

Company No. 8515–D

**AmBank (M) Berhad**  
(Company No. 8515–D)  
(Incorporated in Malaysia)  
**And Its Subsidiary Companies**

**Interim Financial Statements**  
**For the Financial Period**  
**1 April 2009 to**  
**30 June 2009**  
(In Ringgit Malaysia)

**Company No. 8515–D**

**AmBank (M) Berhad  
(Incorporated in Malaysia)  
And Its Subsidiary Companies**

**UNAUDITED BALANCE SHEETS AS AT 30 JUNE 2009**

	Note	The Group		The Bank	
		30 June 2009 RM'000	31 March 2009 RM'000	30 June 2009 RM'000	31 March 2009 RM'000
<b>ASSETS</b>					
Cash and short-term funds		15,834,705	17,106,447	9,585,980	13,634,119
Deposits and placements with banks and other financial institutions		483,099	421,050	483,721	427,143
Securities held-for-trading	A8	2,229,655	1,387,411	1,955,112	1,183,549
Securities available-for-sale	A9	6,092,587	5,598,484	5,918,732	5,053,563
Securities held-to-maturity	A10	704,861	753,359	663,801	710,798
Derivative financial assets		495,880	477,132	494,153	475,247
Loans, advances and financing	A11	57,731,682	56,739,792	47,498,020	46,899,886
Other assets		698,943	754,038	608,646	649,967
Statutory deposit with Bank Negara Malaysia		547,618	517,578	455,539	431,499
Deferred tax asset		270,981	344,230	188,650	241,639
Investment in subsidiary companies		-	-	849,870	849,870
Investment in associated companies		882	805	137	137
Prepaid land lease payments		3,888	4,051	2,840	2,860
Property and equipment		187,259	171,196	162,578	146,088
Intangible assets		73,932	66,407	73,411	65,846
<b>TOTAL ASSETS</b>		<b>85,355,972</b>	<b>84,341,980</b>	<b>68,941,190</b>	<b>70,772,211</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2009.

Company No. 8515–D

**AmBank (M) Berhad**  
**(Incorporated in Malaysia)**  
**And Its Subsidiary Companies**

**UNAUDITED BALANCE SHEETS AS AT 30 JUNE 2009 (CONTD.)**

	Note	The Group		The Bank	
		30 June 2009 RM'000	31 March 2009 RM'000	30 June 2009 RM'000	31 March 2009 RM'000
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A12	65,707,206	63,947,135	51,660,018	53,199,845
Deposits and placements of banks and other financial institutions	A13	7,166,057	7,641,406	6,397,549	6,645,325
Derivative financial liabilities		578,481	565,483	576,755	563,600
Bills and acceptances payable		1,607,168	2,120,249	1,137,860	1,507,680
Recourse obligation on loans sold to Cagamas Berhad		149,931	155,037	149,931	155,037
Other liabilities		1,469,073	1,384,242	1,406,389	1,186,739
Subordinated term loan		-	-	762,816	825,853
Hybrid securities		762,816	825,853	-	-
Medium term notes		1,460,000	1,460,000	1,460,000	1,460,000
Subordinated bonds		400,000	400,000	-	-
Exchangeable bonds		575,000	575,000	575,000	575,000
Term loans		140,680	145,820	140,680	145,820
Stapled Capital Securities		500,000	500,000	500,000	500,000
Irredeemable Non-Cumulative Convertible Preference shares		150,000	150,000	150,000	150,000
<b>TOTAL LIABILITIES</b>		<b>80,666,412</b>	<b>79,870,225</b>	<b>64,916,998</b>	<b>66,914,899</b>
Share capital		670,364	670,364	670,364	670,364
Reserves		4,019,171	3,801,363	3,353,828	3,186,948
Attributable to equity holder of the Bank		4,689,535	4,471,727	4,024,192	3,857,312
Minority Interests		25	28	-	-
Total Equity		4,689,560	4,471,755	4,024,192	3,857,312
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>85,355,972</b>	<b>84,341,980</b>	<b>68,941,190</b>	<b>70,772,211</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A28	<b>51,975,659</b>	<b>49,211,943</b>	<b>47,699,286</b>	<b>45,031,062</b>
<b>NET ASSETS PER SHARE (RM)</b>		<b>7.00</b>	<b>6.67</b>	<b>6.00</b>	<b>5.75</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2009.

**AmBank (M) Berhad**  
**(Incorporated in Malaysia)**  
**And Its Subsidiary Companies**

**UNAUDITED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2009**

**The Group**

	Note	Individual Quarter		Cumulative Quarter	
		30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
Revenue		1,238,595	1,188,129	1,238,595	1,188,129
Interest income	A14	866,240	930,566	866,240	930,566
Interest expense	A15	(457,585)	(517,936)	(457,585)	(517,936)
Net interest income		408,655	412,630	408,655	412,630
Net income from Islamic Banking business	A16	158,955	126,127	158,955	126,127
Other operating income	A17	126,336	41,028	126,336	41,028
Share in results of associates		77	52	77	52
Net income		694,023	579,837	694,023	579,837
Other operating expenses	A18	(277,732)	(234,040)	(277,732)	(234,040)
Operating profit		416,291	345,797	416,291	345,797
Allowance for losses on loans, advances and financing	A19	(140,952)	(45,863)	(140,952)	(45,863)
Provision for commitments and contingencies		(368)	(13,432)	(368)	(13,432)
Impairment loss	A20	(39,665)	(27,223)	(39,665)	(27,223)
Profit before zakat and taxation		<b>235,306</b>	<b>259,279</b>	<b>235,306</b>	<b>259,279</b>
Zakat		(322)	98	(322)	98
Taxation	A21	(62,172)	(67,846)	(62,172)	(67,846)
Profit after zakat and taxation		<b>172,812</b>	<b>191,531</b>	<b>172,812</b>	<b>191,531</b>
Attributable to:					
Equity holder of the Bank		172,815	191,534	172,815	191,534
Minority interests		(3)	(3)	(3)	(3)
Profit after zakat and taxation		<b>172,812</b>	<b>191,531</b>	<b>172,812</b>	<b>191,531</b>
<b>Earnings per share (sen)</b>	A22				
Basic		25.78	28.68	25.78	28.68
Fully diluted		21.07	23.44	21.07	23.44

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2009.

Company No. 8515–D

**AmBank (M) Berhad**  
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**UNAUDITED CONSOLIDATED INCOME STATEMENTS (CONTD.)**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2009**

**The Bank**

	Note	Individual Quarter		Cumulative Quarter	
		30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
Revenue		1,044,490	1,018,017	1,044,490	1,018,017
Interest income	A14	865,934	928,823	865,934	928,823
Interest expense	A15	(458,395)	(517,007)	(458,395)	(517,007)
Net interest income		407,539	411,816	407,539	411,816
Other operating income	A17	178,556	89,194	178,556	89,194
Net income		586,095	501,010	586,095	501,010
Other operating expenses	A18	(272,705)	(227,754)	(272,705)	(227,754)
Operating profit		313,390	273,256	313,390	273,256
Allowance for losses on loans, advances and financing	A19	(114,746)	(18,187)	(114,746)	(18,187)
Provision for commitments and contingencies		(197)	(330)	(197)	(330)
Impairment loss	A20	(39,664)	(34,181)	(39,664)	(34,181)
Profit before taxation		158,783	220,558	158,783	220,558
Taxation	A21	(41,289)	(59,824)	(41,289)	(59,824)
Profit after taxation		117,494	160,734	117,494	160,734
<b>Earnings per share (sen)</b>	A22				
Basic		17.53	24.09	17.53	24.09
Fully diluted		14.32	19.68	14.32	19.68

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2009.

Company No. 8515–D

AmBank (M) Berhad  
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CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2009

The Group	Attributable to Equity Holder of the Bank										Total Equity RM'000
	Non-distributable						Distributable				
	Share Capital RM'000	ICULS (equity component) RM'000	Share Premium RM'000	Statutory Reserve RM'000	Merger Reserve RM'000	Capital Reserve RM'000	Available For-Sale Reserve RM'000	Other Reserves RM'000	Unappro- priated Profits RM'000	Minority Interests RM'000	
Balance as at 1 April 2008	610,364	200,792	710,660	770,898	2,313,401	377,492	(2,090)	-	735,060	41	5,716,618
Effects arising from pooling of interest method	-	-	-	-	(1,925,226)	-	-	-	3,920	-	(1,921,306)
Conversion of Irredeemable Convertible Unsecured Loan Stocks	60,000	(200,792)	232,184	-	-	-	-	-	-	-	91,392
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	-	-	(218,187)	-	-	-	(218,187)
Exchange fluctuation adjustments	-	-	-	-	-	-	-	(6,543)	-	-	(6,543)
Profit/(loss) for the period	-	-	-	-	-	-	-	-	191,534	(3)	191,531
Balance as at 30 June 2008	670,364	-	942,844	770,898	388,175	377,492	(220,277)	(6,543)	930,514	38	3,853,505

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CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2009

The Group	Attributable to Equity Holder of the Bank								Minority Interests RM'000	Total Equity RM'000
	Non-distributable					Distributable				
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Merger Reserve RM'000	Capital Reserve RM'000	Available For-Sale Reserve RM'000	Other Reserves RM'000	Unappro- priated Profits RM'000		
Balance as at <b>1 April 2009</b>	670,364	942,844	849,232	397,566	377,492	(44,099)	(79,581)	1,357,909	28	4,471,755
Unrealised net gain on revaluation of securities available- for-sale	-	-	-	-	-	2,191	-	-	-	2,191
Exchange fluctuation adjustments	-	-	-	-	-	-	(3,680)	-	-	(3,680)
Unrealised net gain on cash flow hedge	-	-	-	-	-	-	46,482	-	-	46,482
Profit/(loss) for the period	-	-	-	-	-	-	-	172,815	(3)	172,812
<b>Balance as at 30 June 2009</b>	<b>670,364</b>	<b>942,844</b>	<b>849,232</b>	<b>397,566</b>	<b>377,492</b>	<b>(41,908)</b>	<b>(36,779)</b>	<b>1,530,724</b>	<b>25</b>	<b>4,689,560</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2009.

