455)	(5,662)
Net cash used in operating activities	(5,396,991)	(4,788,493)	(483,500)	(195,217)
Cash flows from investing activities				
Purchase of shares for ESS by appointed trustee	(370)	-	(370)	-
Dividend income received from other investments	35,957	42,780	14	-
Capital repayment from subsidiary	-	-	-	925
Dividend received from associate	7,798	9,174	-	-
Dividend received from subsidiaries	-	-	1,135,653	668,287
Net cash outflow from disposal of subsidiaries	-	(3,894)	-	-
Subscription of shares in subsidiary	-	-	(200,000)	-
Subscription of shares in joint-venture	(3,500)	-	-	-
Proceeds from disposal of property and equipment	4,239	601	-	-
Redemption/(Purchase) of financial investments - held-to-maturity	469,399	751,583	(675,000)	-
Disposal/(Purchase) of financial investments available-for-sale	1,508,775	2,628,515	132,147	(755,892)
Purchase of property and equipment and intangible assets	(126,873)	(211,089)	(424)	(725)
Net cash generated from/(used in) investing activities carried forward	1,895,425	3,217,670	392,020	(87,405)

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

AUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018 (CONT'D.)

	Group		**Company**	
	31.03.18	**31.03.17 (Restated)**	**31.03.18**	**31.03.17**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net cash generated from/(used in) investing activities brought forward	1,895,425	3,217,670	392,020	(87,405)
Redemption/(Purchase) of receivables: investments not quoted in active markets	49,147	(1,424,976)	-	-
Net proceeds from disposal of assets held for sale (properties)	18,384	41,389	-	-
Net cash generated from/(used in) investing activities	1,962,956	1,834,083	392,020	(87,405)
Cash flows from financing activities				
Dividends paid by Company to its shareholders	(530,497)	(467,199)	(530,497)	(467,199)
Dividends paid to non-controlling interests by subsidiaries	(396)	(3,482)	-	-
Investment by non-controlling interests-additional/(withdrawal)	(100,615)	100,000	-	-
Redemption of shares in subsidiary by non-controlling interests	-	(3,470)	-	-
Repayment for Subordinated Sukuk and Medium Term Notes	(840,000)	(670,000)	-	-
Issuance of Subordinated Notes, net of issuance expenses	1,245,000	749,700	675,000	749,491
Net cash (used in)/generated from financing activities	(226,508)	(294,451)	144,503	282,292
Net increase/(decrease) in cash and cash equivalents	(3,660,543)	(3,248,861)	53,023	(330)
Cash and cash equivalents at beginning of the financial year	9,376,920	12,625,221	26,057	26,387
Effect of exchange rate changes	(521)	560	-	-
Cash and cash equivalents at end of the financial year	5,715,856	9,376,920	79,080	26,057

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 amounts:

	Group		**Company**	
	31.03.18	**31.03.17**	**31.03.18**	**31.03.17**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and short-term funds	5,515,856	8,337,200	79,080	2,051
Deposits and placements with banks and other financial institutions with original maturity of three months or less	200,000	1,039,720	-	24,006
Cash and cash equivalents	5,715,856	9,376,920	79,080	26,057

The audited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 March 2017.

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

EXPLANATORY NOTES :

A1. BASIS OF PREPARATION

These condensed 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 issued by the International Accounting Standards Board.

These condensed interim 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 2017 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.

The condensed 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.

A1.1 Significant Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following new standards and amendments to published standards which became effective for the first time for the Group and the Company on 1 April 2017:

- Disclosure Initiative (Amendments to MFRS 107)
- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to MFRS 112)
- Annual Improvements to MFRSs 2014-2016 Cycle - amendments to MFRS 12

The adoption of these new standards and amendments to published standards did not have any material impact on the financial statements of the Group and the Company. The Group and the Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these new standards and amendments to published standards.

The nature of the amendments to published standards relevant to the Group and the Company are described below:

Disclosure Initiative (Amendments to MFRS 107)

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 statement of financial position for liabilities arising from financing activities. Since the amendments only affect disclosures, the adoption of these amendments did not have any financial impact on the Group and the Company.

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

The amendments clarify the requirements for recognising deferred tax assets on unrealised losses arising from deductible temporary difference on asset carried at fair value. 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 existing policy applied by the Group and the Company in respect of the recognition of deferred tax assets comply with these requirements.

Annual Improvements to MFRSs 2014-2016 Cycle

The Annual Improvements to MFRSs 2014-2016 Cycle include minor amendments affecting 3 MFRSs, in which 1 of them is effective for annual periods beginning on or after 1 January 2017, as summarised below:

MFRS 12 Disclosure of Interests in Other Entities
The amendment clarified that the disclosure requirements of MFRS 12 are applicable to interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities classified as held for sale except for summarised financial information. Previously, it was unclear whether all other MFRS 12 requirements were applicable for these interests. Since the amendments only affect disclosures, the adoption of these amendments did not have any financial impact on the Group and the Company.

A1. BASIS OF PREPARATION (CONT'D.)

A1.1 Significant Accounting Policies (Cont'd.)

Standards issued but not yet effective

Description	**Effective for annual periods beginning on or after**
- Annual Improvements to MFRSs 2014-2016 Cycle - amendments to MFRS 1 and MFRS 128	01 January 2018
- MFRS 15 Revenue from Contracts with Customers	01 January 2018
- MFRS 9 Financial Instruments	01 January 2018
- Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts (Amendments to MFRS 4)	01 January 2018
- Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	01 January 2018
- Transfers of Investment Property (Amendments to MFRS 140)	01 January 2018
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	01 January 2018
- MFRS 16 Leases	01 January 2019
- IC Interpretation 23 *Uncertainty over Income Tax Treatments*	01 January 2019
- Prepayment Features with Negative Compensation (Amendments to MFRS 9)	01 January 2019
- Long-term interests in Associates and Joint ventures (Amendments to MFRS 128)	01 January 2019
Plan Amendment, Curtailment or Settlement (Amendments to MFRS119)	01 January 2019
- Annual Improvements to MFRSs 2015-2017 Cycle	01 January 2019
- MFRS 17 Insurance Contracts	01 January 2021
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	To be determined by MASB

The nature of the standards that are issued and relevant to the Group and the Company 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 2019

Annual Improvements to MFRSs 2014-2016 Cycle
The Annual Improvements to MFRSs 2014-2016 Cycle include minor amendments affecting 3 MFRSs, in which 2 of them is effective for annual periods beginning on or after 1 January 2018, as summarised below:

(i) MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*
The amendments deleted short-term exemptions covering transition provisions of MFRS 7, MFRS 10, and MFRS 119. These transition provisions were available to entities for past reporting periods and are therefore no longer applicable.

(ii) MFRS 128 *Investments in Associates and Joint Ventures*
MFRS 128 allows venture capital organisations, mutual funds, unit trusts and similar entities to elect measuring their investments in associates or joint ventures at fair value through profit or loss. The amendments clarified that this election should be made separately for each associate or joint venture at initial recognition.

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 depicts 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. The Group and the Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2018 and that comparatives will not be restated.

A1. BASIS OF PREPARATION (CONT'D.)

A1.1 Significant Accounting Policies (Cont'd.)

(a) Standards effective for financial year ending 31 March 2019 (Cont'd.)

MFRS 15 Revenue from Contracts with Customers (Cont'd.)

The following areas have been identified to be impacted by the requirements of MFRS 15:

(i) Investment management fees

Besides base management fees, performance-based incentive fees based on the value of assets under management or the fund's return are often paid to the Group for investment management services, which constitutes a form of variable consideration and must be estimated at contract inception and at the end of each reporting period in determining the transaction price of the contract. Nevertheless, performance-based incentive fees are highly susceptible to market volatility. As variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal of the cumulative amount of revenue recognised will not occur upon the resolution of the uncertainty, the Group does not expect the timing of reccognition of the performance-based incentive incentive fees under MFRS 15 to be significantly different from the existing accounting requirements.

(ii) Customer loyalty programme

The Group concluded that under MFRS 15 the loyalty programme gives rise to a separate performance obligation because it generally provides a material right to the customer. Under MFRS 15, the Group will need to allocate a portion of the transaction price to the loyalty programme based on relative stand-alone selling price instead of the allocation using the fair value of points issued.

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. Retrospective application is required, but comparative information is not compulsory.

MFRS 9 will require all financial assets, other than equity instruments and derivatives, to be classified on the basis of two criteria, namely the entity's business model for managing the assets, as well as the instruments' contractual cash flow characteristics. Financial assets will be measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest. If the financial assets are held within a business model whose objective is achieved by both selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, the assets shall be measured at fair value through other comprehensive income ("FVOCI"). Any financial assets that are not measured at amortised cost or FVOCI will be measured at fair value through profit or loss ("FVTPL"). MFRS 9 will also allow entities to continue to irrevocably designate instruments that qualify for amortised cost or FVOCI as FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments are normally measured at FVTPL; nevertheless entities are allowed to irrevocably designate equity instruments that are not held for trading as FVOCI, with no subsequent reclassification of gains or losses to the statement of profit or loss.

MFRS 9 will fundamentally change the loan loss impairment methodology. The standard will replace MFRS 139's incurred loss approach with a forward-looking expected credit loss ("ECL") approach. The impairment requirements based on ECL approach is applicable for all loans and other debt financial assets not held at FVTPL, as well as loan commitments and financial guarantee contracts. The allowance for expected losses shall be determined based on the expected credit losses associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination, in which case, the allowance is based on the probability of default over the lifetime of the asset.

A1. BASIS OF PREPARATION (CONT'D.)

A1.1 Significant Accounting Policies (Cont'd.)

(a) Standards effective for financial year ending 31 March 2019 (Cont'd.)

MFRS 9 Financial Instruments (Cont'd.)

The Group and the Company plans to adopt MFRS 9 on the required effective date and, as permitted by the new standard, will not restate comparative information. The Group has set up a multidisciplinary Programme Working Group ("PWG") to prepare for MFRS 9 Implementation with the involvement from Risk, Finance and Operations personnel, as well as the assistance from external consultants. The PWG regularly report to the Programme Steering Committee ("PSC") chaired by the Group Chief Financial Officer. The Programme has clear individual work streams for classification and measurement, impairment, hedge accounting and disclosure. The Group has also engaged its external auditor to independently verify and validate the accounting policies and solution tools developed under the Programme and to report on whether they comply with the requirements of MFRS 9.

During the financial year, the Group and the Company have performed a detailed impact assessment on all aspects of MFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group and the Company in financial year ending 31 March 2019 when the Group and the Company will adopt MFRS 9. The estimable impact from the adoption of MFRS 9 based on currently available information are as discussed below.

(i) Classification and measurement

Loans, advances and financing, which forms a substantial portion of the Group's financial assets, will satisfy the conditions for classification at amortised cost and hence there will be no change to the accounting of these assets. Similarly, investments in corporate bonds and sukuk currently classified as held-to-maturity will meet the conditions for classification at amortised cost under MFRS 9.

Financial assets held for trading will continue to be measured at FVTPL.

Certain investments in corporate bonds and sukuk that are currently classified as available-for-sale will qualify for classification at amortised cost going forward. The reclassification will be effected by way of a retrospective application of the effective interest method and accordingly, the related cumulative fair value loss will be reversed on 1 April 2018. Other investments in corporate bonds and sukuk that are currently classified as available-for-sale will satisfy the conditions for classification at FVOCI and hence there will be no change to the accounting of these assets.

The majority of the Group's debt investments not quoted in active market that are currently measured at amortised cost will satisfy the conditions for classification at FVOCI and the related fair value gains will be recognised in fair value reserve on 1 April 2018. However, certain debt investments do not meet the cash flow characteristics criterion to be classified either at FVOCI or at amortised cost and shall be classified at FVTPL accordingly with related fair value loss to be recognised in retained earnings on 1 April 2018.

Other than equity instruments held for long-term strategic or socioeconomic purposes, the Group does not intend to designate any of the equity instruments not held-for-trading at FVOCI. As a majority of the equity instruments held for long-term strategic or socioeconomic purposes are unquoted and have been measured at cost in accordance with MFRS 139, the classification of these equity instruments at FVOCI under MFRS 9 will result in the recognition of related fair value gains in fair value reserve on 1 April 2018.

There will be no impact on the Group’s accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at FVTPL and the Group does not have any such liabilities.

A1. BASIS OF PREPARATION (CONT'D.)

A1.1 Significant Accounting Policies (Cont'd.)

(a) Standards effective for financial year ending 31 March 2019 (Cont'd.)

MFRS 9 Financial Instruments (Cont'd.)

(ii) Hedge accounting

The Group determined that all existing hedge relationships that are currently designated in effective hedging relationships will continue to qualify for hedge accounting under MFRS 9. As MFRS 9 does not change the general principles of how an entity accounts for effective hedges, applying the hedging requirements of MFRS 9 will not have a significant impact on Group’s financial statements.

(iii Impairment

The Group has established a policy to perform an assessment at the end of each reporting period of whether credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument. To calculate ECL, the Group will estimate the risk of a default occurring on the financial instrument during its expected life. ECLs are estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset, i.e. the difference between the contractual cash flows that are due to the Group under the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate of the financial asset.

In comparison to MFRS 139, the Group expects the impairment charge under MFRS 9 to be more volatile than under MFRS 139 and to result in an increase in the total level of current impairment allowances.

Based on the assessments undertaken to date, the Group expects an increase in the loss allowance in respect of loans, advances and financing, as well as investments in debt securities that are not classified at FVTPL. A negative adjustment will be made to retained earnings on 1 April 2018 to recognise the additional loss allowance.

Following the detailed impact assessment performed based on currently available information, the Group's Capital Adequacy Ratio is expected to be not significantly different on 1 April 2018 when the impact of MFRS 9 adoption as discussed above are adjusted to the Group's opening equity. Notwithstanding the negative adjustment to the opening retained earnings arising from the increase in loss allowance, the expected impact to the Group's Capital Adequacy Ratio is not significant mainly because of the positive impact to retained earnings arising from the recognition of fair value gains from certain equity instruments, as well as the availability of regulatory reserves to mitigate the increase in loss allowance.

A1. BASIS OF PREPARATION (CONT'D.)

A1.1 Significant Accounting Policies (Cont'd.)

(a) Standards effective for financial year ending 31 March 2019 (Cont'd.)

Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts (Amendments to MFRS 4)
The amendments address the concerns about the different effective dates of MFRS 9 and the forthcoming new MFRS on insurance contracts by providing 2 different solutions for insurers which are optional; a temporary exemption from MFRS 9 for entities that meet specific requirements, and the "overlay approach".

The temporary exemption allows insurers to continue to apply MFRS 139 instead of adopting MFRS 9 for annual periods beginning before 1 January 2021 if their activities are "predominantly connected with insurance"; the eligibility is assessed based on the significance of the carrying amounts of liabilities arising from contracts within the scope of MFRS 4 and liabilities connected with insurance as at the annual reporting date that immediately precedes 1 April 2016.

The "overlay approach" allows insurers that applies MFRS 9 to reclassify, in respect of certain eligible financial assets, the difference between the amount that is reported in profit or loss under MFRS 9 and the amount that would have been reported in profit or loss under MFRS 139 to other comprehensive income. Financial assets are eligible for designation, on an instrument-by-instrument basis, for the "overlay approach" if they are measured at fair value through profit or loss under MFRS 9 but not so measured under MFRS 139, and not held in respect of an activity that is unconnected with contracts within the scope of MFRS 4.

Both approaches are effective for annual periods beginning on or after 1 January 2018 and are expected to cease to be applicable when the new MFRS on insurance contracts becomes effective. The Group is not eligible to apply the temporary exemption from MFRS 9 as its activities are not "predominantly connected with insurance". Nevertheless, the amendments provide the Group an exemption from applying uniform accounting policies, which the Group will apply when applying the equity method under MFRS 128 to account for its investments in joint ventures with activities that are predominantly connected with insurance that have elected to apply the temporary exemption from MFRS 9.

Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)
The amendments clarify the measurement basis and the effects of vesting conditions on the measurement of cash-settled share-based payments, as well as the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in MFRS 2 that will require an award to be treated as if it was wholly equity-settled when an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

The amendments are effective for annual periods beginning on or after 1 January 2018 with early adoption permitted. The transition provisions specify that the amendments apply to awards that are not settled as at the date of first application or to modifications that happen after the date of first application, without restatement of prior periods. Notwithstanding this, the amendments can be applied retrospectively provided that this is possible without hindsight.

Transfers of Investment Property (Amendments to MFRS 140)
The amendments clarified that to transfer to, or from, investment properties, there must be a change in use. To conclude if a property has a change in use, there should be an assessment of whether the property meets, or has ceased to meet, the definition of investment property. This change must be supported by evidence; a change in intention in isolation is not enough to support a transfer.

The amendments are effective for annual periods beginning on or after 1 January 2018 with early adoption permitted. The amendments shall be applied prospectively and any impact from the reclassification of properties at the date of initial application would be treated as an adjustment to opening retained earnings. Notwithstanding this, the amendments can be applied retrospectively provided that this is possible without hindsight.

A1. BASIS OF PREPARATION (CONT'D.)

A1.1 Significant Accounting Policies (Cont'd.)

(a) Standards effective for financial year ending 31 March 2019 (Cont'd.)

IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*
The Interpretation provides guidance on how to determine the date of the transaction when applying MFRS 121 in situations where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. For the purpose of determining the exchange rate to use on initial recognition of the related item, the Interpretation states that the date of the transaction shall be the date on which an entity initially recognises the non-monetary asset or liability arising from the advance consideration.

The amendments are effective for annual periods beginning on or after 1 January 2018 with early adoption permitted. Entities can choose to apply the Interpretation retrospectively, prospectively to items that are initially recognised on or after the beginning of the reporting period in which the Interpretation is first applied, or prospectively from the beginning of a prior reporting period presented as comparative information.

(b) 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 statement of profit or loss.

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. At this stage, the Group and the Company do not intend to adopt the standard before its effective date. The Group and the Company intends to apply the simplified transition approach and will not restate comparative amounts.

The Group and the Company are in the process of assessing the financial implication for adopting MFRS 16. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard.

IC Interpretation 23 Uncertainty over Income Tax Treatments
The Interpretation provides guidance on how to recognise and measure deferred and current income tax assets and liabilities in situations where there is uncertainty over whether the tax treatment applied by an entity will be accepted by the tax authority. If it is probable that the tax authority will accept an uncertain tax treatment that has been taken or is expected to be taken on a tax return, the accounting for income taxes shall be determined consistently with that tax treatment. If an entity concludes that it is not probable that the treatment will be accepted, it should reflect the effect of the uncertainty in its income tax accounting in the period in which that determination is made, by applying the most likely amount method or the expected value method.

The Interpretation is effective for annual periods beginning on or after 1 January 2019 with early adoption permitted. Entities can choose to apply the Interpretation on full retrospective basis if possible without the use of hindsight, or retrospectively with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings.

A1. BASIS OF PREPARATION (CONT'D.)

A1.1 Significant Accounting Policies (Cont'd.)

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

Prepayment Features with Negative Compensation (Amendments to MFRS 9)
Under the current MFRS 9 requirements, the "solely payments of principal and interest on the principal amount outstanding" ("SPPI") condition is not met if the lender has to make a settlement payment in the event of early termination by the borrower. The existing requirements are amended to enable entities, to measure at amortised cost or at fair value through other comprehensive income (depending on the business model), some prepayable financial assets with negative compensation if the negative compensation is a reasonable compensation for early termination of the contract. An example of such reasonable compensation is an amount that reflects the effect of the change in the relevant benchmark rate of interest at the time of termination; the calculation of this compensation payment must be the same for both the case of an early repayment penalty and the case of a early repayment gain.

The amendments are effective for annual periods beginning on or after 1 January 2019 with early adoption permitted. The amendments shall be applied retrospectively.

Long-term Interests in associates and Joint Ventures (Amendments to MFRS 9)
The amendments clarify that MFRS 9 including its impairment requirements shall be applied to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The amendments are effective for annual periods beginning on or after 1 January 2019 with early adoption permitted. The amendments shall be applied retrospectively.

Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)

Currently, MFRS 119 did not specify how current service cost and net interest should be determined for the remainder of the period after a plan amendment, curtailment or settlement. The standard has been amended to mandate the use of updated assumptions from the remeasurement of net defined benefit liability or asset upon a change to the plan to determine current service cost and net interest for the remainder of the period after the change to the plan.

The amendments are applied prospectively to plan amendments, settlements or curtailments that occur after the beginning of the first annual reporting period beginning on or after 1 January 2019. Early adoption is permitted.

Annual Improvements to MFRSs 2015-2017 Cycle
The Annual Improvements to MFRSs 2015-2017 Cycle include minor amendments affecting 4 MFRSs, which are effective for annual periods beginning on or after 1 January 2019, as summarised below:

(i) MFRS 3 *Business Combinations*
The amendments clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer shall remeasure its previously held interest in the joint operation at fair value at the acquisition date.

(ii) MFRS 11 *Joint Arrangements*
The amendments clarified that the party obtaining joint control of a business that is a joint operation shall not remeasure any previously held interest in the joint operation.

(iii) MFRS 112 *Income Taxes*
The amendments clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated the distributable amounts were recognised. Hence the tax consequences are recognised in profit or loss only when an entity determines payments on such instruments are distributions of profits.

(iv) MFRS 123 *Borrowing Costs*
The amendments clarified that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

A1. BASIS OF PREPARATION (CONT'D.)

A1.1 Significant Accounting Policies (Cont'd.)

(c) Standards effective for financial year ending 31 March 2022

MFRS 17 Insurance Contracts

MFRS 17 ‘Insurance Contracts’ supersedes MFRS 4 ‘Insurance Contracts’.

MFRS 17 requires a current measurement model, where estimates are remeasured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ("CSM") representing the unearned profit of the contract. A simplified premium allocation approach is permitted for the liability for the remaining coverage if it provides a measurement that is not materially different from the general model or if the coverage period is one year or less. However, claims incurred will need to be measured based on the building blocks of discounted, risk-adjusted, probability weighted cash flows.

Changes in cash flows related to future services should be recognised against the CSM. The CSM cannot be negative, so changes in future cash flows that are greater than the remaining CSM are recognised in profit or loss. Interest is accreted on the CSM at rates locked in at initial recognition of a contract. To reflect the service provided, the CSM is released to profit or loss in each period on the basis of passage of time. Entities have an accounting policy choice to recognise the impact of changes in discount rates and other assumptions that relate to financial risks either in profit or loss or in other comprehensive income.

MFRS 17 is effective for annual periods beginning on or after 1 January 2021, with early application permitted provided MFRS 9 and MFRS 15 are also applied. A full retrospective application is required; an entity is permitted to choose between a modified retrospective approach and the fair value approach if full retrospective application is impracticable. The Group is in the process of assessing the financial implication for adopting MFRS 17.

(d) Standard effective on a date to be determined by MASB

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

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.

A1.2 Significant changes in Regulatory Requirements

(a) BNM Policy Document on capital funds

On 3 May 2017, BNM issued revised policy documents, *Capital Funds* and *Capital Funds for Islamic Banks* which are applicable for licensed banks and licensed Islamic banks respectively. The key change in the revised policy documents is the removal of the requirement for banking institutions to maintain a reserve fund. The Group had previously maintained the reserve fund via transfer from retained earnings to Statutory Reserve. Arising from this change, during the current financial year, the Group had reclassified balances in Statutory Reserve to Retained earnings.

(b) BNM circular on Classification and Regulatory Treatment for Structured Products under the Financial Services Act 2013 ("FSA") and Islamic Financial Services Act ("IFSA") 2013

On 21 June 2017, BNM issued a circular to clarify that structured products that do not guarantee the full repayment of the principal amount on demand do not fulfil the definition of deposits under Section 2 of the FSA and IFSA and must not be classified as deposits.

The Group had previously classified structured products issued to customers and other financial institutions which are principal protected if held to maturity as Deposits from customers and Deposits and placements of banks and other financial institutions respectively. Accordingly, during the current financial year, the Group had reclassified all structured products that do not fulfil the definition of the deposits under Section 2 of the FSA and IFSA to Term Funding. The comparatives were also restated as per Note A36 and Note A37(f) for the Group's Operations of Islamic banking.

A1. BASIS OF PREPARATION (CONT'D.)

A1.2 Significant changes in Regulatory Requirements (Cont'd.)

(c) BNM policy documents on Financial Reporting and Financial Reporting for Islamic Banking Institutions

On 2 February 2018, BNM issued the following revised policy documents which are effective for financial years beginning on or after 1 January 2018:
(a) Financial Reporting
(b) Financial Reporting for Islamic Banking Institutions

Certain requirements in the policy documents have been revised in response to the changes in the loan loss impairment methodology arising from the expected credit loss approach under MFRS 9. In addition, the credit-impaired classification requirements which was previously provided in BNM's policy document on Classification and Impairment Provisions for Loans/Financing have also been incorporated into the above revised policy documents.

Following the application of MFRS 9 impairment requirements, the revised policy documents require banking institutions and Islamic banking institutions to maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures.

The revised policy documents also introduced new disclosure requirements in the annual financial statements, as follows:

(i) a movement schedule of financial instruments classified as credit-impaired with a breakdown by class of financial instrument;
(ii) a movement schedule of loss allowance with a breakdown by class of financial instrument and showing separately the loss allowance measured by different stages of expected credit loss;
(iii) intercompany charges with a breakdown by type of services received and geographical distribution; and
(iv) nature of the underlying assets in connection with placement of funds in an investment account with an Islamic banking institution.

The Group shall apply the above requirements from the financial year ending 31 March 2019.

A1.3 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the condensed interim financial statements in accordance with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Judgements, estimates and assumptions are continually evaluated and are based on the past experience, reasonable expectations of future events and other factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's and the Company's accounting policies, the significant judgements, estimates and assumptions made by management were the same as those applied to the annual financial statements for the financial year ended 31 March 2017.

A2. AUDIT QUALIFICATION

There was no audit qualification in the annual financial statements for the financial year ended 31 March 2017.

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 the Mutual Separation Scheme exercise as disclosed in Note A23 to the financial statements.

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 2018.

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

Issuance of debt securities

(a) By the Company

On 23 February 2018, the Company issued tranche 3 of Subordinated Notes amounting to RM325.0 million for a tenure of 10 years under its Subordinated Notes programme of RM10.0 billion. The interest rate for this tranche is 5.23% payable semi-annually. On 14 March 2018, the Company issued tranche 4 of Subordinated Notes amounting to RM350.0 million for a tenure 10 years. The interest rate for this tranche is 5.23% payable semi-annually.

(b) By subsidiaries

On 16 October 2017, AmBank (M) Berhad ("AmBank") issued tranche 3 of Subordinated Notes which amounted to RM570.0 million in nominal value under its Subordinated Notes programme of RM4.0 billion. The interest rate of this tranche is 4.90%, payable on a half-yearly basis. On 23 February 2018 and 14 March 2018, AmBank issued tranche 4 and tranche 5 under the same programme which amounted to RM175.0 million and RM350.0 million respectively in nominal value. The interest rate for tranche 4 and tranche 5 are 5.23% per annum, payable semi-annually. All tranches issued are for a tenure of 10 years.

On 23 February 2018, AmBank Islamic Berhad ("AmBank Islamic") issued tranche 6 of Subordinated Sukuk which amounted to RM150.0 million in nominal value under its RM3.0 billion Subordinated Sukuk Murabahah programme. The profit rate for this tranche which is for a tenure of 10 years is 5.23% per annum, payable semi-annually.

The Company had subscribed to tranche 4 and 5 of the Subordinated Notes and tranche 6 of the Subordinated Sukuk issued by AmBank and AmBank Islamic respectively.

Redemption of debt securities

(a) The Company redeemed Senior Notes with nominal value of RM500.0 million issued under its Senior Notes programme of up to RM2.0 billion on maturity date of 8 August 2017.

(b) AmBank (M) Berhad ("AmBank") redeemed Senior Notes with nominal value of RM225.0 million issued under its Senior Notes programme of up to RM7.0 billion on maturity date of 28 April 2017. On the first call date of 16 October 2017, AmBank redeemed Medium Term Notes with nominal amount of RM710.0 million issued under its Medium Term Notes programme of up to RM2.0 billion. On 23 March 2018, AmBank (M) Berhad redeemed Senior Notes with nominal value of RM800.0 million issued under its Senior Notes programme of up to RM7.0 billion on maturity date

(c) On 6 September 2017, AmBank Islamic redeemed tranche 3 of Senior Sukuk with nominal value of RM300.0 million. On 20 September 2017, AmBank Islamic redeemed tranche 1 of Senior Sukuk with nominal value of RM550.0 million. These two tranches of Senior Sukuk were issued under the Senior Sukuk Musharakah programme with nominal value of up to RM3.0 billion. On first call date of 26 December 2017, AmBank Islamic redeemed the remaining nominal value of RM130.0 million Subordinated Sukuk Musharakah issued under its Subordinated Sukuk Musharakah programme of up to RM2.0 billion.

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

Other than as disclosed above, there were no share buy-backs, share cancellations, shares held as treasury shares nor resale of treasury shares by the Group and the Company during the financial quarter and year.

A7. DIVIDENDS PAID

The final single-tier dividend of 12.6 sen per share for the financial year ended 31 March 2017 which amounted to approximately RM379,787,290 was paid on 22 August 2017 to shareholders whose names appear in the record of Depositors as at 8 August 2017.

An interim single tier dividend of 5.0 sen for the financial year ended 31 March 2018 which amounted to approximately RM150,709,242 was paid on 28 December 2017 to shareholders whose names appear in the record of Depositors on 15 December 2017.

A8. FINANCIAL ASSETS HELD-FOR-TRADING

	Group 31.03.18 RM'000	Group 31.03.17 RM'000
At Fair Value		
Money Market Instruments:		
Malaysian Treasury Bills	52,540	1,148,116
Malaysian Islamic Treasury Bills	814,597	166,198
Malaysian Government Securities	311,457	1,997,251
Malaysian Government Investment Issues	871,477	1,332,710
Cagamas bonds	100,799	111,712
Bank Negara Monetary Notes	5,008,044	333,562
	7,158,914	5,089,549
Quoted Securities:		
In Malaysia:		
Shares	268,992	115,600
Unit trusts	220,124	58,879
Corporate bonds and sukuk	37,962	38,207
Outside Malaysia:		
Shares	120,095	114,596
	647,173	327,282
Unquoted Securities:		
In Malaysia:		
Corporate bonds and sukuk	5,138,696	4,106,259
Outside Malaysia:		
Corporate bonds	-	9,998
	5,138,696	4,116,257
Total	12,944,783	9,533,088

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group		Company	
	31.03.18	**31.03.17**	**31.03.18**	**31.03.17**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At Fair Value				
Money Market Instruments:				
Malaysian Government Securities ("MGS")	232,917	629,737	-	-
Malaysian Government Investment Issues ("MGII")	537,965	1,007,680	-	-
Islamic negotiable instruments of deposit	1,510,068	1,096,546	-	-
Foreign Government investment issues	11,493	8,887	-	-
	2,292,443	2,742,850	-	-
Quoted Securities:				
In Malaysia:				
Shares	223,614	48,625	-	-
Unit trusts	15,024	1,061,444	1,008	130,984
Outside Malaysia:				
Shares	40	52	-	-
	238,678	1,110,121	1,008	130,984
Unquoted Securities:				
In Malaysia:				
Shares	46,677	-	-	-
Unit trusts	114,855	1,430	-	-
Corporate bonds and sukuk	4,660,839	4,919,596	-	-
Outside Malaysia:				
Corporate bonds and sukuk	252,348	195,183	-	-
	5,074,719	5,116,209	-	-
At Cost				
Unquoted Securities:				
In Malaysia:				
Shares	96,852	99,489	-	-
Outside Malaysia:				
Shares	194	193	-	-
	97,046	99,682	-	-
Total	7,702,886	9,068,862	1,008	130,984

Previously, the Group had reclassified securities amounting to RM69.8 million 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 2018, the fair value gain that would have been recognised in other comprehensive income for the current financial year if the securities had not been reclassified amounted to RM5.15 million (2017: RM4.87 million).