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AmBank (M) Berhad  
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CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2009

The Bank	Attributable to Equity Holder of the Bank							Total Equity RM'000
	Non-distributable					Distributable		
	Share Capital RM'000	ICULS (equity component) RM'000	Share Premium RM'000	Statutory Reserve RM'000	Merger Reserve RM'000	Available For-Sale Reserve RM'000	Unappro- priated Profits RM'000	
Balance as at 1 April 2008	610,364	200,792	710,660	680,459	1,597,933	(2,090)	1,202,508	5,000,626
Effects arising from the pooling of interest method	-	-	-	-	(1,607,324)	-	3,920	(1,603,404)
Conversion of Irredeemable Convertible Unsecured Loan Stocks	60,000	(200,792)	232,184	-	-	-	-	91,392
Unrealised net loss on revaluation of securities available for sale	-	-	-	-	-	(218,187)	-	(218,187)
Profit for the period	-	-	-	-	-	-	160,734	160,734
<b>Balance as at 30 June 2008</b>	<b>670,364</b>	<b>-</b>	<b>942,844</b>	<b>680,459</b>	<b>(9,391)</b>	<b>(220,277)</b>	<b>1,367,162</b>	<b>3,431,161</b>



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CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2009

	←-----Attributable to Equity Holder of the Bank ----->						Total Equity RM'000
	Non-distributable					Distributable	
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Available For-Sale Reserve RM'000	Other Reserves RM'000	Unappro- priated Profits RM'000	
<b>The Bank</b>							
Balance as at <b>1 April 2009</b>	670,364	942,844	680,459	(52,975)	(91,673)	1,708,293	3,857,312
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	2,683	-	-	2,683
Exchange fluctuation adjustments	-	-	-	-	221	-	221
Unrealised net gain on cash flow hedge	-	-	-	-	46,482	-	46,482
Profit for the period	-	-	-	-	-	117,494	117,494
<b>Balance as at 30 June 2009</b>	<b>670,364</b>	<b>942,844</b>	<b>680,459</b>	<b>(50,292)</b>	<b>(44,970)</b>	<b>1,825,787</b>	<b>4,024,192</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2009.

**AmBank (M) Berhad  
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**UNAUDITED CONDENSED CASH FLOW STATEMENTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2009**

	The Group		The Bank	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
Profit before zakat and taxation	235,306	259,279	158,783	220,558
Adjustments for non-cash items	205,517	327,694	168,296	293,912
Operating profit before working capital changes	440,823	586,973	327,079	514,470
Changes in working capital:				
Net changes in operating assets	(2,072,226)	4,057,808	(1,574,319)	4,440,540
Net changes in operating liabilities	860,441	304,244	(1,927,483)	(67,473)
Tax (paid)/refunded	(117)	15,709	-	15,731
Net cash (used in)/generated from operating activities	(771,079)	4,964,734	(3,174,723)	4,903,268
Net cash used in investing activities	(500,663)	(3,905,797)	(873,416)	(3,904,834)
Net cash generated from financing activities	-	400,000	-	400,000
Net (decrease)/increase in cash and cash equivalents	(1,271,742)	1,458,937	(4,048,139)	1,398,434
Cash and cash equivalents at beginning of the period	17,106,447	10,771,670	13,634,119	8,365,613
Cash and cash equivalents at end of the period	15,834,705	12,230,607	9,585,980	9,764,047

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2009.

**AmBank (M) Berhad  
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**Explanatory Notes**

**A1. Basis of Preparation**

The interim financial statements have been prepared in accordance with Financial Reporting Standard (“FRS”) 134 Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”) and should be read in conjunction with the annual financial statements for the year ended 31 March 2009.

The accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the previous audited annual financial statements.

During the financial period, MASB announced the issuance of a revised Standard and two limited amendments to Financial Reporting Standards (“FRSs”), together with the issuance of three new Interpretations as follows:

FRS 123	Borrowing costs
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellation
Amendments to FRS 1	First-time adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
IC Interpretation 11 FRS 2	Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14 FRS 119	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The Group and the Bank has not early adopted the above revised FRS, limited amendments and IC Interpretations which are effective from 1 January 2010.

Pursuant to the Business Transfer Agreement dated 11 March 2008 and the Vesting Order granted by the High Court of Malaya on 9 April 2008, the Group acquired the assets and assumed the liabilities relating to AmInvestment Bank Berhad’s (AmInvestment Bank) conventional/Islamic Fund-Based Activity (including AmInvestment Bank’s 100% shareholding interest in AmInternational (L) Ltd, a licensed offshore bank). As the vesting of assets and assumption of liabilities were carried out by entities under common control, the transaction has been accounted for via the pooling of interest method (“Merger”). Under the pooling of interest method, the results of the business transferred from AmInvestment Bank, together with the assets and liabilities are included into the financial statements of the Group and the Bank as if the merger had been effected prior to and throughout the current financial year/period. As the transfer of the conventional Fund-Based Activity to the Bank was effected on 12 April 2008, 26 September 2008 and 1 March 2009, the comparative figures for this current financial period had been restated as per Note A33.

**AmBank (M) Berhad  
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**A1. Basis of Preparation (Contd.)**

The specific and general allowances for loans, advances and financing of the Group and the Bank are computed based on BNM's guidelines on the "Classification of Non-Performing Loans and Provisions for Substandard, Bad and Doubtful Debts" ("BNM/GP3") requirements. However, the Group and the Bank has adopted a more stringent classification policy on non-performing loans/financing, whereby loans/financing are classified as non-performing and sub-standard when repayments are in arrears for more than three (3) months from the first day of default or after maturity date.

Consistent with previous year, the Group and the Bank has also adopted a more stringent basis for specific allowances on non-performing loans/financing as follows:

- (i) Values assigned to collateral held for non-performing loans/financing secured by properties is determined based on the realisable values of the properties on the following basis:
  - (a) assigning only fifty percent (50%) of the realisable value of the properties held as collateral for non-performing loans/financing which are in arrears for more than five (5) years but less than seven (7) years; and
  - (b) no value assigned to the realisable value of the properties held as collateral for non performing loans/financing which are in arrears for more than seven (7) years.
- (ii) Specific allowance of 20% is provided on non-performing loans/financing which are four (4) to less than six (6) months-in-arrears.

**A2. Audit Qualification**

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2009 was not qualified.

**A3. Seasonality or Cyclicity of Operations**

The operations of the Group are not subject to seasonal or cyclical fluctuation in the current financial quarter.

**A4. Unusual Items**

There were no unusual items during the current financial quarter.

**A5. Use of Estimates**

There was no material change in estimates of amounts reported in prior financial years that have a material effect on the financial quarter ended 30 June 2009.

**A6. Issuance, Cancellation, Repurchase, Resale and Repayment of Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt securities during the financial quarter.

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

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**A7. Dividends Paid**

The directors do not recommend the payment of any dividend in respect of the financial quarter ended 30 June 2009 and no dividends were paid in the current financial quarter.

**A8. Securities Held-for-trading**

	The Group		The Bank	
	30 June 2009 RM'000	31 March 2009 RM'000	30 June 2009 RM'000	31 March 2009 RM'000
<b>At fair value</b>				
<b>Money Market Securities</b>				
Treasury bills	99,075	-	99,075	-
Islamic Treasury bills	29,423	-	29,423	-
Malaysian Government Securities	154,245	999,652	154,245	999,652
Malaysian Government Investment Certificates	114,242	4,065	114,242	4,065
Islamic Khazanah bonds	996	991	-	-
Negotiable Islamic debt certificate	149,793	-	-	-
Bank Negara Malaysia Monetary Notes	1,052,379	-	1,052,379	-
	<u>1,600,153</u>	<u>1,004,708</u>	<u>1,449,364</u>	<u>1,003,717</u>
<u>Quoted Securities</u>				
In Malaysia:				
Shares and Unit Trusts	29,639	20,294	29,639	20,294
Warrants	4,161	-	4,161	-
	<u>33,800</u>	<u>20,294</u>	<u>33,800</u>	<u>20,294</u>
<u>Unquoted Securities</u>				
In Malaysia:				
Private debt securities	585,686	347,004	461,932	144,133
	<u>585,686</u>	<u>347,004</u>	<u>461,932</u>	<u>144,133</u>
Outside Malaysia:				
Private debt securities	10,016	15,405	10,016	15,405
	<u>10,016</u>	<u>15,405</u>	<u>10,016</u>	<u>15,405</u>
Total securities held-for-trading	<u>2,229,655</u>	<u>1,387,411</u>	<u>1,955,112</u>	<u>1,183,549</u>

**AmBank (M) Berhad**  
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**A9. Securities Available-for-sale**

	The Group		The Bank	
	30 June 2009 RM'000	31 March 2009 RM'000	30 June 2009 RM'000	31 March 2009 RM'000
<b>At fair value</b>				
Money Market Securities:				
Malaysian Government Investment Certificates	440,432	36,025	363,230	-
Negotiable Islamic Debt Certificate	-	29,190	-	-
Islamic Khazanah bonds	35,985	36,945	35,985	36,945
Negotiable instruments of deposit	769,912	70,990	795,592	96,427
	<u>1,246,329</u>	<u>173,150</u>	<u>1,194,807</u>	<u>133,372</u>
<u>Quoted Securities</u>				
In Malaysia:				
Shares	75,421	91,039	75,358	91,001
Corporate bonds with collateral	332	332	332	332
Loan stocks	3,959	3,096	3,959	3,096
	<u>79,712</u>	<u>94,467</u>	<u>79,649</u>	<u>94,429</u>
Outside Malaysia:				
Shares	14,492	12,090	14,415	12,090
	<u>14,492</u>	<u>12,090</u>	<u>14,415</u>	<u>12,090</u>
<u>Unquoted Securities</u>				
In Malaysia:				
Shares	988	-	-	-
Private debt securities	4,376,433	4,877,451	4,255,228	4,373,371
Guaranteed private debt securities	301,838	309,446	301,838	309,446
	<u>4,679,259</u>	<u>5,186,897</u>	<u>4,557,066</u>	<u>4,682,817</u>
Outside Malaysia:				
Shares	-	1,025	-	-
Private debt securities	95,548	130,855	95,548	130,855
	<u>95,548</u>	<u>131,880</u>	<u>95,548</u>	<u>130,855</u>
Total	6,115,340	5,598,484	5,941,485	5,053,563
Less: Accumulated impairment losses	<u>(22,753)</u>	-	<u>(22,753)</u>	-
Total securities available-for-sale	<u>6,092,587</u>	<u>5,598,484</u>	<u>5,918,732</u>	<u>5,053,563</u>

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A10. Securities Held-to-maturity

	The Group		The Bank	
	30 June 2009 RM'000	31 March 2009 RM'000	30 June 2009 RM'000	31 March 2009 RM'000
<b>At amortised cost</b>				
<u>Quoted Securities</u>				
In Malaysia:				
Shares	40	40	40	40
Debt securities	-	30,989	-	1,825
Debt securities with options and/or collateral	131,125	160,847	130,153	159,876
	<u>131,165</u>	<u>191,876</u>	<u>130,193</u>	<u>161,741</u>
<u>Unquoted Securities</u>				
In Malaysia:				
Shares	92,445	92,445	90,471	90,470
Debt securities	362,040	350,685	306,575	324,337
Debt securities with options and/or collateral	480,400	493,119	480,400	493,119
	<u>934,885</u>	<u>936,249</u>	<u>877,446</u>	<u>907,926</u>
Outside Malaysia:				
Private debt securities	7,034	7,291	-	-
Shares	18	17	18	17
	<u>7,052</u>	<u>7,308</u>	<u>18</u>	<u>17</u>
Total	1,073,102	1,135,433	1,007,657	1,069,684
Less: Accumulated impairment losses	<u>(368,241)</u>	<u>(382,074)</u>	<u>(343,856)</u>	<u>(358,886)</u>
Total securities held-to-maturity	<u>704,861</u>	<u>753,359</u>	<u>663,801</u>	<u>710,798</u>

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**A11. Loans, Advances and Financing**

	The Group		The Bank	
	30 June 2009 RM'000	31 March 2009 RM'000	30 June 2009 RM'000	31 March 2009 RM'000
Overdrafts	1,641,935	1,735,296	1,520,791	1,609,448
Term loan facilities				
– Housing loans/financing	11,817,231	11,485,193	10,777,259	10,754,364
– Hire-purchase receivables	30,462,012	30,409,126	22,846,572	22,800,520
– Other loans/financing	15,195,416	14,347,371	10,646,568	9,973,395
Credit card receivables	1,863,213	1,867,505	1,555,743	1,556,912
Bills receivables	65,382	47,442	63,376	45,338
Trust receipts	381,269	373,871	361,053	341,486
Claims on customers under acceptance credits	2,240,977	2,368,892	1,537,689	1,605,237
Revolving credits	3,755,334	3,623,254	3,463,476	3,351,767
Staff loans	157,715	159,631	157,184	159,058
Total	67,580,484	66,417,581	52,929,711	52,197,525
Unearned interest and unearned income	(7,047,839)	(6,961,346)	(3,747,320)	(3,753,006)
	60,532,645	59,456,235	49,182,391	48,444,519
Less: Islamic financing sold to Cagamas Berhad	(830,431)	(905,803)	-	-
Gross loans, advances and financing	59,702,214	58,550,432	49,182,391	48,444,519
Allowance for bad and doubtful debts and financing:				
–General	(910,080)	(895,655)	(737,921)	(728,700)
–Specific	(1,060,452)	(914,985)	(946,450)	(815,933)
Net loans, advances and financing	57,731,682	56,739,792	47,498,020	46,899,886



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**A11. Loans, Advances and Financing (Contd.)**

**A11a. By type of customer**

	The Group		The Bank	
	30 June 2009 RM'000	31 March 2009 RM'000	30 June 2009 RM'000	31 March 2009 RM'000
Domestic non-bank financial institutions	318,227	757,550	315,084	753,444
Domestic business enterprises				
– Small medium enterprises	6,483,762	6,228,973	5,512,779	5,281,992
– Others	13,646,749	12,430,959	12,356,936	11,096,555
Government and statutory bodies	63,445	69,506	58,173	69,506
Individuals	39,124,989	38,543,047	30,890,971	30,741,113
Other domestic entities	2,382	20,037	2,382	20,037
Foreign entities	62,660	500,360	46,066	481,872
Gross loans, advances and financing	<u>59,702,214</u>	<u>58,550,432</u>	<u>49,182,391</u>	<u>48,444,519</u>

**A11b. By interest/profit rate sensitivity**

	The Group		The Bank	
	30 June 2009 RM'000	31 March 2009 RM'000	30 June 2009 RM'000	31 March 2009 RM'000
Fixed rate				
– Housing loans/financing	2,274,661	2,243,363	1,895,425	1,861,510
– Hire purchase receivables	24,628,801	24,486,192	19,110,300	19,055,198
– Other fixed rate loan/financing	8,522,559	8,217,674	4,084,852	4,116,630
Variable rate				
– Base lending rate plus	15,508,516	15,183,038	15,508,516	15,181,025
– Cost plus	7,721,520	7,372,821	7,549,419	7,197,668
– Other variable rates	1,046,157	1,047,344	1,033,879	1,032,488
Gross loans, advances and financing	<u>59,702,214</u>	<u>58,550,432</u>	<u>49,182,391</u>	<u>48,444,519</u>

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**A11. Loans, Advances and Financing (Contd.)**

**A11c. By loan/financing purpose**

	The Group		The Bank	
	30 June 2009 RM'000	31 March 2009 RM'000	30 June 2009 RM'000	31 March 2009 RM'000
Purchase of securities	1,522,572	1,662,075	1,516,987	1,655,756
Purchase of transport vehicles	24,428,806	24,347,678	18,186,895	18,092,123
Purchase of landed property				
– Residential	11,656,877	11,306,561	10,950,264	10,923,013
– Non-residential	3,376,842	2,878,021	3,180,883	2,664,837
Purchase of fixed assets other than land and building	1,826,245	1,815,104	1,640,481	1,653,719
Personal use	2,422,208	2,369,408	316,368	333,975
Credit card	1,828,943	1,844,448	1,524,740	1,535,069
Purchase of consumer durables	635	933	489	809
Construction	1,252,863	1,127,832	1,120,673	1,018,159
Mergers and acquisitions	410,766	346,203	410,766	346,203
Working capital	9,058,253	9,406,313	7,941,674	8,160,342
Other purpose	2,747,635	2,351,659	2,392,171	2,060,514
	<u>60,532,645</u>	<u>59,456,235</u>	<u>49,182,391</u>	<u>48,444,519</u>
Less: Islamic financing sold to Cagamas Berhad	<u>(830,431)</u>	<u>(905,803)</u>	<u>-</u>	<u>-</u>
Gross loans, advances and financing	<u>59,702,214</u>	<u>58,550,432</u>	<u>49,182,391</u>	<u>48,444,519</u>