The Company's wholly-owned subsidiaries, AmBank and AmBank Islamic are appointed as Principal Dealer ("PD") and Islamic Principal Dealer ("iPD") respectively for specified securities issued by the Government, BNM and BNM Sukuk Berhad for the period 1 January 2017 to 31 December 2018.

As PD and iPD, both subsidiaries are required to undertake certain obligations and were also accorded incentives. One of the incentives accorded was the eligibility to maintain specified amounts of the Statutory Reserve Requirements ("SRR") balances in the form of MGS and/or MGII instead of cash effective for the period January 2017 to December 2017. As at 31 March 2018, there was no holding of MGS and MGII for SRR purposes (2017: RM259.54 million).

A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group		Company	
	31.03.18	**31.03.17**	**31.03.18**	**31.03.17**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At Amortised Cost				
Money Market Instruments:				
Malaysian Government Securities	60,601	-	-	-
Malaysian Islamic Treasury Bills	-	29,543	-	-
Unquoted Securities:				
In Malaysia:				
Corporate Bonds and sukuk	2,970,265	3,433,375	1,425,000	750,000
	3,030,866	3,462,918	1,425,000	750,000
Less: Accumulated impairment losses	(2,550)	(2,550)	-	-
Total	3,028,316	3,460,368	1,425,000	750,000

A11. LOANS, ADVANCES AND FINANCING

	Group	
	31.03.18	**31.03.17**
	RM'000	**RM'000**
At Amortised Cost:		
Loans, advances and financing:		
Term loans/financing	23,829,662	22,373,363
Revolving credit	12,518,695	13,417,729
Housing loans/financing	26,926,393	21,914,049
Hire-purchase receivables	19,224,817	20,491,424
Card receivables	1,984,146	1,687,210
Overdraft	3,935,978	3,558,928
Claims on customers under acceptance credits	4,663,871	4,348,985
Trust receipts	1,765,269	1,572,217
Bills receivables	1,091,864	1,289,283
Staff loans	103,815	111,780
Others	276,720	220,964
Gross loans, advances and financing	96,321,230	90,985,932
Allowance for impairment on loans, advances and financing:		
Individual allowance	(208,482)	(258,997)
Collective allowance	(734,848)	(861,850)
	(943,330)	(1,120,847)
Net loans, advances and financing	95,377,900	89,865,085

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

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

	Group	
	31.03.18	**31.03.17**
	RM'000	**RM'000**
Domestic banking institutions	216	5,861
Domestic non-bank financial institutions	2,736,996	3,071,482
Domestic business enterprises:		
- Small and medium enterprises	16,693,920	14,010,071
- Others	22,191,579	24,217,753
Government and statutory bodies	716,114	300,998
Individuals	52,703,562	48,009,010
Other domestic entities	8,865	107,700
Foreign individuals and entities	1,269,978	1,263,057
	96,321,230	90,985,932

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

	Group	
	31.03.18	**31.03.17**
	RM'000	**RM'000**
In Malaysia	96,093,527	90,497,135
Outside Malaysia	227,703	488,797
	96,321,230	90,985,932

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

	Group	
	31.03.18	**31.03.17**
	RM'000	**RM'000**
Fixed rate:		
- Housing loans/financing	487,741	528,320
- Hire purchase receivables	17,824,523	19,090,781
- Other loans/financing	8,357,769	8,165,230
	26,670,033	27,784,331
Variable rate:		
- Base rate and lending/financing rate plus	40,580,214	33,429,152
- Cost plus	22,643,595	24,789,622
- Other variable rates	6,427,388	4,982,827
	69,651,197	63,201,601
	96,321,230	90,985,932

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

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

	Group	
	31.03.18	**31.03.17**
	RM'000	**RM'000**
Agriculture	3,300,734	3,860,902
Mining and quarrying	1,906,127	2,058,096
Manufacturing	9,824,643	9,310,382
Electricity, gas and water	1,161,410	481,602
Construction	3,743,923	3,830,582
Wholesale and retail trade and hotels and restaurants	5,955,656	5,327,262
Transport, storage and communication	2,085,001	2,886,890
Finance and insurance	2,755,986	3,077,343
Real estate	8,317,497	8,388,647
Business activities	1,714,275	1,510,442
Education and health	1,754,754	1,377,583
Household of which:	53,698,489	48,758,065
Purchase of residential properties	26,400,754	21,604,268
Purchase of transport vehicles	18,087,330	19,567,316
Others	9,210,405	7,586,481
Others	102,735	118,136
	96,321,230	90,985,932

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

	Group	
	31.03.18	**31.03.17**
	RM'000	**RM'000**
Maturing within one year	24,782,847	26,517,772
Over one year to three years	8,250,270	7,263,471
Over three years to five years	11,539,235	13,552,068
Over five years	51,748,878	43,652,621
	96,321,230	90,985,932

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

	Group	
	31.03.18	**31.03.17**
	RM'000	**RM'000**
Gross		
Balance at beginning of the financial year	1,689,326	1,700,855
Impaired during the financial year	1,161,735	1,329,846
Reclassified as non-impaired	(100,128)	(132,066)
Recoveries	(477,456)	(463,313)
Amount written off	(618,521)	(759,774)
Foreign exchange differences	(16,551)	13,778
Balance at end of the financial year	1,638,405	1,689,326
Gross impaired loans, advances and financing as % of gross loans, advances and financing	1.70%	1.86%
Loan loss coverage (including regulatory reserve)	100.47%	79.67%

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

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

	Group	
	31.03.18	**31.03.17**
	RM'000	**RM'000**
In Malaysia	1,579,455	1,607,833
Outside Malaysia	58,950	81,493
	1,638,405	1,689,326

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

	Group	
	31.03.18	**31.03.17**
	RM'000	**RM'000**
Agriculture	836	842
Mining and quarrying	86,517	153,931
Manufacturing	83,010	94,910
Electricity, gas and water	7,140	7,963
Construction	46,033	16,349
Wholesale and retail trade and hotels and restaurants	43,944	46,449
Transport, storage and communication	85,956	9,869
Finance and insurance	-	1
Real estate	599,355	707,073
Business activities	11,823	10,051
Education and health	24,192	8,562
Household of which:	647,234	629,037
Purchase of residential properties	331,669	316,681
Purchase of transport vehicles	207,396	202,284
Others	108,169	110,072
Others	2,365	4,289
	1,638,405	1,689,326

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

	Group	
	31.03.18	**31.03.17**
	RM'000	**RM'000**
Individual allowance		
Balance at beginning of the financial year	258,997	317,269
Allowance made during the financial year, net	105,151	252,051
Amount written off	(148,170)	(312,025)
Foreign exchange differences	(7,496)	1,702
Balance at end of the financial year	208,482	258,997
Collective allowance		
Balance at beginning of the financial year	861,850	1,061,750
Allowance made during the financial year, net	345,200	256,095
Amount written off	(470,347)	(458,251)
Foreign exchange differences	(1,855)	2,256
Balance at end of the financial year	734,848	861,850
Collective allowance and Regulatory reserve as % of gross loans, advances and financing less individual allowance	1.50%	1.20%

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	
	31.03.18	**31.03.17**	**31.03.18**	**31.03.17**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables	587,917	375,983	-	-
Other receivables, deposits and prepayments	880,670	793,438	1,774	73,910
Interest/Profit receivable	295,295	323,119	4,558	1,983
Fee receivable	33,641	33,513	-	-
Amount due from originators (Note 1)	20,398	279,524	-	-
Amount due from agents, brokers and reinsurers	35,635	27,954	-	-
Foreclosed properties	4,497	41,157	-	-
Tax recoverable (Note 2)	192,617	500,281	981	-
Collateral pledged for derivative transactions	247,839	487,751	-	-
	2,298,509	2,862,720	7,313	75,893
Accumulated impairment losses	(29,403)	(59,949)	-	-
	2,269,106	2,802,771	7,313	75,893

Notes:

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

2. In financial year ended 31 March 2015, the Inland Revenue Board ("IRB") had issued notice of income tax assessments for the year of assessment 2008 and 2009 to AmBank. AmBank had appealed against the said notices by filing an application to the High Court for judicial review of the notice of assessment for the year of assessment 2008 and to the Special Commissioners of Income Tax for the notice of assessment for the year of assessment 2009. Included in tax recoverable of the Group is tax paid of approximately RM203,500,700 in financial year ended 31 March 2015 as the Group is of the opinion that it has strong grounds to succeed in its appeals. AmBank was successful in its appeals for the majority of the tax matters under dispute. AmBank had since received Notice of Reduced Assessment for years of assessment 2008 and 2009 and progressive cash refund.

A14. REINSURANCE ASSETS AND OTHER INSURANCE RECEIVABLES

		Group	
		31.03.18	**31.03.17**
	Note	**RM'000**	**RM'000**
Reinsurance assets from general insurance business		470,121	333,533
Other insurance receivables	(i)	66,738	69,580
		536,859	403,113

(i) Other insurance receivables

Due premiums including agents/brokers and co-insurers' balances	82,018	82,108
Amount owing by reinsurance and cedants	16,914	20,268
Accumulated impairment losses	(32,194)	(32,796)
	66,738	69,580

A15. DEPOSITS FROM CUSTOMERS

	Group	
	31.03.18	31.03.17 (Restated)
	RM'000	RM'000
Demand deposits	15,039,403	14,288,130
Savings deposits	5,324,846	5,569,391
Term/Investment deposits	74,540,938	74,077,280
Negotiable instruments of deposits	900,000	257
	95,805,187	93,935,058

The deposits are sourced from the following types of customers:

Government and statutory bodies	6,543,091	8,154,193
Business enterprises	42,261,644	46,230,050
Individuals	43,161,385	34,462,807
Others	3,839,067	5,088,008
	95,805,187	93,935,058

A16. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	31.03.18	31.03.17 (Restated)
	RM'000	RM'000
Licensed banks	1,260,015	697,883
Licensed investment banks	175,000	49,926
Bank Negara Malaysia	26,361	43,009
Other financial institutions	1,971,202	738,603
	3,432,578	1,529,421

A17. OTHER LIABILITIES

	Group		Company	
	31.03.18	31.03.17	31.03.18	31.03.17
	RM'000	RM'000	RM'000	RM'000
Trade payables	591,259	401,209	-	-
Other payables and accruals	1,384,737	1,585,104	9,111	28,897
Interest payable on deposits and borrowings	850,801	850,507	7,702	8,687
Lease deposits and advance rental	18,831	11,093	-	-
Provision for commitments and contingencies	86,955	81,043	-	-
Amount due to subsidiaries	-	-	7,909	132
Provision for taxation	66,405	39,373	-	1,422
Collateral received for derivative transactions	270,412	196,769	-	-
Deferred income	67,116	63,117	-	-
	3,336,516	3,228,215	24,722	39,138

A18. INSURANCE CONTRACT LIABILITIES AND OTHER INSURANCE PAYABLES

Group

	Note	31.03.18 RM'000	31.03.17 RM'000
Insurance contract liabilities	(i)	2,582,474	2,582,427
Other insurance payables	(ii)	181,038	84,417
		2,763,512	2,666,844

(i) Insurance contract liabilities

31.03.18	Gross contract liabilities RM'000	Reinsurance assets RM'000	Net contract liabilities RM'000
General insurance business	2,582,474	(470,121)	2,112,353

31.03.17	Gross contract liabilities RM'000	Reinsurance assets RM'000	Net contract liabilities RM'000
General insurance business	2,582,427	(333,533)	2,248,894

(ii) Other insurance payables

	31.03.18 RM'000	31.03.17 RM'000
Amount due to agents and intermediaries	32,126	29,898
Amount due to reinsurers and cedants	148,912	54,519
	181,038	84,417

A19. INTEREST INCOME

	Individual Quarter		Cumulative Quarter	
	31.03.18 RM'000	31.03.17 RM'000	31.03.18 RM'000	31.03.17 RM'000
Group				
Short-term funds and deposits and placements with banks and other financial institutions	42,453	22,448	114,497	91,612
Financial assets held-for-trading	85,851	73,320	352,715	236,833
Financial investments available-for-sale	51,459	64,361	220,311	273,948
Financial investments held-to-maturity	19,100	21,230	82,666	85,679
Loans and advances	905,160	818,654	3,446,510	3,238,225
Impaired loans and advances	81	1,834	18,183	7,498
Others	20,284	20,292	85,093	62,817
	1,124,388	1,022,139	4,319,975	3,996,612
Company				
Short-term funds and deposits and placements with banks and other financial institutions	507	256	1,483	1,112
Financial investments held-to-maturity	12,255	1,928	41,656	1,931
	12,762	2,184	43,139	3,043

A20. INTEREST EXPENSE

	Individual Quarter		Cumulative Quarter	
	31.03.18	31.03.17 (Restated)	31.03.18	31.03.17 (Restated)
	RM'000	RM'000	RM'000	RM'000
Group				
Deposits from customers	540,724	469,098	2,027,574	1,845,402
Deposit and placements of banks and other financial institutions	21,550	12,757	89,510	38,093
Senior notes	35,819	46,993	159,367	191,472
Credit linked Notes	1,847	1,838	7,490	9,494
Recourse obligation on loans sold to Cagamas Berhad	37,936	26,577	129,809	107,504
Term loans and revolving credit	-	10,870	4,307	40,089
Subordinated bonds and notes	24,336	6,396	75,493	22,133
Medium term notes	9,246	17,037	54,639	69,095
Tier 1 capital securities	20,963	20,963	85,013	85,013
Others	6,672	5,381	22,428	23,719
	699,093	617,910	2,655,630	2,432,014
Company				
Senior notes	5,548	10,728	30,158	43,879
Term loans and revolving credit	-	2,585	3,400	11,269
Subordinated notes	12,279	1,950	41,750	1,953
Others	348	-	1,684	-
	18,175	15,263	76,992	57,101

A21. NET INCOME FROM INSURANCE BUSINESS

	Note	Individual Quarter 31.03.18 RM'000	Individual Quarter 31.03.17 RM'000	Cumulative Quarter 31.03.18 RM'000	Cumulative Quarter 31.03.17 RM'000
Group					
Income from insurance business:	(a)				
Premium income from general insurance business		339,431	355,979	1,390,417	1,437,643
		339,431	355,979	1,390,417	1,437,643
Insurance claims and commissions:	(b)				
Insurance commission [1]		35,591	39,753	130,129	149,447
General insurance claims		155,610	242,222	795,235	904,550
		191,201	281,975	925,364	1,053,997
Total income from insurance business, net		148,230	74,004	465,053	383,646
(a) Income from insurance business					
Gross Premium					
- insurance contract		399,915	423,140	1,473,891	1,579,583
- change in unearned premium provision		(30,614)	(30,589)	47,422	(8,091)
		369,301	392,551	1,521,313	1,571,492
Premium ceded					
- insurance contract		(35,718)	(43,046)	(128,633)	(140,258)
- change in unearned premium provision		5,848	6,474	(2,263)	6,409
		(29,870)	(36,572)	(130,896)	(133,849)
		339,431	355,979	1,390,417	1,437,643
(b) Insurance claims					
- gross benefits and claims paid		172,718	237,776	887,862	1,065,909
- claims ceded to reinsurers		59,112	(25,518)	(1,245)	(188,604)
- change in contract liabilities - insurance contract		53,150	5,227	47,469	(69,564)
- change in contract liabilities ceded to reinsurers - insurance contract		(129,370)	24,737	(138,851)	96,809
		155,610	242,222	795,235	904,550

[1] Net of bancassurance commission paid/payable to subsidiaries of the Group of RM18,205,000 (2017: RM14,716,000) eliminated upon consolidation.