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**A11d. Non-performing loans/financing by purpose**

	The Group		The Bank	
	30 June 2009 RM'000	31 March 2009 RM'000	30 June 2009 RM'000	31 March 2009 RM'000
Purchase of securities	60,631	60,085	60,080	59,459
Purchase of transport vehicles	464,979	453,501	337,655	332,680
Purchase of landed property				
– Residential	963,951	924,484	909,141	866,476
– Non-residential	261,443	220,630	247,745	206,353
Purchase of fixed assets other than land and building	25,158	27,393	22,855	25,081
Personal use	17,828	19,163	17,314	18,667
Credit card	86,124	70,209	72,250	59,114
Purchase of consumer durables	247	550	247	550
Construction	151,461	148,962	151,454	148,956
Working capital	439,516	450,016	408,954	419,269
Other purpose	44,136	44,733	40,379	43,484
	<u>2,515,474</u>	<u>2,419,726</u>	<u>2,268,074</u>	<u>2,180,089</u>

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**A11. Loans, Advances and Financing (Contd.)**

**A11e. Movements in non-performing loans, advances and financing ("NPL") are as follows:**

	The Group		The Bank	
	30 June 2009 RM'000	31 March 2009 RM'000	30 June 2009 RM'000	31 March 2009 RM'000
Gross				
Balance at 1 April	2,419,726	3,292,684	2,180,089	2,987,363
Non-performing during the period/year	529,542	1,165,774	450,290	979,558
Reclassification to performing loans, advances and financing	(284,099)	(577,415)	(238,455)	(514,983)
Amount recovered	(76,280)	(383,387)	(66,433)	(355,769)
Debt equity conversion	-	(933)	-	(933)
Amount written off	(73,415)	(1,293,281)	(57,417)	(1,131,431)
Factored loan from related company	-	196,730	-	196,730
Repurchase of loan	-	19,554	-	19,554
Balance at end of period/year	2,515,474	2,419,726	2,268,074	2,180,089
Less: Specific allowance	(1,060,452)	(914,985)	(946,450)	(815,933)
Non-performing loans, advances and financing - net	1,455,022	1,504,741	1,321,624	1,364,156
Gross loans, advances and financing	59,702,214	58,550,432	49,182,391	48,444,519
Add: Islamic financing sold to Cagamas Berhad	830,431	905,803	-	-
Balance as the end of period/year	60,532,645	59,456,235	49,182,391	48,444,519
Less: Specific allowance	(1,060,452)	(914,985)	(946,450)	(815,933)
Loans, advances and financing (including Islamic financing sold to Cagamas Berhad)	59,472,193	58,541,250	48,235,941	47,628,586
Ratio of net non-performing loans, advances and financing to total loans, advances and financing (including Islamic financing sold to Cagamas Berhad) - net	2.45%	2.57%	2.74%	2.86%

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**A11. Loans, Advances and Financing (Contd.)**

**A11f. Movements in the allowance for bad and doubtful debts and financing accounts are as follows:**

	The Group		The Bank	
	30 June 2009 RM'000	31 March 2009 RM'000	30 June 2009 RM'000	31 March 2009 RM'000
<b>General Allowance</b>				
Balance at 1 April	895,655	840,030	728,700	684,587
Allowance made during the period/year	14,744	51,102	9,524	39,651
Allowance vested over from related company not charged to Income Statement	-	4,462	-	4,462
Exchange fluctuation adjustments	(319)	61	(303)	-
Balance at end of period/year	<u>910,080</u>	<u>895,655</u>	<u>737,921</u>	<u>728,700</u>
% of total loans less specific allowance	<u>1.53%</u>	<u>1.52%</u>	<u>1.53%</u>	<u>1.52%</u>
<b>Specific Allowance</b>				
Balance at 1 April	<u>914,985</u>	<u>1,348,859</u>	<u>815,933</u>	<u>1,195,407</u>
Allowance made during the period/year	284,169	1,042,014	241,661	885,471
Amount written back in respect of recoveries during the period/year	<u>(77,091)</u>	<u>(377,380)</u>	<u>(65,375)</u>	<u>(329,236)</u>
Net charge to income statements	207,078	664,634	176,286	556,235
Debt equity conversion	-	(933)	-	(933)
Factored loan from related company	-	118,730	-	118,730
Repurchase of loan	-	17,508	-	17,508
Amount written off/ Adjustment to Asset Deficiency Account	<u>(61,611)</u>	<u>(1,233,813)</u>	<u>(45,769)</u>	<u>(1,071,014)</u>
Balance at end of period/year	<u>1,060,452</u>	<u>914,985</u>	<u>946,450</u>	<u>815,933</u>

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**A12. Deposits from Customers**

	The Group		The Bank	
	30 June 2009 RM'000	31 March 2009 RM'000	30 June 2009 RM'000	31 March 2009 RM'000
Demand deposits	3,783,252	3,168,521	2,614,163	2,522,656
Savings deposits	3,648,132	3,581,219	2,660,437	2,635,269
Other deposits	11,462,351	12,500,747	11,418,400	12,455,897
Fixed/Investment deposits	45,484,490	43,870,934	33,940,229	35,027,294
Negotiable certificates of deposits	1,328,981	825,714	1,026,789	558,729
	<u>65,707,206</u>	<u>63,947,135</u>	<u>51,660,018</u>	<u>53,199,845</u>
<u>By type of customers</u>				
Individuals	24,862,959	25,510,224	22,872,723	23,551,245
Business enterprises	27,083,809	26,226,827	20,812,407	20,870,811
Government and other statutory bodies	12,591,146	10,815,814	7,119,167	7,900,901
Others	1,169,292	1,394,270	855,721	876,888
	<u>65,707,206</u>	<u>63,947,135</u>	<u>51,660,018</u>	<u>53,199,845</u>

**A13. Deposits and Placements of Banks and Other Financial Institutions**

	The Group		The Bank	
	30 June 2009 RM'000	31 March 2009 RM'000	30 June 2009 RM'000	31 March 2009 RM'000
Licensed banks	1,321,808	1,677,935	1,294,770	1,537,832
Licensed investment banks	1,469,899	1,433,340	1,351,769	1,231,309
Other financial institutions	3,481,621	3,621,465	2,861,557	2,970,947
Bank Negara Malaysia ("BNM")	892,729	908,666	889,453	905,237
	<u>7,166,057</u>	<u>7,641,406</u>	<u>6,397,549</u>	<u>6,645,325</u>

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**A14. Interest Income**

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>The Group</b>				
Loans and advances				
– Interest income other than recoveries from NPLs	717,509	715,897	717,509	715,897
– Recoveries from NPLs	44,610	62,616	44,610	62,616
Money at call, deposit and placements with financial institutions	57,191	79,616	57,191	79,616
Securities held-for-trading	5,711	23,818	5,711	23,818
Securities available-for-sale	60,342	52,103	60,342	52,103
Securities held-to-maturity	8,352	16,083	8,352	16,083
Others	22	16	22	16
	893,737	950,149	893,737	950,149
Interest suspended	(28,969)	(21,803)	(28,969)	(21,803)
Accretion of discount less amortisation of premium - net	1,472	2,220	1,472	2,220
	<u>866,240</u>	<u>930,566</u>	<u>866,240</u>	<u>930,566</u>
<b>The Bank</b>				
Loans and advances				
– Interest income other than recoveries from NPLs	717,196	715,523	717,196	715,523
– Recoveries from NPLs	44,610	62,616	44,610	62,616
Money at call, deposit and placements with financial institutions	57,159	78,252	57,159	78,252
Securities held-for-trading	5,976	23,829	5,976	23,829
Securities available-for-sale	60,389	52,103	60,389	52,103
Securities held-to-maturity	8,088	16,083	8,088	16,083
Others	13	-	13	-
	893,431	948,406	893,431	948,406
Interest suspended	(28,969)	(21,803)	(28,969)	(21,803)
Accretion of discount less amortisation of premium - net	1,472	2,220	1,472	2,220
	<u>865,934</u>	<u>928,823</u>	<u>865,934</u>	<u>928,823</u>

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**A15. Interest Expense**

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>The Group</b>				
Deposits from customers	334,008	383,963	334,008	383,963
Deposits and placements of banks and other financial institutions	30,201	66,494	30,201	66,494
Recourse obligation of loans sold to Cagamas Berhad	1,144	1,659	1,144	1,659
Subordinated term loans	-	7,885	-	7,885
Subordinated bonds	-	1,307	-	1,307
Hybrid securities	12,014	10,877	12,014	10,877
Medium term notes	20,611	19,789	20,611	19,789
Exchangeable bonds	7,483	7,483	7,483	7,483
Term loans	476	1,653	476	1,653
Irredeemable Convertible Unsecured Loan Stocks	-	995	-	995
Stapled Capital securities	11,219	-	11,219	-
Others	40,429	15,831	40,429	15,831
	<u>457,585</u>	<u>517,936</u>	<u>457,585</u>	<u>517,936</u>
<b>The Bank</b>				
Deposits from customers	333,833	373,105	333,833	373,105
Deposits and placements of banks and other financial institutions	31,274	76,392	31,274	76,392
Recourse obligation of loans sold to Cagamas Berhad	1,144	1,659	1,144	1,659
Subordinated term loans	12,076	18,709	12,076	18,709
Subordinated bonds	-	1,307	-	1,307
Medium term notes	20,611	19,789	20,611	19,789
Exchangeable bonds	7,483	7,483	7,483	7,483
Term loans	476	1,653	476	1,653
Irredeemable Convertible Unsecured Loan Stocks	-	995	-	995
Stapled Capital securities	11,219	-	11,219	-
Others	40,279	15,915	40,279	15,915
	<u>458,395</u>	<u>517,007</u>	<u>458,395</u>	<u>517,007</u>



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**A16. Net Income from Islamic Banking Business**

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>The Group</b>				
Income derived from investment of depositors' funds and others	213,246	181,328	213,246	181,328
Income derived from investment of shareholders' funds	32,773	35,207	32,773	35,207
Transfer (to)/from profit equalisation reserve	(1,932)	6,065	(1,932)	6,065
Income attributable to depositors	(80,345)	(91,686)	(80,345)	(91,686)
Finance cost	(4,787)	(4,787)	(4,787)	(4,787)
	<u>158,955</u>	<u>126,127</u>	<u>158,955</u>	<u>126,127</u>

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**A17. Other Operating Income**

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>The Group</b>				
(a) <u>Fee Income:</u>				
Commissions	14,248	13,994	14,248	13,994
Guarantee fees	8,860	6,216	8,860	6,216
Other fee income	34,324	36,482	34,324	36,482
	<u>57,432</u>	<u>56,692</u>	<u>57,432</u>	<u>56,692</u>
(b) <u>Investment income:</u>				
Net gain/(loss) on sale/redemption of:				
Securities held-for-trading	23,202	(38,839)	23,202	(38,839)
Securities available-for-sale	7,897	10,476	7,897	10,476
Securities held-to-maturity	14,826	14,660	14,826	14,660
Net loss on revaluation of securities held-for-trading	(1,664)	(49,145)	(1,664)	(49,145)
Net gain on revaluation of derivatives	6,669	44,669	6,669	44,669
Gross dividend income from:				
Securities held-for-trading	-	2,879	-	2,879
Securities available-for-sale	1,969	-	1,969	-
Securities held-to-maturity	45	1,797	45	1,797
Others	(5)	-	(5)	-
	<u>52,939</u>	<u>(13,503)</u>	<u>52,939</u>	<u>(13,503)</u>
(c) <u>Other Income:</u>				
Rental income	1,367	803	1,367	803
Gain on disposal of property and equipment	198	408	198	408
Gain on disposal of foreclosed properties	1,827	-	1,827	-
Foreign exchange gain/(loss)	7,194	(4,771)	7,194	(4,771)
Other operating income	40	435	40	435
Service transfer pricing income	5,339	964	5,339	964
	<u>15,965</u>	<u>(2,161)</u>	<u>15,965</u>	<u>(2,161)</u>
	<u>126,336</u>	<u>41,028</u>	<u>126,336</u>	<u>41,028</u>

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**A17. Other Operating Income (Contd.)**

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>The Bank</b>				
(a) <u>Fee Income:</u>				
Commissions	17,809	13,994	17,809	13,994
Guarantee fees	8,556	5,461	8,556	5,461
Other fee income	30,705	36,383	30,705	36,383
	<u>57,070</u>	<u>55,838</u>	<u>57,070</u>	<u>55,838</u>
(b) <u>Investment income:</u>				
Net gain/(loss) on sale/redemption of:				
Securities held-for-trading	23,202	(38,839)	23,202	(38,839)
Securities available-for-sale	7,897	10,476	7,897	10,476
Securities held-to-maturity	14,826	14,660	14,826	14,660
Net loss on revaluation of securities held-for-trading	(1,664)	(49,145)	(1,664)	(49,145)
Net gain on revaluation of derivatives	6,669	44,669	6,669	44,669
Gross dividend income from:				
Securities held-for-trading	-	2,879	-	2,879
Securities available-for-sale	1,969	-	1,969	-
Securities held-to-maturity	45	1,797	45	1,797
Others	(5)	-	(5)	-
	<u>52,939</u>	<u>(13,503)</u>	<u>52,939</u>	<u>(13,503)</u>
(c) <u>Other Income:</u>				
Rental income	699	710	699	710
Gain on disposal of property and equipment	198	408	198	408
Gain on disposal of foreclosed properties	1,827	-	1,827	-
Foreign exchange gain/(loss)	7,134	(4,709)	7,134	(4,709)
Other operating income	14	-	14	-
Service transfer pricing income	58,675	50,450	58,675	50,450
	<u>68,547</u>	<u>46,859</u>	<u>68,547</u>	<u>46,859</u>
	<u>178,556</u>	<u>89,194</u>	<u>178,556</u>	<u>89,194</u>

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**A18. Other Operating Expenses**

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>The Group</b>				
Personnel costs				
– Salaries, allowances and bonuses	119,227	98,542	119,227	98,542
– Others	33,819	22,231	33,819	22,231
Establishment costs				
– Depreciation	12,624	9,456	12,624	9,456
– Rental	15,054	12,329	15,054	12,329
– Cleaning, maintenance and security	4,669	4,393	4,669	4,393
– Computerisation cost	22,414	14,004	22,414	14,004
– Amortisation of intangible assets	7,043	5,656	7,043	5,656
– Amortisation of prepaid land lease payments	24	25	24	25
– Others	6,388	4,705	6,388	4,705
Marketing and communication expenses				
– Commission	3,084	2,376	3,084	2,376
– Advertising and marketing	12,529	9,184	12,529	9,184
– Communication	10,141	10,703	10,141	10,703
– Others	1,652	1,650	1,652	1,650
Administration and general expenses				
– Professional services	13,387	13,525	13,387	13,525
– Others	6,695	4,700	6,695	4,700
Service transfer pricing expense	8,982	20,561	8,982	20,561
	<u>277,732</u>	<u>234,040</u>	<u>277,732</u>	<u>234,040</u>

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**A18. Other Operating Expenses (Contd.)**

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>The Bank</b>				
Personnel costs				
– Salaries, allowances and bonuses	117,874	96,705	117,874	96,705
– Others	33,460	21,800	33,460	21,800
Establishment costs				
– Depreciation	12,463	9,299	12,463	9,299
– Rental	14,844	12,521	14,844	12,521
– Cleaning, maintenance and security	4,532	4,269	4,532	4,269
– Computerisation cost	22,406	13,993	22,406	13,993
– Amortisation of intangible assets	7,003	5,620	7,003	5,620
– Amortisation of prepaid land lease payments	20	20	20	20
– Others	6,159	4,458	6,159	4,458
Marketing and communication expenses				
– Commission	3,081	2,376	3,081	2,376
– Advertising and marketing	11,316	8,069	11,316	8,069
– Communication	9,832	10,081	9,832	10,081
– Others	1,633	1,609	1,633	1,609
Administration and general expenses				
– Professional services	12,545	12,849	12,545	12,849
– Others	6,531	4,553	6,531	4,553
Service transfer pricing expense	9,006	19,532	9,006	19,532
	<u>272,705</u>	<u>227,754</u>	<u>272,705</u>	<u>227,754</u>

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**A19. Allowance for Losses on Loans, Advances and Financing**

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>The Group</b>				
Allowance for bad and doubtful debts and financing:				
Specific allowance				
– made in the financial period	284,169	286,195	284,169	286,195
– written back	(77,091)	(100,593)	(77,091)	(100,593)
General allowance	14,744	8,577	14,744	8,577
Bad debts and financing recovered - net	(80,870)	(148,316)	(80,870)	(148,316)
	<u>140,952</u>	<u>45,863</u>	<u>140,952</u>	<u>45,863</u>
<b>The Bank</b>				
Allowance for bad and doubtful debts and financing:				
Specific allowance				
– made in the financial period	241,661	245,286	241,661	245,286
– written back	(65,375)	(87,586)	(65,375)	(87,586)
General allowance	9,524	2,920	9,524	2,920
Bad debts and financing recovered - net	(71,064)	(142,433)	(71,064)	(142,433)
	<u>114,746</u>	<u>18,187</u>	<u>114,746</u>	<u>18,187</u>

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A20. Impairment Loss

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>Impairment Loss</b>				
<b>The Group</b>				
Securities	37,893	26,397	37,893	26,397
Foreclosed properties	434	-	434	-
Sundry receivables	1,338	826	1,338	826
	<u>39,665</u>	<u>27,223</u>	<u>39,665</u>	<u>27,223</u>
<b>The Bank</b>				
Securities	37,893	26,397	37,893	26,397
Impairment on subsidiary companies	-	7,000	-	7,000
Foreclosed properties	434	-	434	-
Sundry receivables	1,337	784	1,337	784
	<u>39,664</u>	<u>34,181</u>	<u>39,664</u>	<u>34,181</u>

A21. Taxation

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>The Group</b>				
Estimated current tax payable	103	27	103	27
Net transfer from deferred taxation	62,069	67,819	62,069	67,819
	<u>62,172</u>	<u>67,846</u>	<u>62,172</u>	<u>67,846</u>

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**A21. Taxation (Contd.)**

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>The Bank</b>				
Estimated current tax payable	5	5	5	5
Net transfer from deferred taxation	41,284	59,819	41,284	59,819
	<u>41,289</u>	<u>59,824</u>	<u>41,289</u>	<u>59,824</u>

The total tax charge of the Group and the Bank for the quarter ended 30 June 2009 and 30 June 2008 reflects an effective tax rate which is higher than the statutory tax rate due mainly to disallowances of certain expenses.