A22. OTHER OPERATING INCOME

	Individual Quarter		Cumulative Quarter	
	31.03.18	31.03.17	31.03.18	31.03.17
	RM'000	RM'000	RM'000	RM'000
Group				
Fee and commission income:				
Fees on loans and securities	37,885	38,139	158,761	174,957
Corporate advisory	5,664	2,006	12,654	9,596
Guarantee fees	16,096	15,126	62,335	62,191
Underwriting commission	839	1,008	990	4,342
Portfolio management fees	15,366	10,276	36,447	35,708
Unit trust fees, commission and charges	25,138	33,187	125,065	115,969
Property trust management fees	1,871	1,854	7,436	7,313
Brokerage fees and commission	11,419	12,067	45,020	41,651
Bancassurance commission	2,581	4,569	11,613	15,025
Wealth management fees	5,243	(2,139)	21,554	20,248
Remittances	5,728	4,029	20,792	19,303
Fees, service and commission charges	7,768	7,570	33,979	33,864
Other fees	5,597	8,968	16,547	18,257
	141,195	136,660	553,193	558,424
Investment and trading income:				
Net gain from sale of financial assets held-for-trading	3,707	2,683	31,798	88,161
Net gain from sale of financial investments available-for-sale	21,283	9,101	87,147	35,558
Net gain on redemption of financial investments held-to-maturity	-	-	-	47
Net gain/(loss) on revaluation of financial assets held-for-trading	(2,872)	30,215	30,571	(5,324)
Net foreign exchange gain[1]	5,054	23,413	8,818	71,486
Net gain/(loss) on derivatives	47,482	(6,647)	57,128	28,028
Gain on disposal of equity interest in subsidiaries	-	-	-	1,662
Dividend income from:				
Financial assets held-for-trading	3,552	2	13,604	7,019
Financial investments available-for-sale	2,812	7,501	24,795	35,761
Others	173	592	97	642
	81,191	66,860	253,958	263,040
Other income:				
Net non-trading foreign exchange (loss)/gain	419	(147)	1,016	(1,984)
Gain on repayment of capital by a subsidiary	-	-	7,672	-
Net gain on disposal of property and equipment[2]	137	3,187	3,345	15,075
Rental income	1,147	1,254	4,930	4,701
Profit/(Loss) from sale of goods and services	5,680	(7,221)	12,864	9,108
Gain on disposal of foreclosed properties	13,979	108,061	44,659	108,061
Others	4,293	5,579	33,494	19,044
	25,655	110,713	107,980	154,005
	248,041	314,233	915,131	975,469

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

2 Included gain of RM0.8 million (2017: RM14.9 million) upon completion of disposal for properties classified as Assets held for sale (Note A29).

A22. OTHER OPERATING INCOME (CONT'D.)

	Individual Quarter		Cumulative Quarter	
	31.03.18 RM'000	31.03.17 RM'000	31.03.18 RM'000	31.03.17 RM'000
Company				
Investment and trading income:				
Dividend income from:				
Subsidiaries	12,227	59,360	1,135,653	668,287
Financial investments available-for-sale	9	849	2,185	3,231
Distribution from capital repayment by subsidiary	195,409	-	195,409	-
	207,645	60,209	1,333,247	671,518
Other income:				
Others	15	-	156	175
	15	-	156	175
	207,660	60,209	1,333,403	671,693

A23. OTHER OPERATING EXPENSES

	Individual Quarter		Cumulative Quarter	
	31.03.18 RM'000	31.03.17 RM'000	31.03.18 RM'000	31.03.17 RM'000
Group				
Personnel costs (Note 1):				
Salaries, allowances and bonuses	256,859	242,475	972,095	927,394
Share/options granted under ESS - (writeback)/charge	1,673	1,353	(9,447)	(10,606)
Contributions to EPF/Private Retirement Scheme	41,197	37,967	159,151	147,549
Social security cost	2,380	2,020	8,741	7,831
Other staff related expenses	162,844	47,679	270,453	122,184
	464,953	331,494	1,400,993	1,194,352
Establishment costs:				
Depreciation of property and equipment	22,393	15,054	66,193	57,650
Amortisation of intangible assets	36,236	26,635	113,368	102,697
Computerisation costs	42,565	42,724	175,317	180,289
Rental of premises	27,192	27,863	107,987	109,384
Cleaning, maintenance and security	5,631	9,021	24,888	30,410
Others	8,629	10,790	33,700	41,537
	142,646	132,087	521,453	521,967
Marketing and communication expenses:				
Sales commission	2,944	4,843	5,157	16,889
Advertising, promotional and other marketing activities	24,140	19,818	58,476	67,295
Telephone charges	6,721	4,924	20,724	19,314
Postage	2,389	3,197	12,432	12,358
Travelling and entertainment	3,501	3,783	14,150	15,619
Others	6,537	7,989	19,240	21,502
	46,232	44,554	130,179	152,977
Administration and general expenses:				
Professional services (Note 1)	43,040	28,442	155,926	112,562
Travelling	1,671	1,649	6,733	7,094
Insurance	1,441	614	4,106	5,008
Subscriptions and periodicals	3,870	4,443	13,724	16,102
Others	24,513	39,267	187,691	150,417
	74,535	74,415	368,180	291,183
	728,366	582,550	2,420,805	2,160,479

Note 1:
During the current financial quarter, the Group had offered its eligible employees a Mutual Separation Scheme ("MSS"). As at 31 March 2018, the Group had completed its MSS exercise and the payout from this exercise taken up under Personnel costs and professional fees amounted to approximately RM145.5 million. The MSS was introduced as part of the Group's Top Four Strategy, to enhance efficiency and productivity within the Group. To aid employees with this transition, career transition programmes, workshops and on-ground job search support continues to be provided.

A23. OTHER OPERATING EXPENSES (CONT'D.)

	Individual Quarter		Cumulative Quarter	
	31.03.18 RM'000	31.03.17 RM'000	31.03.18 RM'000	31.03.17 RM'000
Company				
Personnel costs:				
Salaries, allowances and bonuses	7,117	12,620	15,304	22,750
Shares/options granted under ESS	166	372	127	849
Contributions to EPF/Private Retirement Scheme	1,342	1,932	2,563	3,190
Social security cost	1	1	6	2
Others	126	4,667	470	5,203
	8,752	19,592	18,470	31,994
Establishment costs:				
Depreciation of property and equipment	99	71	384	202
Computerisation costs	225	-	225	-
Cleaning, maintenance and security	-	-	4	1
Others	(1)	3	8	17
	323	74	621	220
Marketing and communication expenses:				
Advertising, promotional and other marketing activities	1	10	428	450
Telephone charges	11	9	46	58
Postage	-	-	1	-
Travelling and entertainment	46	32	188	125
Others	(1)	(6)	122	157
	57	45	785	790
Administration and general expenses:				
Professional services	479	(91)	1,779	960
Travelling	6	72	288	322
Insurance	-	28	41	43
Subscriptions and periodicals	3	8	42	48
Others	(880)	1,268	3,024	4,428
	(392)	1,285	5,174	5,801
Service transfer pricing (income)/expense, net	733	(13,605)	(8,980)	(15,330)
	9,473	7,391	16,070	23,475

A24. IMPAIRMENT ON LOANS, ADVANCES AND FINANCING - (WRITEBACK)/LOSS

	Individual Quarter		Cumulative Quarter	
	31.03.18 RM'000	31.03.17 RM'000	31.03.18 RM'000	31.03.17 RM'000
Group				
Allowance for loans, advances and financing:				
Individual allowance, net	(16,512)	244,983	105,151	252,051
Collective allowance, net	94,193	(54,640)	345,200	256,095
Impaired loans, advances and financing:				
Recovered, net	(106,726)	(212,322)	(451,433)	(681,656)
	(29,045)	(21,979)	(1,082)	(173,510)

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 continues to focus on building mass affluent, affluent and small business customers. Retail Banking offers products and financial solutions which includes auto finance, mortgages, 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, Global 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) Global Markets includes proprietary trading as well as providing full range of products and services relating to treasury activities, including foreign exchange, derivatives, fixed income and structured warrants;
(iii) Investment Banking offers investment banking solutions and services, encompassing capital markets (primary) activities, 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.

During the current financial year, a new division called Business Banking ("BB") was established to enhance the Group's focus on the small and medium sized enterprises ("SME") segment in line with the Group's strategy. BB comprises two focus areas, namely Enterprise Banking and Commercial Banking. In view of BB's contribution to the Group in terms of revenue, profit and total assets for the current financial year, it is not disclosed as a reportable segment but included in Wholesale Banking division for purposes of Business segment analysis.

(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
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.

Note:

(i) The revenue generated by a majority of the operating segments substantially comprise finance income. The Chief Operating Decision Maker relies primarily on the net finance income information to assess the performance of, and to make decisions about resources to be allocated to these operating segments.
(ii) The comparatives have been restated to conform with current business realignment and restatement as per note A36.

A25. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group

For the financial year ended 31 March 2018	Retail Banking RM'000	Wholesale Banking: Corporate and Commercial Banking RM'000	Wholesale Banking: Global Markets RM'000	Wholesale Banking: Investment Banking RM'000	Wholesale Banking: Fund Management RM'000	Insurance RM'000	Group Funding and Others RM'000	Total RM'000
External revenue	3,061,581	2,398,527	752,728	240,853	113,310	1,580,472	429,268	8,576,739
Revenue from other segments	(325,882)	(1,163,180)	1,001,148	(17,127)	-	-	505,041	-
Total operating revenue	2,735,699	1,235,347	1,753,876	223,726	113,310	1,580,472	934,309	8,576,739
Net interest income	1,154,299	836,161	69,846	43,120	1,057	136,730	243,287	2,484,500
Other income	296,999	238,883	190,107	165,182	111,890	492,308	5,679	1,501,048
Share in results of associates and joint ventures	2,033	-	-	-	-	(11,371)	3,029	(6,309)
Net income	1,453,331	1,075,044	259,953	208,302	112,947	617,667	251,995	3,979,239
Other operating expenses	(1,002,886)	(311,754)	(80,991)	(125,989)	(71,282)	(346,899)	(481,004)	(2,420,805)
of which:								
Depreciation of property and equipment	(28,016)	(1,262)	(514)	(1,202)	(390)	(12,910)	(21,899)	(66,193)
Amortisation of intangible assets	(19,228)	(1,879)	(3,934)	(794)	(1,308)	(18,692)	(67,533)	(113,368)
Profit/(Loss) before impairment losses	450,445	763,290	178,962	82,313	41,665	270,768	(229,009)	1,558,434
Impairment losses on loans, advances and financing -writeback/(charge)	(36,797)	(57,433)	-	1,804	-	-	93,508	1,082
Net impairment on other assets -(loss)/writeback	(8,671)	(641)	-	470	(24)	(881)	832	(8,915)
Provision for commitments and contingencies -writeback/(charge)	(5,278)	5,071	-	(2,587)	-	-	(7,590)	(10,384)
Other recoveries	11	-	56	-	-	519	1,910	2,496
Profit/(Loss) before taxation and zakat	399,710	710,287	179,018	82,000	41,641	270,406	(140,349)	1,542,713
Taxation and zakat	(95,410)	(165,190)	(41,524)	(15,793)	(8,804)	(35,661)	73,493	(288,889)
Profit/(Loss) for the financial year	304,300	545,097	137,494	66,207	32,837	234,745	(66,856)	1,253,824
Other information								
Total segment assets	55,187,516	40,947,391	17,731,005	2,705,626	102,409	5,909,096	15,298,200	137,881,243
Total segment liabilities	50,018,839	9,883,166	42,081,567	1,417,264	18,452	3,588,777	13,213,168	120,221,233
Cost to income ratio	69.0%	29.0%	31.2%	60.5%	63.1%	56.2%	190.9%	60.8%
Gross loans, advances and financing	54,559,432	40,277,522	-	1,569,710	-	1,657	(87,091)	96,321,230
Net loans, advances and financing	54,094,796	39,950,462	-	1,561,628	-	1,587	(230,573)	95,377,900
Impaired loans, advances and financing	680,517	955,821	-	2,067	-	-	-	1,638,405
Total deposits	49,341,044	9,493,476	37,874,124	799,536	-	-	1,729,585	99,237,765
Additions to:								
Property and equipment	11,280	2,960	-	1,061	251	3,129	7,444	26,125
Intangible assets	22,308	7,444	174	472	156	16,843	53,351	100,748

A25. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group

For the financial year ended 31 March 2017 (Restated)	**Retail Banking RM'000**	**Wholesale Banking: Corporate and Commercial Banking RM'000**	**Wholesale Banking: Global Markets RM'000**	**Wholesale Banking: Investment Banking RM'000**	**Fund Management RM'000**	**Insurance RM'000**	**Group Funding and Others RM'000**	**Total RM'000**
External revenue	2,851,293	2,358,320	574,348	256,678	126,184	1,644,056	474,872	8,285,751
Revenue from other segments	(375,212)	(1,133,658)	1,129,797	(10,802)	-	-	389,875	-
Total operating revenue	2,476,081	1,224,662	1,704,145	245,876	126,184	1,644,056	864,747	8,285,751
Net interest income	1,137,666	759,467	70,360	38,977	1,978	137,716	146,046	2,292,210
Other income	220,111	304,786	156,897	189,175	123,989	391,856	48,215	1,435,029
Gain on disposal of subsidiaries	-	-	-	-	-	-	1,662	1,662
Share in results of associates and joint ventures	3,610	-	-	-	-	27,108	5,945	36,663
Net income	1,361,387	1,064,253	227,257	228,152	125,967	556,680	201,868	3,765,564
Other operating expenses	(925,437)	(254,550)	(82,938)	(128,470)	(72,837)	(338,552)	(357,695)	(2,160,479)
of which:								
Depreciation of property and equipment	(22,911)	(1,363)	(782)	(1,347)	(367)	(13,262)	(17,618)	(57,650)
Amortisation of intangible assets	(20,715)	(2,191)	(5,832)	(830)	(1,303)	(9,464)	(62,362)	(102,697)
Profit/(Loss) before impairment losses	435,950	809,703	144,319	99,682	53,130	218,128	(155,827)	1,605,085
Impairment losses on loans, advances and financing -writeback/(charge)	20,058	(57,511)	-	8,791	-	167	202,005	173,510
Net impairment on other assets -(loss)/writeback	(900)	(553)	-	(831)	-	943	(815)	(2,156)
Provision for commitments and contingencies -writeback/(charge)	2,737	5,632	-	(2,157)	-	-	5,486	11,698
Other recoveries	4	12,068	-	-	-	-	981	13,053
Profit before taxation and zakat	457,849	769,339	144,319	105,485	53,130	219,238	51,830	1,801,190
Taxation and zakat	(108,639)	(177,177)	(32,473)	(25,052)	(10,426)	(22,591)	(16,056)	(392,414)
Profit for the financial year	349,210	592,162	111,846	80,433	42,704	196,647	35,774	1,408,776
Other information								
Total segment assets	49,377,042	41,676,113	13,461,622	2,385,167	115,284	5,714,999	22,037,388	134,767,615
Total segment liabilities	40,393,566	10,015,994	47,932,610	1,383,695	22,545	3,497,432	14,368,889	117,614,731
Cost to income ratio	68.0%	23.9%	36.5%	56.3%	57.8%	60.8%	177.2%	57.4%
Gross loans, advances and financing	48,782,534	40,773,497	-	1,485,662	-	2,128	(57,889)	90,985,932
Net loans, advances and financing	48,285,366	40,395,367	-	1,477,122	-	2,058	(294,828)	89,865,085
Impaired loans, advances and financing	649,148	1,038,015	-	2,163	-	-	-	1,689,326
Total deposits	39,780,751	9,392,270	45,872,072	788,843	-	-	(369,457)	95,464,479
Additions to:								
Property and equipment	38,816	660	-	1,989	471	6,689	22,918	71,543
Intangible assets	35,652	9,230	-	905	299	22,058	71,402	139,546

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

1. During the financial year,

(a) AmGeneral Holdings Berhad and its subsidiary, AmGeneral Insurance Berhad ("AmGeneral") invested in a collective investment scheme ("CIS"), AmCash Plus. The Group's effective equity interest in AmCash Plus is 51% and this CIS is consolidated in accordance with MFRS 10 Consolidated Financial Statements ("MFRS 10").