**A22. Earnings Per Share (EPS)**

**(a) Basic**

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>The Group</b>				
Net profit attributable to shareholder of the Bank	172,815	191,534	172,815	191,534
Effect of savings on interest on ICULS (net of tax)	-	736	-	736
	<u>172,815</u>	<u>192,270</u>	<u>172,815</u>	<u>192,270</u>
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
Number of ordinary shares at beginning of period/year	670,364	610,364	670,364	610,364
Effect of the conversion of ICULS	-	60,000	-	60,000
Weighted average number of ordinary shares in issue	<u>670,364</u>	<u>670,364</u>	<u>670,364</u>	<u>670,364</u>
Basic earnings per share (sen)	<u>25.78</u>	<u>28.68</u>	<u>25.78</u>	<u>28.68</u>



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**A22. Earnings Per Share (EPS) (Contd.)**

**(a) Basic**

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>The Bank</b>				
Net profit attributable to shareholder of the Bank	117,494	160,734	117,494	160,734
Effect of savings on interest on ICULS (net of tax)	-	736	-	736
	<u>117,494</u>	<u>161,470</u>	<u>117,494</u>	<u>161,470</u>
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
Number of ordinary shares at beginning of period/year	670,364	610,364	670,364	610,364
Effect of the conversion of ICULS	-	60,000	-	60,000
Weighted average number of ordinary shares in issue	<u>670,364</u>	<u>670,364</u>	<u>670,364</u>	<u>670,364</u>
Basic earnings per share (sen)	<u>17.53</u>	<u>24.09</u>	<u>17.53</u>	<u>24.09</u>

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**A22. Earnings Per Share (EPS) (Contd.)****(b) Fully diluted**

Fully diluted earnings per share is calculated by dividing the adjusted net profit attributable to equity holder of the Bank by the adjusted weighted average number of ordinary shares in issue and issuable during the financial quarter.

The Bank has one category of dilutive potential ordinary shares:

- (i) Irredeemable Non-Cumulative Convertible Preference shares ("INCPS")

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>The Group</b>				
Net profit attributable to shareholder of the Bank (as in (a) above)	172,815	192,270	172,815	192,270
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue (as in (a) above)	670,364	670,364	670,364	670,364
Adjusted for the effect of INCPS	150,000	150,000	150,000	150,000
Adjusted weighted average number of ordinary shares in issue	820,364	820,364	820,364	820,364
Fully diluted earnings per share (sen)	21.07	23.44	21.07	23.44
	RM'000	RM'000	RM'000	RM'000
<b>The Bank</b>				
Net profit attributable to shareholder of the Bank (as in (a) above)	117,494	161,470	117,494	161,470
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue (as in (a) above)	670,364	670,364	670,364	670,364
Adjusted for the effect of INCPS	150,000	150,000	150,000	150,000
Adjusted weighted average number of ordinary shares in issue	820,364	820,364	820,364	820,364
Fully diluted earnings per share (sen)	14.32	19.68	14.32	19.68

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**A23a. Performance Review for the quarter ended 30 June 2009**

The Group registered a profit before zakat and taxation ("pre-tax profit") of RM235.3 million representing a 9% decrease compared to the pre-tax profit for the corresponding quarter last year.

The decrease in pre-tax profit was attributable to lower net bad debts recoveries, higher operating expenses principally due to the growing scale of business operations and higher impairment loss on securities.

The decrease was offset with higher other operating income, which was primarily due to higher gain on disposal and lower mark-to-market loss on securities. Net income from Islamic Banking business increased by RM32.8 million or 26% mainly driven by growth in its fixed rate financing and advances since June 2008.

Net non-performing loans of the Group continue to improve to 2.45% from 2.57% in March 2009 and the risk weighted capital ratio of the Bank remains strong at 13.91% as at 30 June 2009.

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

**A23b. Prospects for 31 March 2010**

The impact of the global financial crisis on the Malaysian economy since end 2008 are potentially at their trough presently. In May 2009, the government has revised downwards the GDP forecast for 2009 to a contraction of between -4% and -5% for Malaysia. Unemployment rate is forecasted to rise to circa 4.5%. The contraction in external sector is partly offset by moderate growth in domestic demand. Monetary and fiscal policies will be key to restoring economic stability and nurture confidence back into the economy and the financial market. Some analysts have projected a gradual recovery for Malaysia with real GDP quarter-on-quarter percentage back in the green with effect from the fourth quarter of 2009.

For 2009, the banking system will face slower credit demand in most segments and deteriorating asset quality compared to 2008 although at present, system NPL's is at its lowest since the Asian financial crisis period in 1998-2000. The Second Stimulus Package (of RM60 billion announced by the Federal Government on 10 March 2009) and its accelerated implementation programme is expected to shield the economy from the worst impacts of the global downturn. This is expected to provide some cushion against increasing NPL's, as it is focused on reducing unemployment, and providing working capital schemes and financial guarantees for credit enhancement. Further easing of monetary policies may materialize to boost economic activity.

AMMB Holdings Berhad and its subsidiary companies ("AHB Group") will stay focused on executing its strategies built around de-risking, diversifying from concentrations and differentiated growth via targeting viable business segments. The AHB Group will continue investing for the medium term and focus on building its brand name, growing deposits including low-cost deposits, progressively expanding distribution footprints, and targeting operating costs efficiencies whilst increasing emphasis on risk and financial governance and infrastructure. Enhanced credit control, new credit scorecards and methodologies, and collections and recoveries management will receive heightened focus. In the past two years, the AHB Group has also taken steps to strengthen its capital and balance sheet positions. In light of potential economic recovery within the next twelve months, the AHB Group will monitor market developments to invest for the eventual upturn.

AHB Group is well positioned to weather short term global, regional and national volatilities with its diversified business portfolio including retail and business banking. The AHB Group's strategic partnership with ANZ and business reorganisations will continue to underpin its ability to deliver profitable growth over the medium term.

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**A24. Segment Information on Operating Revenue, Profit Before Tax Expense and Assets****By Business Segments**

	<b>Conventional Banking RM'000</b>	<b>Islamic Banking RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>The Group</b>					
<b>30 June 2009</b>					
<b>Revenue</b>					
<u>External revenue</u>					
Interest income	866,174	-	66	-	866,240
Fee income	57,409	-	23	-	57,432
Investment and other operating income	68,184	-	9	61	68,254
Income from Islamic Banking:					
Financing income	-	233,329	-	-	233,329
Fee income	-	11,207	-	-	11,207
Investment and other operating income	-	1,483	-	-	1,483
Others (Subsidiaries) – Rental	-	-	650	-	650
	<u>991,767</u>	<u>246,019</u>	<u>748</u>	<u>61</u>	<u>1,238,595</u>
<u>Inter-segment revenue</u>					
Interest Income	1,208	-	23,431	(24,639)	-
Investment and other operating income	53,336	-	-	(53,336)	-
	<u>54,544</u>	<u>-</u>	<u>23,431</u>	<u>(77,975)</u>	<u>-</u>
Total revenue	<u>1,046,311</u>	<u>246,019</u>	<u>24,179</u>	<u>(77,914)</u>	<u>1,238,595</u>
<b>Results</b>					
Profit before zakat and taxation	159,911	80,201	(4,887)	81	235,306
Zakat	-	(322)	-	-	(322)
Taxation	(41,294)	(20,785)	(93)	-	(62,172)
Profit after zakat and taxation	<u>118,617</u>	<u>59,094</u>	<u>(4,980)</u>	<u>81</u>	<u>172,812</u>
<b>Total Assets</b>	<u>69,479,548</u>	<u>17,269,673</u>	<u>1,653,808</u>	<u>(3,047,057)</u>	<u>85,355,972</u>

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**A24. Segment Information on Operating Revenue, Profit Before Tax Expense and Assets (Contd.)****By Business Segments**

	<b>Conventional Banking RM'000</b>	<b>Islamic Banking RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>The Group</b>					
<b>30 June 2008</b>					
<b>Revenue</b>					
<u>External revenue</u>					
Interest income	930,566	-	-	-	930,566
Fee income	56,639	-	53	-	56,692
Investment and other operating income	(16,099)	-	385	(53)	(15,767)
Income from Islamic Banking :					
Financing income	-	215,341	-	-	215,341
Fee income					
Investment and other operating income	-	1,194	-	-	1,194
Others (Subsidiaries) – Rental	-	-	103	-	103
	<u>971,106</u>	<u>216,535</u>	<u>541</u>	<u>(53)</u>	<u>1,188,129</u>
<u>Inter-segment revenue</u>					
Interest Income	235	-	11,018	(11,253)	-
Others (Subsidiaries) – Rental	49,486	-	474	(49,960)	-
	<u>49,721</u>	<u>-</u>	<u>11,492</u>	<u>(61,213)</u>	<u>-</u>
Total revenue	<u>1,020,827</u>	<u>216,535</u>	<u>12,033</u>	<u>(61,266)</u>	<u>1,188,129</u>
<b>Results</b>					
Profit before zakat and taxation	221,360	30,251	625	7,043	259,279
Zakat	-	98	-	-	98
Taxation	(59,829)	(8,000)	(17)	-	(67,846)
Profit after zakat and taxation	<u>161,531</u>	<u>22,349</u>	<u>608</u>	<u>7,043</u>	<u>191,531</u>
<b>Total Assets</b>	<u>67,244,330</u>	<u>11,809,801</u>	<u>728,580</u>	<u>(1,667,436)</u>	<u>78,115,275</u>

**A24. Segment Information on Operating Revenue, Profit Before Tax Expense and Assets (Contd.)**

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established under terms and conditions that are no less favourable than those arranged with independent parties.

The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia.

**A25. Valuation of Property and Equipment**

The Group's and the Bank's property and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

**A26. Events Subsequent to Balance Sheet Date**

There has not arisen in the interval between the end of the financial quarter 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 quarter.

**A27. Changes in the composition of the Group**

There were no significant changes in the composition of the Group for the financial quarter ended 30 June 2009.

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**A28. Commitments and Contingencies**

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

The risk-weighted exposure of the Group and the Bank is as follows:

The Group	As at 30 June 2009			As at 31 March 2009		
	Principal Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	2,352,137	2,352,137	2,124,583	2,260,512	2,260,512	1,928,815
Certain transaction-related contingent items	1,553,834	776,917	761,262	1,496,866	748,433	740,965
Short-term self-liquidating trade-related contingencies	510,411	102,082	102,082	493,284	98,657	98,716
Obligations under underwriting agreements	769,000	-	-	592,000	296,000	296,000
Unpaid portion of partly paid shares	250	250	250	250	250	250
Irrevocable commitments to extend credit:						
– maturing less than one year	10,812,621	-	-	10,390,145	-	-
– maturing more than one year	1,876,584	322,929	256,715	1,904,045	280,552	241,386
Unutilised credit card lines	4,426,612	885,322	661,744	4,383,472	876,694	655,346
Forward purchase commitments						
– less than one year	106,830	5,138	2,569	206,144	10,210	4,022
Foreign exchange related contracts:						
– less than one year	2,051,435	31,178	20,195	824,899	30,173	14,435
Cross currency swap						
– less than one year	288,394	10,837	5,419	298,931	10,068	5,034
– maturing more than one year to less than five years	324,448	20,475	10,237	311,282	26,721	13,360
Interest rate swap contracts:						
– maturing within one year	4,545,000	25,691	6,061	4,215,000	21,022	9,005
– maturing more than one year to less than five years	18,292,027	661,912	161,913	17,641,853	765,528	351,903
– maturing more than five years	2,889,888	344,257	76,964	2,755,588	450,952	184,496
Interest rate futures:						
– maturing more than one year to less than five years	60,000	-	-	60,000	25,104	12,552
Sell and buy back agreements	113,967	513	513	155,560	212	206
Islamic financing sold to Cagamas Berhad with recourse	782,297	782,297	591,319	874,067	874,067	663,997
Equity options	195,508	-	-	194,154	-	-
Any commitments that are unconditionally cancelled at any time by the Group	24,416	-	-	153,891	-	-
<b>Total</b>	<b>51,975,659</b>	<b>6,321,935</b>	<b>4,781,826</b>	<b>49,211,943</b>	<b>6,775,155</b>	<b>5,220,488</b>

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**A28. Commitments and Contingencies (Contd.)**

The Bank	As at 30 June 2009			As at 31 March 2009		
	Principal Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	2,141,284	2,141,284	1,913,730	2,092,419	2,092,419	1,760,725
Certain transaction-related contingent items	1,363,362	681,681	665,526	1,314,548	657,274	649,306
Short-term self-liquidating trade-related contingencies	431,126	86,225	86,225	437,551	87,510	87,569
Obligations under underwriting agreements	370,000	-	-	193,000	96,500	96,500
Unpaid portion of partly paid shares	150	150	150	150	150	150
Irrevocable commitments to extend credit:						
– maturing less than one year	9,149,636	-	-	8,881,854	-	-
– maturing more than one year	1,597,841	312,546	249,201	1,644,241	270,119	217,303
Unutilised credit card lines	3,921,064	784,213	586,174	3,877,627	775,525	579,743
Forward purchase commitments						
– less than one year	106,830	5,138	2,569	211,145	10,224	4,028
Foreign exchange related contracts:						
– less than one year	2,051,435	31,178	20,195	824,899	30,173	14,435
Cross currency swap						
– less than one year	288,394	10,837	5,419	298,931	10,068	5,034
– maturing more than one year to less than five years	324,448	20,475	10,237	311,282	26,721	13,360
Interest rate swap contracts:						
– maturing within one year	4,545,000	25,691	6,061	4,215,000	21,022	9,005
– maturing more than one year to less than five years	18,292,027	661,912	161,913	17,641,853	765,528	351,903
– maturing more than five years	2,889,888	344,257	76,964	2,755,588	450,952	184,496
Interest rate futures:						
– maturing more than one year to less than five years	60,000	-	-	60,000	25,104	12,552
Equity options	151,208	-	-	149,660	-	-
Any commitments that are unconditionally cancelled at any time by the Bank	15,593	-	-	121,314	-	-
<b>Total</b>	<b>47,699,286</b>	<b>5,105,587</b>	<b>3,784,364</b>	<b>45,031,062</b>	<b>5,319,289</b>	<b>3,986,109</b>

\* The credit equivalent amount is arrived at using the credit conversion factors as specified by Bank Negara Malaysia.

The Bank has given a continuing guarantee to Bank Negara Malaysia to meet all the liabilities and financial obligations and requirements of its subsidiary company, AmInternational (L) Ltd.



## **A29. Risk Management Policy on Financial Derivatives**

### **Purpose of engaging in financial derivatives**

Financial derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices. They include swaps, forward rate agreements, futures, options and combinations of these instruments. Derivatives are contracts that transfer risks, mainly market risks. Financial derivatives is one of the financial instruments engaged by the Group both for revenue purposes as well as to manage the Group's own market risk exposure. The Group's involvement in financial derivatives is currently focused on interest rate, equity and foreign exchange rate derivatives.

The principal exchange rate contracts used are forward foreign exchange contracts and cross currency swaps. Forward foreign exchange contracts are agreements to buy or sell a specified quantity of foreign currency on a specified future date at an agreed rate. A cross currency swap generally involves the exchange, or notional exchange, of equivalent amounts of two currencies and a commitment to exchange interest periodically until the principal amounts are re-exchanged on a future date.

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

The principal equity contracts used are equity option. An equity option is a financial derivative that represents a contract sold by one party (option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation to buy (call) or sell (put) an equity at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date).

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

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

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

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

**A29. Risk Management Policy on Financial Derivatives (Contd.)**

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

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

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

**Credit risk of derivatives**

Counterparty credit risk arises from the possibility that a counterparty may be unable to meet the terms of the derivatives contract. Unlike conventional asset instruments, the Group's financial loss is not the entire contracted principal value of the derivatives, but rather a fraction equivalent to the cost to replace the defaulted contract with another in the market. The cost of replacement is equivalent to the difference between the original value of the derivatives at time of contract with the defaulted counterparty and the current fair value of a similar substitute at current market prices. The Group will only suffer a replacement cost if the contract carries a fair value gain at time of default.

The Group limits its credit risk within a conservative framework by dealing with creditworthy counterparties, setting credit limits on exposures to counterparties, and obtaining collateral where appropriate.

**Derivative Financial Instruments and Hedge Accounting**

Derivative financial instruments are recognised at fair value upon inception in the balance sheet, 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 Bank enters into derivative transactions for trading and for hedging purposes. For derivatives held-for-trading, fair value changes are recognised in the income statement. For derivative transactions that meet the specific criteria for hedge accounting, the Group applies either fair value or cash flow accounting.

At the time a financial instrument is designated as a hedge, the Bank 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 Bank 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.

**A29. Risk Management Policy on Financial Derivatives (Contd.)**

**Derivative Financial Instruments and Hedge Accounting (Contd.)**

(i) Fair value hedge

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

(ii) Cash flow hedge

Cash flow hedges are hedges of the exposure to variability in future cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect 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 hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are released to the income statement in the periods when the hedged forecast transactions affect the income statement. 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.