(b) AmGeneral withdrew its investment in AmCash Premium and AmCash Institutional 1, two collective investment schemes which were consolidated in accordance with MFRS 10.

2. Changes in subsidiaries:

(a) Capital reduction of subsidiaries of AmBank

On 9 October 2017 and 23 October 2017, AmCard Services Berhad (“AmCard”) and MBF Information Sdn. Bhd. ("MBF Information") respectively, had obtained Capital Reduction Order from the High Court pursuant to Section 116 of the Companies Act 2016. On 27 December 2017, AmLabuan Holdings (L) Ltd ("AmLabuan") lodged a High Court order for capital reduction to the Labuan Financial Services Authority. On 26 October 2017, 7 November 2017 and 27 December 2017, AmCard, MBF Information and AmLabuan respectively, had returned paid-up share capital in excess of the subsidiaries' needs which amounted to a total equivalent to approximately RM343.7 million to AmBank.

(b) Capital reduction of AmInvestment Group Berhad (“AIGB”)

On 17 January 2018, AIGB had obtained Capital Reduction Order from the High Court pursuant to Section 116 of the Companies Act 2016 and the paid-up share capital in excess of its needs amounted to approximately RM195.4 million. On 26 January 2018, the Company had set-off the proceeds from the return of paid-up share capital in excess of AIGB's needs with the advance taken from AIGB during the current financial year.

The capital repayment of the above subsidiaries did not have any effect on the reported cashflows from operations, financial position and performance of the Group.

(c) Dissolution of wholly-owned dormant subsidiaries

(i) AmBank's wholly-owned subsidiary, AmTrade Services Limited (incorporated in Hong Kong), was dissolved by way of member's voluntary liquidation pursuant to Section 548 of the Companies Ordinance (Chapter 622) of Hong Kong on 3 January 2018; and

(ii) AmSecurities Holding Sdn Bhd's wholly-owned subsidiary, AmSecurities (HK) Limited Limited (incorporated in Hong Kong), was dissolved by way of member's voluntary liquidation pursuant to Section 548 of the Companies Ordinance (Chapter 622) of Hong Kong on 29 March 2018.

3. Commencement of member's voluntary winding-up

On 27 March 2018, AmInvestment Bank's wholly-owned dormant subsidiary, AmFutures Sdn Bhd (“AmFutures”) commenced liquidation pursuant to Section 439(1)(B) of the Companies Act, 2016. AmFutures is a non-operating company and there is no plan for AmFutures to resume business. The member's voluntary liquidation will not have any material effect on the earnings and net assets of the Group for the current financial year. No losses are expected to arise from the aforesaid member's voluntary winding-up.

Other than as disclosed above, there were no material changes in the composition of the Group and the Company for the current financial quarter and year.

A29. ASSETS HELD FOR SALE

	Group 31.03.18	Group 31.03.17
<u>Assets held for sale</u>		
Proposed disposal of property and equipment	3,963	25,502
Proposed disposal of properties obtained from garnishee proceedings	-	2,091
	3,963	27,593

A30. 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 31.03.18 Principal/ Notional Amount RM'000	Group 31.03.17 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	18,243,224	16,910,052
over one year	4,103,833	3,925,299
Unutilised credit card lines	5,208,130	3,562,497
Forward asset purchases	351,998	680,643
	27,907,185	25,078,491
Contingent Liabilities		
Direct credit substitutes	2,147,797	2,045,786
Transaction related contingent items	5,849,587	5,903,536
Obligations under underwriting agreements	105,903	150,000
Short term self liquidating trade related contingencies	693,023	821,852
	8,796,310	8,921,174
Derivative Financial Instruments		
Interest/Profit rate related contracts:	53,821,239	49,895,571
One year or less	10,715,515	9,810,942
Over one year to five years	32,408,106	30,635,849
Over five years	10,697,618	9,448,780
Foreign exchange related contracts:	51,597,453	49,993,797
One year or less	47,466,152	46,025,024
Over one year to five years	2,655,384	1,828,561
Over five years	1,475,917	2,140,212
Credit related contracts:	334,505	361,251
Over one year to five years	334,505	361,251
Equity and commodity related contracts:	1,215,805	313,024
One year or less	797,179	229,628
Over one year to five years	418,626	83,396
	106,969,002	100,563,643
	143,672,497	134,563,308

A30. COMMITMENTS AND CONTINGENCIES (CONT'D.)

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

(a) The Company has given an unsecured guarantee amounting to RM70.0 million (2017: RM150.0 million) on behalf of AmInvestment Bank Berhad ("AmInvestment Bank") for the payment and discharge of all monies due on trading accounts maintained by Morgan Stanley & Co. International Plc. in respect of its futures trading activity with AmInvestment Bank.

(b) Since the financial year ended 31 March 2017 until the reporting date, AmMetLife had received complaints from 64 policyholders relating to the alleged mis-selling of a certain insurance product of AmMetLife. 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.

(c) **The Malaysia Competition Commission ("MyCC")'s Proposed Decision ("PD") against PIAM and its 22 members (including AmGeneral, a subsidiary)**

On 25 April 2017, AmGeneral had completed the submission of its written representations to MyCC. AmGeneral had also indicated its request for oral representations.

On 29 January 2018, AmGeneral's legal counsel delivered oral representations to MyCC reiterating its position that it has not infringed Section 4(2)(a) of the Competition Act, 2010 and that no infringement penalties should be imposed. Should the PD be upheld, AmGeneral will appeal to the Competition Appeals Tribunal and thereafter take any adverse outcome to a judicial review before the Malaysian courts.

A31. DERIVATIVE FINANCIAL INSTRUMENTS

	31.03.18			31.03.17		
	Contract/ Notional	Fair Value		Contract/ Notional	Fair Value	
Group	Amount RM'000	Assets RM'000	Liabilities RM'000	Amount RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives						
Interest/Profit rate related contracts:	50,777,541	197,376	164,006	43,940,571	205,925	204,590
- One year or less	10,095,515	7,042	4,747	8,580,942	5,497	4,973
- Over one year to three years	14,390,414	44,542	33,457	10,675,092	30,875	32,464
- Over three years	26,291,612	145,792	125,802	24,684,537	169,553	167,153
Foreign exchange related contracts:	51,597,451	889,092	1,053,648	49,993,797	921,004	718,496
- One year or less	47,466,152	549,681	738,526	46,025,024	465,348	275,273
- Over one year to three years	1,304,688	59,636	63,815	253,960	4,909	28,653
- Over three years	2,826,611	279,775	251,307	3,714,813	450,747	414,570
Credit related contracts:	334,505	6,537	-	361,251	11,237	-
- Over three years	334,505	6,537	-	361,251	11,237	-
Equity and commodity related contracts:	1,215,805	32,574	36,669	313,024	2,421	3,055
- One year or less	797,179	30,633	34,728	229,628	2,417	3,051
- Over one year to three years	418,626	1,941	1,941	83,396	4	4
	103,925,302	1,125,579	1,254,323	94,608,643	1,140,587	926,141
Hedging derivatives						
Interest rate related contracts -						
Interest rate swaps:						
Cash flow hedge	2,693,700	38	16,843	5,605,000	25,835	24,581
- One year or less	620,000	38	220	1,230,000	713	1,100
- Over one year to three years	1,005,000	-	7,576	1,735,000	5,058	4,039
- Over three years	1,068,700	-	9,047	2,640,000	20,064	19,442
Fair value hedge	350,000	-	7,626	350,000	-	7,964
- Over three years	350,000	-	7,626	350,000	-	7,964
Total	106,969,002	1,125,617	1,278,792	100,563,643	1,166,422	958,686

A31. DERIVATIVE FINANCIAL INSTRUMENTS (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 statement of profit or loss. For derivative transactions that meet the specific criteria for hedge accounting, the Group applies either fair value, cash flow or net investment hedge accounting.

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

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

(i) Fair value hedge

Fair value hedges are hedges against exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment that is attributable to a particular risk and could affect profit or loss. For qualifying fair value hedges, the changes in fair value of the hedging instrument and the hedged item relating to the hedged risk are recognised in the statement of profit or loss. 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 statement of profit or loss over the expected life of the hedged item.

(ii) Cash flow hedge

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

During the current financial year, pursuant to a review of the Group's hedging strategy, the Group recognised a gain of RM2,379,000 in the statement of profit or loss arising from unwinding of hedge on its variable rate housing loan portfolio using interest rate swaps with a total notional value of RM2.1 billion. The remaining unamortised fair value gain will be amortised to the statement of profit or loss over the remaining life of the hedged forecast transactions.

A32. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Determination of fair value and fair value hierarchy

The Group and the Company measure fair value 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 determine 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 period.

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.

About 0.2% (2017: Nil) of the Group's total financial assets recorded at fair value, are based on estimates and recorded as Level 3 investments. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. While such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not change the fair value significantly.

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

31.03.18	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Derivative financial assets	3	1,125,614	-	1,125,617
Financial assets held-for-trading				
- Money market securities	-	7,158,914	-	7,158,914
- Equities	609,211	-	-	609,211
- Quoted corporate bonds and sukuk	37,962	-	-	37,962
- Unquoted corporate bonds and sukuk	-	5,138,696	-	5,138,696
Financial investments available-for-sale				
- Money market securities	-	2,292,443	-	2,292,443
- Equities	238,678	114,855	46,677	400,210
- Unquoted corporate bonds and sukuk	-	4,913,187	-	4,913,187
	885,854	20,743,709	46,677	21,676,240
Derivative financial liabilities	6,154	1,272,638	-	1,278,792

A32. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONT'D.)

31.03.18	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Company				
Financial investments available-for-sale				
- Equities	1,008	-	-	1,008
	1,008	-	-	1,008

31.03.17

Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Derivative financial assets	91	1,166,331	-	1,166,422
Financial assets held-for-trading				
- Money market securities	-	5,089,549	-	5,089,549
- Equities	289,075	-	-	289,075
- Quoted corporate bonds and sukuk	38,207	-	-	38,207
- Unquoted corporate bonds and sukuk	-	4,116,257	-	4,116,257
Financial investments available-for-sale				
- Money market securities	-	2,742,850	-	2,742,850
- Equities	1,110,121	1,430	-	1,111,551
- Unquoted corporate bonds and sukuk	-	5,114,779	-	5,114,779
	1,437,494	18,231,196	-	19,668,690
Derivative financial liabilities	3,491	955,195	-	958,686
Company				
Financial investments available-for-sale				
- Equities	130,984	-	-	130,984
	130,984	-	-	130,984

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	
	31.03.18 RM'000	**31.03.17 RM'000**
Balance at beginning of the financial year	-	-
Addition during the financial year	46,677	-
Balance at end of financial year	46,677	-

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

Impact on fair value of Level 3 financial instruments measured at fair value arising from changes to key assumptions

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.

A33. CAPITAL ADEQUACY

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

	31.03.18			
	AmBank	**AmBank Islamic**	**AmInvestment Bank**	**Group ***
Before deducting proposed dividends:				
Common Equity Tier 1 ("CET1") Capital ratio	10.955%	11.561%	41.194%	11.723%
Tier 1 Capital ratio	11.903%	11.561%	41.194%	12.413%
Total Capital ratio	16.451%	16.569%	41.452%	17.024%
After deducting proposed dividends:				
CET1 Capital ratio	10.613%	11.561%	27.529%	11.270%
Tier 1 Capital ratio	11.561%	11.561%	27.529%	11.960%
Total Capital ratio	16.109%	16.569%	27.787%	16.571%

	31.03.17			
	AmBank	**AmBank Islamic**	**AmInvestment Bank**	**Group ***
Before deducting proposed dividend:				
CET1 Capital ratio	11.230%	10.498%	32.916%	11.917%
Tier 1 Capital ratio	12.478%	10.498%	32.916%	12.809%
Total Capital ratio	16.073%	15.069%	32.916%	16.658%
After deducting proposed dividend:				
CET1 Capital ratio	10.764%	10.498%	31.373%	11.563%
Tier 1 Capital ratio	12.012%	10.498%	31.373%	12.455%
Total Capital ratio	15.607%	15.069%	31.373%	16.304%

Notes:

(1) The capital adequacy ratios are computed in accordance to BNM's guidelines on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued by the Prudential Financial Policy Department on 2 February 2018 (replacing the same guidelines issued previously on 13 October 2015), which is based on the Basel III capital accord. The Group has adopted the Standardised Approach for Credit and Market Risks and the Basic Indicator Approach for Operational Risk, based on BNM's Guidelines on Capital Adequacy Framework (Basel II - Risk Weighted Assets) and Capital Adequacy Frameworks for Islamic Banks (Basel II - Risk Weighted Assets).

(2) Group* figures presented in this Report represent an **aggregation** of the capital positions and risk weighted assets ("RWA") of our three regulated banking institutions (consolidated for AmBank and AmInvestment Bank). The positions of each entity and group (where applicable) are published at www.ambankgroup.com.

(3) Pursuant to the revised BNM's guidelines on Capital Adequacy Framework (Capital Components) issued, the minimum capital adequacy ratios maintained under the guidelines for its banking subsidiaries remain consistent at 4.5% for CET1 capital, 6.0% for Tier 1 capital and 8.0% for total capital ratio. The Group's banking subsidiaries 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 banking institution 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 on minimum capital adequacy ratios at the consolidated level for FHC effective 1 January 2019.

A33. 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:

	31.03.18			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group * RM'000
<u>CET1 Capital</u>				
Ordinary share capital	1,763,208	1,387,107	200,000	3,350,315
Retained earnings	6,700,583	1,632,472	474,802	8,744,009
Available-for-sale deficit	(23,518)	(5,492)	-	(28,879)
Foreign exchange translation reserve	52,974	-	-	51,199
Regulatory reserve	372,133	327,683	2,918	702,734
Capital reserve	-	-	-	2,815
Merger reserve	-	-	-	186,264
Cash flow hedging reserve	3,174	-	-	3,174
Less: Regulatory adjustments applied on CET1 capital				
Goodwill	-	-	-	(36,442)
Other intangible assets	(400,376)	(1,207)	(2,137)	(404,225)
Deferred tax assets	(66,637)	-	(4,085)	(73,182)
Cash flow hedging reserve	(3,174)	-	-	(3,174)
Regulatory reserve	(372,133)	(327,683)	(2,918)	(702,734)
Investment in capital instruments of unconsolidated financial and insurance/ takaful entities	(8,488)	-	(49,809)	-
CET1 Capital	**8,017,746**	**3,012,880**	**618,771**	**11,791,874**
<u>Additional Tier 1 Capital</u>				
Additional Tier 1 Capital instruments (subject to gradual phase-out treatment)	694,040	-	-	694,040
Qualifying CET1, Additional Tier 1 capital instruments held by third parties	-	-	-	2
Tier 1 Capital	**8,711,786**	**3,012,880**	**618,771**	**12,485,916**
<u>Tier 2 Capital</u>				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	1,995,000	1,000,000	-	2,995,000
Tier 2 Capital instruments (subject to gradual phase-out treatment)	600,000	-	-	600,000
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	-	-	-	1
Collective allowance and regulatory reserve	734,013	305,028	3,871	1,042,898
Tier 2 Capital	**3,329,013**	**1,305,028**	**3,871**	**4,637,899**
Total Capital	**12,040,799**	**4,317,908**	**622,642**	**17,123,815**

A33. 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 (Cont'd.):

The breakdown of the risk weighted assets ("RWA") in various categories of risk are as follows:

	31.03.18			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group * RM'000
Credit RWA	65,981,322	27,390,400	1,123,584	94,039,226
Less: Credit RWA absorbed by Profit Sharing Investment Account	-	(2,988,135)	-	(2,988,135)
Total Credit RWA	65,981,322	24,402,265	1,123,584	91,051,091
Market RWA	2,861,798	277,093	105,011	3,264,601
Operational RWA	3,973,753	1,380,469	273,498	5,896,314
Large exposure risk RWA for equity holdings	373,899	-	-	373,899
Total Risk Weighted Assets	**73,190,772**	**26,059,827**	**1,502,093**	**100,585,905**

	31.03.17			
	AmBank RM'000	AmBank Islamic RM'000	AmInvestment Bank RM'000	Group * RM'000
CET1 Capital				
Ordinary share capital	1,763,208	1,187,107	200,000	3,150,315
Retained earnings	5,371,939	1,179,283	88,943	6,931,726
Available-for-sale deficit	(12,233)	(5,149)	-	(17,381)
Foreign exchange translation reserve	119,797	-	-	130,278
Statutory reserve	980,969	483,345	200,000	1,664,314
Regulatory reserve	163,820	58,430	2,800	225,050
Capital reserve	-	-	-	2,815
Merger reserve	-	-	-	186,264
Cash flow hedging reserve	3,010	-	-	3,010
Less: Regulatory adjustments applied on CET1 capital				
Goodwill	-	-	-	(36,442)
Other intangible assets	(406,504)	(448)	(2,513)	(411,124)
Deferred tax assets	-	-	(7,153)	(9,158)
Cash flow hedging reserve	(3,010)	-	-	(3,010)
Regulatory reserve	(163,820)	(58,430)	(2,800)	(225,050)
Investment in capital instruments of unconsolidated financial and insurance/ takaful entities	(6,808)	-	(39,847)	-
Deduction in excess of Tier 2 Capital**	-	-	(6,458)	-
CET1 Capital	**7,810,368**	**2,844,138**	**432,972**	**11,591,607**
Additional Tier 1 Capital				
Additional Tier 1 Capital instruments (subject to gradual phase-out treatment)	867,550	-	-	867,550
Qualifying CET1, Additional Tier 1 capital instruments held by third parties	-	-	-	2
Tier 1 Capital	**8,677,918**	**2,844,138**	**432,972**	**12,459,159**

A33. 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 (Cont'd.):

	31.03.17			
	AmBank RM'000	**AmBank Islamic RM'000**	**AmInvestment Bank RM'000**	**Group * RM'000**
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	900,000	850,000	-	1,750,000
Tier 2 Capital instruments (subject to gradual phase-out treatment)	983,900	130,000	-	1,113,900
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	-	-	-	1
Collective allowance and regulatory reserve	618,212	258,458	3,504	880,197
Less: Regulatory adjustments applied on Tier 2 capital	(1,702)	-	(3,504)	-
Tier 2 Capital	**2,500,410**	**1,238,458**	**-**	**3,744,098**
Total Capital	**11,178,328**	**4,082,596**	**432,972**	**16,203,257**

The breakdown of the risk weighted assets ("RWA") in various categories of risk are as follows:

Credit RWA	63,094,846	27,107,178	1,015,958	90,235,160
Less: Credit RWA absorbed by Profit Sharing Investment Account	-	(1,604,369)	-	(1,604,369)
Total Credit RWA	63,094,846	25,502,809	1,015,958	88,630,791
Market RWA	2,231,439	178,976	20,158	2,445,971
Operational RWA	4,190,538	1,410,237	279,251	6,160,989
Large exposure risk RWA for equity holdings	30,573	-	-	30,573
Total Risk Weighted Assets	**69,547,396**	**27,092,022**	**1,315,367**	**97,268,324**

****** The portion of regulatory adjustments not deducted from Tier 2 (as 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).

A34. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	Group	
	31.03.18	**31.03.17**
Outstanding credit exposures with connected parties (RM'000)	2,582,104	2,298,054
Percentage of outstanding credit exposures to connected parties (%)		
- as a proportion of total credit exposures	2.32	2.15
- which is non-performing or in default	0.01	0.01

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.

A35. INSURANCE BUSINESS

AmGeneral Holdings Berhad and its subsidiary

(I) CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	General insurance fund		Shareholders' fund and Others		Total*	
	31.03.18 RM'000	31.03.17 RM'000	31.03.18 RM'000	31.03.17 RM'000	31.03.18 RM'000	31.03.17 RM'000
ASSETS						
Cash and short-term funds	183,065	163,661	306,791	374,089	489,856	537,749
Deposits and placements with banks and other financial institutions	15,602	13,435	-	488,553	15,602	501,987
Financial assets held-for-trading	2,574,661	2,412,260	3,158,659	2,988,171	3,317,190	2,988,171
Financial investments available-for-sale	-	-	1,425,929	1,391,318	352,809	50,867
Loans and advances	1,587	2,058	-	-	1,587	2,058
Deferred tax assets	22,465	14,025	738	74	23,203	14,099
Investment in a subsidiary	-	-	2,108,733	2,108,733	-	-
Other assets	518,087	538,977	101,527	52,470	228,526	199,772
Reinsurance assets and other insurance receivables	536,859	403,113	-	-	536,859	403,113
Property and equipment	39,666	49,466	978	978	40,644	50,444
Intangible assets	61,556	61,423	70,900	74,933	911,383	915,283
Assets held for sale	1,599	22,256	2,364	3,246	3,963	25,502
TOTAL ASSETS	3,955,147	3,680,674	7,176,619	7,482,565	5,921,622	5,689,045
LIABILITIES AND EQUITY						
Redeemable cumulative convertible preference share	-	-	443,777	430,540	443,777	430,540
Deferred tax liabilities	-	-	74,675	79,029	75,115	80,011
Other liabilities	250,961	274,740	446,500	436,975	306,373	320,037
Insurance contract liabilities and other insurance payables	2,763,512	2,666,844	-	-	2,763,512	2,666,844
Total Liabilities	3,014,473	2,941,584	964,952	946,544	3,588,777	3,497,432
Share capital**	-	-	5,953,072	6,318,429	1,399,148	1,399,148
Reserves	940,674	739,090	258,595	217,592	933,697	692,465
Equity attributable to equity holders of the Company	940,674	739,090	6,211,667	6,536,021	2,332,845	2,091,613
Non-controlling interests	-	-	-	-	-	100,000
Total Equity	940,674	739,090	6,211,667	6,536,021	2,332,845	2,191,613
TOTAL LIABILITIES AND EQUITY	3,955,147	3,680,674	7,176,619	7,482,565	5,921,622	5,689,045

* after elimination on consolidation

** Comprising:		
Ordinary share capital	1,230,000	1,230,000
Preference share capital	169,148	169,148
	1,399,148	1,399,148

Note: Shareholders' funds and Others comprise the results of AmGeneral Holdings Berhad and collective investment schemes of its insurance subsidiary.

A35. INSURANCE BUSINESS (CONT'D.)

AmGeneral Holdings Berhad and its subsidiary

(II) CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

	General insurance fund		**Shareholders' fund and Others**		**Total***	
Group	**31.03.18 RM'000**	**31.03.17 RM'000**	**31.03.18 RM'000**	**31.03.17 RM'000**	**31.03.18 RM'000**	**31.03.18 RM'000**
Interest income	1,712	4,557	154,255	153,855	155,967	156,378
Interest expense	-	-	(19,237)	(18,662)	(19,237)	(18,662)
Net interest income	1,712	4,557	135,018	135,193	136,730	137,716
Income from insurance business	1,390,417	1,437,643	-	-	1,390,417	1,437,643
Insurance claims and commissions**	(943,569)	(1,068,713)	-	-	(943,569)	(1,068,713)
Net income from insurance business	446,848	368,930	-	-	446,848	368,930
Other operating income	112,821	124,453	107,359	71,372	45,459	22,926
Net income	561,381	497,940	242,377	206,565	629,037	529,572
Other operating expenses	(334,964)	(327,217)	(11,935)	(11,416)	(346,899)	(338,552)
Operating profit	226,417	170,723	230,442	195,149	282,138	191,020
Allowances for impairment on loans and advances- writeback	-	167	-	-	-	167
Net impairment writeback/(charge) on:						
Financial investments	-	-	(1,483)	-	(1,483)	-
Insurance receivables	602	1,081	-	-	602	1,081
Other recoveries, net	519	(138)	-	-	519	(138)
Profit before taxation	227,538	171,832	228,959	195,149	281,776	192,130
Taxation	(25,539)	(22,218)	(10,122)	(373)	(35,661)	(22,591)
Profit for the financial year	**201,999**	**149,614**	**218,837**	**194,776**	**246,115**	**169,539**
Attributable to:						
Equity holders of the Company					245,500	169,245
Non-controlling interests					615	294
Profit for the financial year					**246,115**	**169,539**

* after elimination on consolidation

** Includes commission paid/payable to related companies of the Group of RM18,205,000 (2017: RM14,716,000)

A36. RESTATEMENT OF COMPARATIVES AT GROUP LEVEL

Certain comparative figures were restated arising from clarification provided in the BNM circular on Classification and Regulatory Treatment for structured products under the Financial Services Act 2013 and Islamic Financial Services Act 2013 as disclosed in Note A1.2(b). These changes impacted the respective subsidiaries which require certain comparatives at the Group level to be restated.

(i) Reconciliation of statement of financial position

Group	**As previously reported**	**Reclassification**	**Other Reclassification**	**As restated**
As at 1 April 2016	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Deposits from customers	90,358,576	(101,182)	-	90,257,394
Deposits and placements of banks and other financial institutions	1,743,769	(530,000)	-	1,213,769
Term funding	8,607,614	631,182	-	9,238,796
As at 31 March 2017				
Deposits from customers	94,071,513	(136,455)	-	93,935,058
Deposits and placements of banks and other financial institutions	1,609,421	(80,000)	-	1,529,421
Term funding	7,176,024	216,455	-	7,392,479

(ii) Reconciliation of statement of profit or loss

	As previously reported RM'000	**Reclassification RM'000**	**Other Reclassification RM'000**	**As restated RM'000**
Individual Quarter ended 31 March 2017				
Interest expense:				
Deposits from customers	470,373	(1,275)	-	469,098
Deposits and placements of banks and other financial institutions	7,988	4,769	-	12,757
Others	8,875	(3,494)	-	5,381
Cumulative Quarter ended 31 March 2017				
Interest expense:				
Deposits from customers	1,851,604	(6,202)	-	1,845,402
Deposits and placements of banks and other financial institutions	39,559	(1,466)	-	38,093
Others	16,051	7,668	-	23,719

(iii) Reconciliation of condensed statement of cash flows for the financial quarter ended 31 March 2017

	As previously reported RM'000	**Reclassification RM'000**	**Other Reclassification RM'000**	**As restated RM'000**
Add/(Less) adjustments for:				
Other non-operating and non-cash items	180,007	-	947	180,954
Increase/(Decrease) in operating liabilities:				
Deposits from customers	3,712,937	(35,273)	-	3,677,664
Deposits and placements of banks and other financial institutions	(134,348)	450,000	-	315,652
Term funding	(1,829,607)	(414,727)	(947)	(2,245,281)

A37. OPERATIONS OF ISLAMIC BANKING

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

		Group		
		31.03.18	**31.03.17 (Restated)**	**01.04.16 (Restated)**
	Note	**RM'000**	**RM'000**	**RM'000**
ASSETS				
Cash and short-term funds		1,588,497	2,588,245	4,385,587
Deposits and placements with banks and other financial institutions		200,000	635,000	500,000
Derivative financial assets		87,408	42,381	57,272
Financial assets held-for-trading		1,584,632	681,465	174,550
Financial investments available-for-sale		2,838,566	2,435,724	3,177,516
Financial Investments held-to-maturity		1,090,010	1,278,221	1,263,639
Financing and advances	(a)	27,775,489	27,239,756	27,391,553
Receivables: Investments not quoted in active markets		790,833	814,720	468,141
Statutory deposit with Bank Negara Malaysia		821,000	810,000	842,000
Deferred tax assets		306	333	296
Other assets		277,353	317,800	348,234
Property and equipment		432	332	368
Intangible assets		1,207	448	14
TOTAL ASSETS		37,055,733	36,844,425	38,609,170
LIABILITIES AND ISLAMIC BANKING FUNDS				
Deposits from customers	(b)	26,493,802	26,836,697	28,383,783
Investment accounts of customers	(c)	138,956	24,374	18,411
Deposits and placements of banks and other financial institutions		884,093	1,266,337	993,510
Investment account due to a licensed bank	(d)	2,859,110	1,600,000	1,000,000
Recourse obligation on financing sold to Cagamas Berhad		520,405	617,713	1,127,824
Derivative financial liabilities		92,939	47,870	67,685
Term funding		1,080,000	1,985,000	2,300,000
Subordinated Sukuk		999,839	979,679	1,399,528
Deferred tax liabilities		5,065	89	5,883
Other liabilities	(e)	403,492	379,288	470,485
TOTAL LIABILITIES		33,477,701	33,737,047	35,767,109
Share capital/Capital funds		1,417,107	1,217,107	492,922
Reserves		2,160,925	1,890,271	2,349,139
TOTAL ISLAMIC BANKING FUNDS		3,578,032	3,107,378	2,842,061
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		37,055,733	36,844,425	38,609,170
COMMITMENTS AND CONTINGENCIES		11,346,899	9,860,518	8,372,430

A37. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

Group	Individual Quarter		Cumulative Quarter	
	31.03.18 RM'000	31.03.17 RM'000	31.03.18 RM'000	31.03.17 RM'000
Income derived from investment of depositors' funds and others	428,337	404,265	1,707,561	1,665,395
Income derived from investment of investment account funds	36,229	22,547	103,215	68,007
Income derived from Islamic Banking Funds	35,640	22,504	146,765	102,896
Impairment on financing and advances-(charge)/writeback	(5,260)	52,210	(61,396)	24,343
Provision for commitments and contingencies-writeback	1,051	360	800	41
Impairment for sundry debtors	-	-	-	11
Total distributable income	495,997	501,886	1,896,945	1,860,693
Income attributable to the depositors and others	(231,707)	(191,262)	(924,935)	(905,188)
Income attributable to the investment account holders	(32,495)	(20,146)	(92,326)	(60,643)
Total net income	231,795	290,478	879,684	894,862
Operating expenses	(99,312)	(109,772)	(424,315)	(418,736)
Finance cost	(22,675)	(48,981)	(110,451)	(135,954)
Profit before taxation and zakat	109,808	131,725	344,918	340,172
Taxation and zakat	(25,000)	(26,425)	(73,889)	(71,295)
Profit for the financial period/year	84,808	105,300	271,029	268,877

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

Group	Individual Quarter		Cumulative Quarter	
	31.03.18 RM'000	31.03.17 RM'000	31.03.18 RM'000	31.03.17 RM'000
Profit for the financial period/year	84,808	105,300	271,029	268,877
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss				
Financial investments available-for-sale:				
- net unrealised gain/(loss) for changes in fair value	499	1,705	3,864	(2,228)
- net gain reclassified to profit or loss	(1,907)	(230)	(4,315)	(2,456)
- Income tax relating to the component of other comprehensive income/(loss)	338	(354)	108	1,124
Other comprehensive income/(loss) for the financial period/year, net of tax	(1,070)	1,121	(343)	(3,560)
Total comprehensive income for the financial period/year	83,738	106,421	270,686	265,317

A37. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

		Non-Distributable				Distributable	
Group	**Share capital/ Capital funds RM'000**	**Share premium RM'000**	**Statutory reserve RM'000**	**Regulatory reserve RM'000**	**Available-for-sale deficit RM'000**	**Retained earnings RM'000**	**Total Equity RM'000**
At 1 April 2016	492,922	724,185	483,345	-	(1,589)	1,143,198	2,842,061
Profit for the financial year	-	-	-	-	-	268,877	268,877
Other comprehensive loss, net	-	-	-	-	(3,560)	-	(3,560)
Total comprehensive income/(loss) for the financial year	-	-	-	-	(3,560)	268,877	265,317
Transfer to share capital	724,185	(724,185)	-	-	-	-	-
Transfer to regulatory reserve	-	-	-	58,430	-	(58,430)	-
	724,185	(724,185)	-	58,430	-	(58,430)	-
At 31 March 2017	1,217,107	-	483,345	58,430	(5,149)	1,353,645	3,107,378
At 1 April 2017	1,217,107	-	483,345	58,430	(5,149)	1,353,645	3,107,378
Profit for the financial year	-	-	-	-	-	271,029	271,029
Other comprehensive loss, net	-	-	-	-	(343)	-	(343)
Total comprehensive income/(loss) for the financial year	-	-	-	-	(343)	271,029	270,686
Issuance of ordinary shares	200,000						200,000
Transfer to retained earnings	-	-	(483,345)	-	-	483,345	-
Transfer to regulatory reserve	-	-	-	269,253	-	(269,253)	-
Transfer of ESS shares recharged							
- difference on purchase price of shares vested	-	-	-		-	(32)	(32)
	200,000	-	(483,345)	269,253	-	214,060	199,968
At 31 March 2018	1,417,107	-	-	327,683	(5,492)	1,838,734	3,578,032

A37. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(a) Financing and Advances

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

Group 31.03.18	Bai' Bithaman Ajil RM'000	Murabahah RM'000	Musharakah Mutanaqisah RM'000	Al-Ijarah Thummah Al-Bai' (AITAB) RM'000	Bai' Inah RM'000	Others RM'000	Total RM'000
At amortised cost:							
Cash lines	-	243,060	-	-	1,146,215	-	1,389,275
Term financing	1,327,945	4,731,117	10,579	-	2,920,051	64,707	9,054,399
Revolving credit	62,100	2,859,554	-	-	1,692,374	-	4,614,028
Housing financing	3,047,080	1,819,335	50,636	-	-	-	4,917,051
Hire purchase receivables	4	-	-	6,051,229	-	-	6,051,233
Bills receivables	-	27,086	-	-	-	271	27,357
Credit card receivables	-	-	-	-	-	423,920	423,920
Trust receipts	-	130,910	-	-	-	-	130,910
Claims on customers under acceptance credits	-	1,241,342	-	-	-	184,560	1,425,902
Gross financing and advances*	4,437,129	11,052,404	61,215	6,051,229	5,758,640	673,458	28,034,075
Allowance for impairment on financing and advances							
- Individual allowance							(25,314)
- Collective allowance							(233,272)
Net financing and advances							27,775,489

A37. 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 31.03.17	**Bai' Bithaman Ajil RM'000**	**Murabahah RM'000**	**Musharakah Mutanaqisah RM'000**	**Al-Ijarah Thummah Al-Bai' (AITAB) RM'000**	**Bai' Al-Inah RM'000**	**Others RM'000**	**Total RM'000**
At amortised cost:							
Cash lines	-	12,471	-	-	1,054,583	-	1,067,054
Term financing	2,022,144	2,917,793	11,005	-	3,491,124	72,791	8,514,857
Revolving credit	72,161	2,704,642	-	-	2,494,580	-	5,271,383
Housing financing	2,917,596	379,211	52,052	-	-	-	3,348,859
Hire purchase receivables	4	-	-	7,595,444	-	-	7,595,448
Bills receivables	-	-	-	-	-	9,293	9,293
Credit card receivables	-	-	-	-	-	297,225	297,225
Trust receipts	-	93,655	-	-	-	-	93,655
Claims on customers under acceptance credits	-	1,160,474	-	-	-	149,829	1,310,303
Gross financing and advances*	5,011,905	7,268,246	63,057	7,595,444	7,040,287	529,138	27,508,077
Allowance for impairment on financing and advances							
- Individual allowance							(16,041)
- Collective allowance							(252,280)
Net financing and advances							27,239,756

***** Included in financing and advances are exposures to the Restricted Investment Account ("RIA") arrangements between AmBank Islamic and 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.

A37. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

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

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

	Group	
	31.03.18	**31.03.17**
	RM'000	**RM'000**
Balance at beginning of the financial year	488,700	605,200
Impaired during the financial year	359,171	265,280
Reclassified to non-impaired financing	(25,231)	(92,536)
Recoveries	(78,398)	(70,415)
Amount written off	(161,704)	(218,829)
Balance at end of the financial year	582,538	488,700
Gross impaired financing and advances as % of total gross financing and advances	2.08%	1.78%
Financing loss coverage (including regulatory reserve)	100.64%	66.86%

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

	Group	
	31.03.18	**31.03.17**
	RM'000	**RM'000**
Individual allowance		
Balance at beginning of the financial year	16,041	63,715
Allowance made during the financial year, net	29,090	16,108
Amount written off	(19,817)	(63,782)
Balance at end of the financial year	25,314	16,041
Collective allowance		
Balance at beginning of the financial year	252,280	329,392
Allowance made during the financial year, net	137,829	78,288
Foreign exchange differences	(8)	9
Amount written off	(156,829)	(155,409)
Balance at end of the financial year*	233,272	252,280
Collective allowance and Regulatory reserve as % of gross financing and advances (excluding RIA financing) less individual allowance	2.23%	1.20%

***** During the financial year, AmBank Islamic entered into two new RIA contracts which amounted to a total sum of RM1,387.0 million with AmBank. As at 31 March 2018, the gross exposure (including profit receivable) relating to RIA financing amounted to RM2,869.6 million (2017: RM1,604.4 million). Collective allowance which amounted to RM2.7 million (2017: RM2.3 million) is taken up by AmBank. There was no individual allowance provided for all the RIA financing.

A37. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(b) Deposits From Customers

	Group	
	31.03.18	**31.03.17 (Restated)**
	RM'000	**RM'000**
Savings deposits		
Wadiah	-	2,119,573
Commodity Murabahah	2,005,599	-
Qard	14,279	-
Demand deposits		
Wadiah	-	4,245,545
Commodity Murabahah	4,841,876	-
Qard	22,777	-
Term deposits		
Commodity Murabahah	19,373,738	20,008,971
Qard	235,533	462,608
	26,493,802	26,836,697

(c) Investment Accounts Of Customers

	Group	
	31.03.18	**31.03.17**
	RM'000	**RM'000**
Unrestricted investment accounts:		
Without maturity		
- Wakalah	20,387	24,374
With maturity		
- Mudarabah	118,569	-
	138,956	24,374
Investment asset:		
- Interbank placement	20,387	24,374
- Housing financing	118,569	-
Total investment	138,956	24,374

The investment accounts are sourced from the following types of customers:

	31.03.18	**31.03.17**
	RM'000	**RM'000**
Business enterprises	118,793	443
Individuals	20,163	23,931
	138,956	24,374

Average Rate of Return and Average Performance Incentive Fee for the investment accounts are as follows:

	Investment account holder		
	Average profit sharing ratio (%)	**Average rate of return (%)**	**Average Performance incentive fee (%)**
2018			
Unrestricted investment account:			
up to 3 months	83.98	0.20	3.01
2017			
Unrestricted investment account:			
up to 3 months	-	0.05	3.01

A37. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(d) Investment Account Due to A Licensed Bank

	Group	
	31.03.18	**31.03.17**
	RM'000	**RM'000**
Restricted investment account		
- Mudarabah Muqayyadah	2,859,110	1,600,000
Investment asset:		
Financing	2,859,110	1,600,000
Total investment	2,859,110	1,600,000

During the financial year, AmBank Islamic entered into two new RIA contracts which amounted to a total sum of RM1,387.0 million with AmBank. The first contract is for a period of 367 days and will mature on 1 October 2018. The second contract's tenure is based on the contractual maturity of the financing funded which ranges between 3 months to 14 years from the day the second contract was entered into.

Profit Sharing Ratio and Average Rate of Return for the investment account are as follows:

	31.03.18		31.03.17	
	Profit sharing ratio (%)	**Average rate of return (%)**	**Profit sharing ratio (%)**	**Average rate of return (%)**
Restricted investment account:				
up to 1 year	90	4.50	90	-
between 1 year to 2 years	90	4.55	90	-
between 2 years to 5 years	90	4.40	90	4.78
more than 5 years	90	4.77	90	-

(e) Other Liabilities

	Group	
	31.03.18	**31.03.17**
	RM'000	**RM'000**
Other payables and accruals	251,743	235,036
Deferred income	15,165	12,773
Provision for zakat and taxation	15,637	19,659
Provision for commitments and contingencies	10,698	11,521
Amount owing to conventional banking	107,681	98,366
Lease deposits and advance rental	2,568	1,933
	403,492	379,288

A37. OPERATIONS OF ISLAMIC BANKING (CONT'D.)

(f) Restatement of Comparatives

Certain comparative figures were restated arising from clarification provided in the BNM circular on Classification and Regulatory Treatment for structured products under the Financial Services Act 2013 and Islamic Financial Services Act 2013 as disclosed in Note A1.2(b).

For condensed interim financial statements, the profit payable to the customers for these funding in the statement of profit or loss is disclosed as part of Income attributable to the depositors and others.

(i) Reconcilation of statement of financial position

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
As at 1 April 2016			
Deposits and placements of banks and other financial institutions	1,443,510	(450,000)	993,510
Term Funding	1,850,000	450,000	2,300,000
As at 31 March 2017			
Deposits from customers	26,891,697	(55,000)	26,836,697
Deposits and placements of banks and other financial institutions	1,346,337	(80,000)	1,266,337
Term Funding	1,850,000	135,000	1,985,000

Part B - Explanatory Notes Pursuant to Appendix 9B of the Bursa Malaysia Securities Berhad Listing Requirements

B1. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP

Table 1: Financial review for current quarter and financial year to date

	Group				Group			
	Individual Quarter		Changes		Cumulative Quarter		Changes	
	31.03.18 RM'000	31.03.17 RM'000	Amount RM'000	%	31.03.18 RM'000	31.03.17 RM'000	Amount RM'000	%
Operating revenue	2,211,339	2,145,147	66,192	3.1	8,576,739	8,285,751	290,988	3.5
Operating profit before impairment losses	342,490	424,130	(81,640)	(19.2)	1,558,434	1,605,085	(46,651)	(2.9)
Profit before taxation and zakat	359,688	440,744	(81,056)	(18.4)	1,542,713	1,801,190	(258,477)	(14.4)
Profit for the financial period/year	302,072	356,683	(54,611)	(15.3)	1,253,824	1,408,776	(154,952)	(11.0)
Profit/(Loss) attributable to equity holders of the Company	253,414	335,814	(82,400)	(24.5)	1,132,131	1,324,607	(192,476)	(14.5)

Financial year to date - Cumulative period ended 31 March 2018 compared to 31 March 2017

For the financial year under review, the Group generated revenue of RM8,576.7 million, a growth of RM291.0 million (3.5%) compared to last year. Fund based income from interest bearing assets increased mainly from interest on fixed income securities and customer lending. Markets based revenue (Trading and Investment income) results improved and recorded an increase of RM9.0 million compared to last year.

Interest income from securities grew mainly from trading securities and investment in unrated corporate bonds and sukuk offset by reduction in available-for-sale securities. Interest income from customer lending benefitted from the robust growth in the core segment of residential mortgages which maintained its momentum.

Funding costs namely interest from customer deposits and financial institutions deposits increased due to the increase in average deposit balances. As part of funding costs management, the Group settled all short-term borrowings in Term Funding and redeemed debt securities on the first call date. Overall, there is an increase in interest expense. Net interest margin ("NIM") improved to 2.00% compared to 1.98% for the corresponding period last year.

Compared to a year ago, overall other operating income (fee income, markets based trading and investment and other income) decreased by RM17.0 million. Fee based income recorded growth of RM20.0 million contributed by higher commission earned from sale of unit trust driven by the Group's appointment as agent for Amanah Saham Nasional Berhad in current financial year and higher brokerage fees and commission. Market based income which comprise treasury related income from customer flows and gains on trading/liquidation of securities grew by RM9.0 million due to gains on revaluation of securities and derivatives offset by lower gain on foreign exchange. Decrease in other income was attributable to a significant gain on disposal of foreclosed property a year ago.

Net income from insurance business improved substantially mainly due to lower insurance claims.

The Group's insurance-based joint ventures recorded losses due to higher actuarial valuations. This resulted in the Group's share of losses in results of associates and joint ventures of RM6.3 million compared to share of profits of RM36.7 million last year.

Total operating expenses recorded an increase of 12.0% compared to a year ago. Personnel expenses increased by RM206.6 million mainly due to expenses for the mutual separation scheme exercise implemented in the last quarter of the financial year, increase in headcount due to expansion of new division ie Business Banking and higher training related expenses. Other marketing expenses and commission paid reduced from lower spending and writeback of unutilized provisions as part of ongoing efficiency savings. From the general administrative expenses, expenses were higher for regulatory and compliance costs in connection with legal matters and governance procedures. Overall, the Group's cost to income ratio increased to 60.8% from 57.4% a year ago.

Credit costs was higher for this financial year, attributable to higher allowance for loans provided on collective basis, lower large corporate recoveries and higher provision for contingencies mitigated by lower allowance provided on individually assessed customers.

B1. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP (CONT'D.)

Financial year to date - Cumulative period ended 31 March 2018 compared to 31 March 2017(Cont'd.)

Profit before taxation and zakat for the current financial year was lower compared to a year ago at RM1,542.7 million, a reduction of RM258.5 million (14.4%). Profit for the financial year fell by RM154.9 million to RM1,253.8 million compared to a year ago.

Commentary on key components of financial position

The Group's core interest bearing assets namely loans, advances and financing grew moderately by RM5,335.3 million (5.9%) from 31 March 2017 to RM96,321.2 million driven by growth in mortgage loans by RM5,012.3 million. The Group continued to make good progress in its target segment of customers ie the SME group that recorded RM2.7 billion loans growth (19.2%) and household consumers from mortgage financing with RM4.8 billion growth compared to 31 March 2017. The Group's impaired loans ratio reduced to 1.7% of gross loans compared to 1.9% last year with loan loss coverage of 100.47%.

Deposits from customers was higher compared to 31 March 2017 at RM95.8 billion predominantly driven by customer deposit acquiring and retention initiatives. Low cost deposits constituted 21.3% of total deposits from customers, an increase compared to 21.1% as at 31 March 2017.

Liquidity and capital strength

The Group is well-positioned to meet and comply with regulatory requirements. Its banking subsidiaries recorded Liquidity Coverage ratios in excess of minimum requirements. The Group's aggregated capital adequacy ratio was higher at 16.571% compared to 16.304% as at 31 March 2017.

Divisional performance

Retail Banking (Profit before tax (“PBT”) FY2018: RM399.7 million vs FY2017: RM457.8 million)

PBT dropped by RM58.1 million mainly due higher impairment and higher other operating expenses, partially offset by higher income.

Higher net impairment of RM72.6 million from lower overall recoveries, offset by lower provision for Mortgage and Auto Financing from improved assets quality.

Higher income mainly driven by gain from securities available for sale ("AFS") of RM42.6 million and higher income from Wealth by RM30.6 million. This was partially offset by higher other operating expenses.

Retail deposits grew RM9.6 billion year on year (“YoY”) to RM49.3 billion mainly from fixed deposits, while gross loans grew by 11.8% YoY to close at RM54.6 billion mainly from mortgages.

Corporate & Commercial Banking (PBT FY2018: RM710.3 million vs FY2017: RM769.3 million)

Lower PBT due to higher impairment and higher other operating expenses, partially offset by higher income.

Higher net impairment of RM12.6 million from conservative provisioning and lower recoveries. In addition, other operating expenses increased by 22.5%, driven by higher personnel cost from annual increment and Business Banking expansion.

Income increased by RM10.8 million mainly arising from higher business volume and higher margin impact.

Deposits increased by 1.1% YoY to close at RM9.5 billion, while gross loans dropped marginally to close at RM40.3 billion.

Global Markets (PBT FY2018: RM179.0 million vs FY2017: RM144.3 million)

Global Markets PBT increased by 24.0% YoY mainly due to higher forex and derivatives income trading from the strengthening of Malaysian Ringgit throughout the year.

Investment Banking (PBT FY2018: RM82.0 million vs FY2017: RM105.5 million)

PBT dropped RM23.5 million due to gain from primary selldown of securities held for trading ("HFT") in FY2017.

B1. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP (CONT'D.)

Divisional performance (Cont'd.)

Fund Management (PBT FY2018: RM41.6 million vs FY2017: RM53.1 million)

PBT dropped 21.6% driven by lower management fee.

Insurance (PBT FY2018: RM270.4 million vs FY2017: RM219.2 million)

Insurance PBT increased 23.3% YoY mainly due to higher income attributted to lower claims.

Group Funding & Others (PBT FY2018: Loss of RM140.3 million vs FY2017: RM51.8 million)

Lower PBT due to higher impairment and higher other operating expenses mainly from the Mutual Separation Scheme exercise.

B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION

Table 2: Financial review for current quarter compared with immediate preceding quarter

	Group			
	Individual Quarter		Changes	
	31.03.18	31.12.17	Amount	%
	RM'000	RM'000	RM'000	
Operating revenue	2,211,339	2,159,629	51,710	2.4
Operating profit before impairment losses	342,490	382,658	(40,168)	(10.5)
Profit before taxation and zakat	359,688	301,740	57,948	19.2
Profit for the financial quarter	302,072	230,099	71,973	31.3
Profit/(Loss) attributable to equity holders of the Company	253,414	218,978	34,436	15.7

Current quarter compared to immediate preceding quarter

For the financial quarter under review, the Group generated revenue of RM2,211.3 million, an increase of 2.4% over last quarter. Fund based income from interest bearing assets continue to increase mainly fom interest on customer lending. Markets based revenue recorded a growth of RM54.3 million compared to preceding quarter.

Interest income from customer lending grew million mainly from mortgage financing. Interest income from customer lending benefitted from the robust growth in the core segment of residential mortgages.

Funding costs namely interest from deposits from customers increased due to the increase in average deposit balances. For this quarter, net interest margin improved to 2.04% compared to 1.95% in the preceding quarter.

Overall other operating income increased by RM31.8 million for this quarter compared to preceding quarter. Market based income increased by RM54.3 million attributable to trading income. Treasury related income from customer flows improved resulting in higher gains on derivatives and foreign exchange. Other income decreased attributable to lower gain on disposal of foreclosed property.

Net income from insurance business improved due to lower insurance claims attributable to higher release from reserve in current quarter, reinsurance write-back and lower claims for flood related incidents.

Total operating expenses recorded an increase of 26.3% compared to preceding quarter mainly from personnel expenses due to a one-off significant charge from the mutual separation scheme implemented in the current financial quarter. Establishment costs was higher mainly due to depreciation and amortisation charges for investment in digitalisation initiatives. Marketing expenses were higher this quarter from higher marketing spend.

Credit costs recorded lower charges compared to preceding quarter due to lower allowance for customers which were individually assessed, lower allowance provided on collective basis and higher recoveries but offset by higher provision for contingencies.

Against the preceding quarter, profit before taxation and zakat for the current quarter is higher at RM359.7 million, an increase of RM57.9 million (19.2%). Profit for the quarter grew by RM72.0 million to RM302.1 million compared to preceding quarter.

B3. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2018

In 2017, Malaysia’s Gross Domestic Product (“GDP”) grew robustly by 5.9%, largely supported by strong domestic demand and exports. The economy in 2018 is projected to grow at 5.5% following the unprecedented victory for Pakatan Harapan during the 14 General Election, aided by domestic activities i.e. private expenditure on the back of improving business sentiments and consumer spending. Besides, we expect exports to perform at a favourable pace on the back of improving global growth added with firmer commodity prices. The upside to the GDP will be muted slightly from the effect of a higher base.

Headline inflation penciled at 3.8% in 2017 and is anticipated to moderate in 2018 to around 2.5% - 2.8%. Stronger Malaysia Ringgit against the US Dollar outlook for 2018 will help ease import price pressures. Furthermore, firm commodity prices and base effect will help contain upwards pressure on inflation.

In 2017, the banking system's loans expanded by 4.1% with a stable growth in retail loans while business loans were impacted by repayments. For 2018, we project loans to grow circa 5% based on our view that GDP will continue to expand by 5.5% in 2018.

Banks have sufficient liquid assets with an industry liquidity coverage ratio of 141.0% as at end March 2018, well above the regulatory requirement of 100.0%. Funding profiles of banks have been well diversified with the industry's loan-to-fund ratio and loan-to-fund and equity ratio standing at 82.4% and 72.0% respectively as at March 2018.

We foresee the banks' NIM to improve modestly in 2018 as a result of the banks' repricing their loans to compensate for higher provisioning under MFRS 9, the recent OPR hike of 25bps to 3.25% and milder pressure on banks' funding cost from deposit competition. The latter is due to the delay in implementation of net stable funding ratio requirement to no earlier than 1 January 2019.

Our base case scenario suggests a one rate hike in 2018 that took place in January 2018 by 25bps to 3.25%. Though we feel the central bank will keep the OPR at 3.25% for the remaining months of 2018, we expect the OPR to normalise at 3.50%. From our assessment, we have priced in a 45% chance for the central bank to raise rates either in September or November this year, much depend on the tone of the US Fed in terms of its policy rate hike momentum and magnitude of domestic inflation coming from demand-pull.

For FY2018, AmBank Group will maintain its laser-sharp focus on its Top 4 Strategy. We will be accelerating penetration into our targeted segments and expanding in area where we are already strong. We will focus on growth of quality assets, our deposit mix, maximising fees and, optimising and improving our risk-adjusted returns.

Wholesale Banking’s strategic priorities for FY2018 are:

- Corporate Finance will continue to leverage on our full-fledged advisory services to enhance value for all stakeholders and utilise our underwriting abilities to provide total solutions
- Capital Markets Group will maintain its role as a key player in the bond, sukuk and loan/Islamic financing markets as well as exploring new opportunities
- Global Markets will continue to build on the momentum of our commercial and mid-market segments and focus on growing flow business
- Funds Management will continue to develop innovative Shariah compliant products and services and to grow retail business
- Transaction Banking’s trade financing desk is focusing on more trade financing-*i* related offerings in addition to expanding our JomPAY list to utility companies and welfare agencies.

B3. PROSPECTS FOR FINANCIAL YEAR ENDING 31 MARCH 2018 (CONT'D.)

In line with our Top 4 Strategy, we have created a new division called Business Banking to enhance our focus on the small and medium-sized enterprises ("SME") segment. This is a key growth area for AmBank Group and is also in line with the government's strategic initiative to encourage entrepreneurship. Our Business Banking division started operations in April 2017 and comprises two focus areas:

- Enterprise Banking: Focuses on companies with a business turnover of less than RM50 million and primarily looks at working capital loans under programme lending which will drive flow business of FX and trade
- Commercial Banking: Focuses on companies with a business turnover of RM50 million to RM150 million and primarily looks at liabilities and discretionary lending.

Retail Banking will continue to focus on growth in our mass affluent, affluent and retail SME segments, while strengthening our market positions in current account and savings account ("CASA"), cards and wealth management. These propositions are supported by enhanced sales and distribution capabilities, including via leveraging on customer data analytics and improved efficiency through process reengineering and digitalisation.

Islamic Banking will intensify focus on SME and mid corp clients via transaction banking solutions, FX, vendor and contract financing. New target areas will include Islamic wealth management which entails the distribution of Islamic unit trusts and bancatakaful products, and term financing-*i* for investment in Amanah Saham Bumiputera ("ASB") and ASB2.

AmGeneral aims to lead in motor insurance and selected personal and commercial lines via competitive underwriting, innovative product offerings and digital transformation. AmGeneral will continue to focus on segmentation at product portfolio level with an overlay of customer insights to determine product design and marketing strategy.

Life Insurance's strategic priorities are to focus on customer centricity following the implementation of the new policy administration system, delivering new products and customer experience aligned to suit the lifestyle needs of Malaysians and professionalise and strengthen the Agency Force.

Family Takaful plans to develop a direct e-Channel to complement existing channels as we aim to be a customer-centric and modern takaful operator in Malaysia.

For our people, we will be investing further to nurture our internal talent and attract external talent where necessary. In the digital arena, our transformation initiatives will focus on unrivalled customer experience and internal efficiencies, creating a digitally enabled workforce and embedding innovation into our way of working. In compliance, we will continue to implement programmes to invest in our compliance culture and infrastructure.

With our FY2018 strategic priorities in place, the Group remains focused on running the bank better and changing the bank in our effort to deliver on our Top 4 aspirations and to progressively deliver optimal returns for our shareholders.

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	
	31.03.18 RM'000	31.03.17 RM'000	31.03.18 RM'000	31.03.17 RM'000
Estimated current tax payable	98,240	118,106	397,652	229,843
Deferred tax	(68,947)	(18,010)	(187,696)	174,416
	29,293	100,096	209,956	404,259
Under/(Over) provision of current taxation in respect of prior years	27,856	(16,344)	76,899	(13,350)
Taxation	57,149	83,752	286,855	390,909
Zakat	467	309	2,034	1,505
Taxation and zakat	57,616	84,061	288,889	392,414

The total tax charge of the Group for the financial year ended 31 March 2018 and 2017 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 2018, the trustee of the ESS held 6,490,050 ordinary shares (net of ESS shares vested to employees) representing 0.22% of the total number of issued and paid-up ordinary shares capital of the Company. These shares are held at a carrying amount of RM41,619,900.

2 On 1 June 2017, the Company announced that BNM has, vide its letter dated 1 June 2017, stated that it has no objection for the Company to commence negotiations with RHB Bank Berhad ("RHB") for a possible merger of their businesses and undertakings ("Proposed Merger"). The approval is valid until 30 November 2017.

(The Company and RHB, collectively defined as the "Parties")

Pursuant to BNM's approval, the Parties have on the same day, entered into an exclusivity agreement to negotiate and finalise pricing, structure, and other relevant terms and conditions for the Proposed Merger from and including the date of the announcement until 30 August 2017 (unless otherwise agreed by the Parties) ("Exclusivity Period"). There will be an automatic extension of the Exclusivity Period upon a submission being made to BNM for an application for the approval of the Minister of Finance for the Proposed Merger by any or both the Parties, until the date of execution of the relevant definitive agreement(s) to effect the Proposed Merger.

On 22 August 2017, the Company announced that after much deliberation and negotiations, the Company and RHB have not been able to reach an agreement on mutually acceptable terms and conditions for the Proposed Merger.

Following thereto, the Parties have mutually agreed to end the negotiations and not proceed with the Proposed Merger. In this respect, the Exclusivity Period pursuant to the exclusivity agreement between the Parties dated 1 June 2017 had lapsed.

B7. BORROWINGS AND DEBT SECURITIES

Group

	Long term			Short term		Total	
	Foreign denomination USD'000	RM denomination RM'000		Foreign denomination USD'000	RM denomination RM'000	Foreign denomination USD'000	RM denomination RM'000
31.03.18							
Unsecured							
Term funding	400,000	3,209,647	^	-	1,120,066	400,000	4,329,713
Debt capital	-	3,079,633		-	1,499,871	-	4,579,504
31.03.17 (restated)							
Unsecured							
Term funding - restated	400,000	4,564,157	^	50,000	2,828,322	450,000	7,392,479
Debt capital	-	4,174,086		-	-	-	4,174,086

Borrowings denominated in foreign currencies have not been hedged to RM; AmBank's US Dollar debts are maintained in the originating currency for purpose of funding the US Dollar balance sheet. As foreign currency constitutes a marginal 10% of total balance sheet, the foreign currency exchange risk is not significant to render the need for hedging.

^ Included here an amount of RM1,545.2 million and RM1,769.2 million related to the USD400.0 million Medium Term Note as at 31 March 2018 and 31 March 2017 respectively issued, translated at exchange rate of 3.863 (31 March 2017: 4.423)

Detailed explanations on the material changes to the borrowings (excluding structured deposits and Credit Linked Notes) and debt securities as at the current year to-date compared with the corresponding period in the immediate preceding year:

Month of Issuance/ Redemption	Entity	Note type and tenor	Nominal value RM'000	Weighted average interest rate %	Net interest savings per annum for redemption RM'000
December 2016 - Issuance	The Company	Subordinated Note Tier 2 - 10 years	10,000	5.50	-
March 2017 - Issuance	The Company	Subordinated Note Tier 2 - 10 years	740,000	5.20	-
April 2017 - Redemption	AmBank	Senior Notes - 7 years	225,000	5.25	11,813
June 2017 - Redemption	AmBank	Bilateral Term Loan - 2 years	210,000#	2.07 (LIBOR + 85bps)	4,575
August 2017 - Redemption	The Company	Senior Notes - 5 years	500,000	4.30	21,500
September 2017 - Redemption	AmBank Islamic	Senior Sukuk - 7 years - 2.5 years	 550,000 300,000	 4.30 4.25	 23,650 12,750
October 2017 - Issuance	AmBank	Subordinated Note Tier 2 - 10 years	570,000	4.90	-
October 2017 - Redemption	AmBank	Medium Term Notes - 10 years	710,000	4.45	31,595
December 2017 - Redemption	AmBank Islamic	Subordinated Sukuk Musharakah - 10 years	130,000	4.45	5,785
February 2018 - Issuance	The Company	Subordinated Note Tier 2 - 10 years	325,000	5.23	-

Equivalent to USD 50 million

B7. BORROWINGS AND DEBT SECURITIES (CONT'D.)

Detailed explanations on the material changes to the borrowings and debt securities as at the current year to-date compared with the corresponding period in the immediate preceding year (Cont'd.):

Month of Issuance/ Redemption	Entity	Note type and tenor	Nominal value RM'000	Weighted average interest rate %	Net interest savings per annum for redemption RM'000
March 2018 - Issuance	The Company	Subordinated Note Tier 2 - 10 years	350,000	5.23	-
March 2018 - Redemption	AmBank	Senior Notes - 3 years	800,000	4.25	34,000

Borrowing and debt securities issued are for purposes of working capital, investment, enhancing capital position and other general funding requirements of the Company and its banking subsidiaries.

B8. 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 A30.

B9. DIVIDENDS

(i) A proposed final cash dividend of 10.0 Sen per share for the financial year ended 31 March 2018 has been recommended by the directors;
(ii) Previous corresponding period: 12.6 Sen;
(iii) Payment date: To be determined and announced at a later date; and
(iv) In respect of ordinary share capital, entitlement to the 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.

B10. DERIVATIVE FINANCIAL INSTRUMENTS

Please refer to Note A31.

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**	
	31.03.18	**31.03.17**	**31.03.18**	**31.03.17**
Net profit attributable to equity holders of the Company (RM'000)	253,414	335,814	1,132,131	1,324,607
Number of ordinary shares issued	3,014,185	3,014,185	3,014,185	3,014,185
Effect of ordinary shares purchased for the ESS, net of number vested to eligible executives	(6,493)	(7,400)	(6,573)	(7,533)
Weighted average number of ordinary shares in issue ('000)	3,007,692	3,006,785	3,007,612	3,006,652
Basic earnings per share (Sen)	8.43	11.17	37.64	44.06

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.

	Individual Quarter		**Cumulative Quarter**	
	31.03.18	**31.03.17**	**31.03.18**	**31.03.17**
Net profit attributable to equity holders of the Company (RM'000)	253,414	335,814	1,132,131	1,324,607
Weighted average number of ordinary shares in issue (as in (a) above) ('000)	3,007,692	3,006,785	3,007,612	3,006,652
Effect of executives' share scheme ('000)	529	1,490	529	1,490
Adjusted weighted average number of ordinary shares in issue/issuable ('000)	3,008,221	3,008,275	3,008,141	3,008,142
Fully diluted earnings per share (Sen)	8.42	11.16	37.64	44.03