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**A30. Capital Adequacy**

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

	The Group		The Bank	
	30 June 2009	31 March 2009	30 June 2009	31 March 2009
Core capital ratio	9.03%	9.25%	10.16%	10.39%
Risk-weighted capital ratio	14.29%	14.62%	13.91%	14.20%

The capital adequacy ratios on a consolidated basis of the banking institutions within the Group and the Bank are computed in accordance with Bank Negara Malaysia's revised Risk-weighted Capital Adequacy Framework (RWCAF - Basel II). The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk.

The capital adequacy ratios of the Bank refers to the combined capital base as a ratio of the combined risk-weighted assets of the Bank and its wholly-owned offshore banking subsidiary company, AmInternational (L) Ltd ("AMIL").

(b) The capital adequacy ratios of the banking subsidiary companies of the Group are as follows:

	AmIslamic (Note 1)		AMIL (Note 2)	
	30 June 2009	31 March 2009	30 June 2009	31 March 2009
Core capital ratio	11.01%	11.22%	36.37%	33.09%
Risk-weighted capital ratio	16.32%	16.65%	36.50%	33.22%

Note 1 The capital adequacy ratios of AmIslamic Bank Berhad (AmIslamic) are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (CAFIB), which are based on the Basel II capital accord. AmIslamic has adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8% for the risk-weighted capital ratio.

Note 2 The capital adequacy ratios of AMIL for capital compliance on a standalone basis are computed in accordance with the guidelines on Risk-weighted Capital Adequacy issued by Labuan Offshore Financial Services Authority (LOFSA), which is based on the Basel I capital accord.

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**A30. Capital Adequacy (Contd.)**

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

	The Group		The Bank	
	30 June 2009 RM'000	31 March 2009 RM'000	30 June 2009 RM'000	31 March 2009 RM'000
<u>Tier I capital</u>				
Paid-up share capital	670,364	670,364	670,364	670,364
Irredeemable Non-Cumulative Convertible Preference Shares	150,000	150,000	150,000	150,000
Innovative Tier I capital	750,100	750,100	750,100	750,100
Non-innovative Tier I capital	500,000	500,000	500,000	500,000
Share premium	942,844	942,844	942,844	942,844
Statutory reserve	849,232	849,232	680,459	680,459
Capital reserve	377,492	377,492	-	-
Merger reserve	397,566	397,566	-	-
Exchange fluctuation reserve	11,904	11,904	21,367	21,367
Unappropriated profit	1,322,399	1,322,399	1,766,189	1,766,189
	5,971,901	5,971,901	5,481,323	5,481,323
Less: Deferred tax assets	(306,334)	(306,334)	(204,174)	(204,174)
<b>Total Tier I capital</b>	<b>5,665,567</b>	<b>5,665,567</b>	<b>5,277,149</b>	<b>5,277,149</b>
<u>Tier II capital</u>				
Medium term notes	1,460,000	1,460,000	1,460,000	1,460,000
Subordinated bonds	400,000	400,000	-	-
Exchangeable bonds	575,000	575,000	575,000	575,000
General allowance for bad and doubtful debts and financing	910,084	895,655	738,309	729,148
<b>Total Tier II capital</b>	<b>3,345,084</b>	<b>3,330,655</b>	<b>2,773,309</b>	<b>2,764,148</b>
<b>Total capital funds</b>	<b>9,010,651</b>	<b>8,996,222</b>	<b>8,050,458</b>	<b>8,041,297</b>
Less:				
Investment in subsidiary companies	(32,779)	(32,780)	(816,850)	(816,850)
Other deduction	(10,058)	(10,219)	(10,058)	(10,219)
<b>Capital base</b>	<b>8,967,814</b>	<b>8,953,223</b>	<b>7,223,550</b>	<b>7,214,228</b>

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**A30. Capital Adequacy (Contd.)**

The breakdown of the risk-weighted assets in various categories of risk are as follows:

	<b>The Group</b>		<b>The Bank</b>	
	<b>30 June 2009</b>	<b>31 March 2009</b>	<b>30 June 2009</b>	<b>31 March 2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Credit risk	55,584,422	54,833,232	45,949,440	45,568,372
Market risk	2,553,213	1,892,502	2,343,834	1,654,717
Operational risk	4,611,241	4,487,810	3,633,656	3,560,356
Large exposure risk requirement for equity holdings	11,311	12,986	11,311	12,986
<b>Total risk-weighted assets</b>	<b>62,760,187</b>	<b>61,226,530</b>	<b>51,938,241</b>	<b>50,796,431</b>

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A31. The following tables show the interest rate sensitivity gap, by time bands, on which interest rates of instruments are next repriced on a contractual basis or, if earlier, the dates on which the instruments mature.

30 June 2009

The Group	-----Non-Trading Book-----						Non-interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000				
<b>ASSETS</b>										
Cash and short-term funds	9,191,385	-	-	-	-	-	6,643,320	-	15,834,705	1.90
Deposits and placements with banks and other financial institutions	-	231,301	200,000	-	51,798	-	-	-	483,099	2.05
Securities held-for-trading	-	-	-	-	-	-	274,543	1,955,112	2,229,655	2.51
Securities available-for-sale	721,834	64,517	82,010	100,980	1,498,721	2,996,793	627,732	-	6,092,587	4.92
Securities held-to-maturity	1,747	35,211	-	6,296	270,681	190,389	200,537	-	704,861	3.13
Derivative financial assets	-	-	-	-	-	-	495,880	-	495,880	-
Loans, advances and financing										
– Performing	23,666,144	1,335,373	725,769	278,433	7,132,858	14,124,100	9,918,796	-	57,181,473	6.24
– Non-performing*	-	-	-	-	-	-	550,209	-	550,209	-
Amount due from originators	-	-	-	-	25,051	-	-	-	25,051	5.74
Other non-interest sensitive balances	-	-	-	-	-	-	1,758,452	-	1,758,452	-
<b>TOTAL ASSETS</b>	<b>33,581,110</b>	<b>1,666,402</b>	<b>1,007,779</b>	<b>385,709</b>	<b>8,979,109</b>	<b>17,311,282</b>	<b>20,469,469</b>	<b>1,955,112</b>	<b>85,355,972</b>	
<b>LIABILITIES AND EQUITY</b>										
Deposits from customers	22,769,080	8,414,168	6,997,626	8,876,235	2,183,022	100	16,466,975	-	65,707,206	2.50
Deposits and placements of banks and other financial institutions	2,721,467	776,529	189,151	728,982	772,041	781,894	1,195,993	-	7,166,057	2.40
Derivative financial liabilities	-	-	-	-	-	-	578,481	-	578,481	-
Bills and acceptances payable	448,103	592,438	90,907	6,412	-	-	469,308	-	1,607,168	2.07
Recourse obligation on loans sold to Cagamas Berhad	-	-	-	124,880	25,051	-	-	-	149,931	3.98
Hybrid securities	-	-	-	-	-	762,816	-	-	762,816	6.31
Medium term notes	-	-	-	-	-	1,460,000	-	-	1,460,000	5.66
Subordinated bonds	-	-	-	-	-	-	400,000	-	400,000	4.80
Exchangeable bonds	-	-	-	-	-	575,000	-	-	575,000	5.22
Term loans	140,680	-	-	-	-	-	-	-	140,680	1.19
Stapled Capital Securities	-	-	-	-	-	500,000	-	-	500,000	9.00
Irredeemable Non-Cumulative Convertible Preference shares	-	-	-	-	-	-	150,000	-	150,000	-
Other non-interest sensitive balances	-	-	-	-	-	-	1,469,073	-	1,469,073	-
Total Liabilities	26,079,330	9,783,135	7,277,684	9,736,509	2,980,114	4,079,810	20,729,830	-	80,666,412	
Minority interests	-	-	-	-	-	-	25	-	25	
Equity attributable to equity holder of the Bank	-	-	-	-	-	-	4,689,535	-	4,689,535	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>26,079,330</b>	<b>9,783,135</b>	<b>7,277,684</b>	<b>9,736,509</b>	<b>2,980,114</b>	<b>4,079,810</b>	<b>25,419,390</b>	<b>-</b>	<b>85,355,972</b>	
On-balance sheet interest sensitivity gap	7,501,780	(8,116,733)	(6,269,905)	(9,350,800)	5,998,995	13,231,472	(4,949,921)	1,955,112	-	
Off-balance sheet interest sensitivity gap**	31,373	(2,697,012)	(512,500)	170,000	3,498,027	(549,888)	-	-	(60,000)	
Total interest sensitivity gap	7,533,153	(10,813,745)	(6,782,405)	(9,180,800)	9,497,022	12,681,584	(4,949,921)	1,955,112	(60,000)	

\* This is arrived at after deducting the general allowance, specific allowance and interest / income-in-suspense from gross non-performing loans/financing outstanding.

\*\* This comprises interest rate swap and interest rate futures.

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A31. The following tables show the interest rate sensitivity gap, by time bands, on which interest rates of instruments are next repriced on a contractual basis or, if earlier, the dates on which the instruments mature (Contd.).

31 March 2009

	-----Non-Trading Book----->						Non-interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000				
<b>The Group</b>										
<b>ASSETS</b>										
Cash and short-term funds	13,413,561	-	-	-	-	-	3,692,886	-	17,106,447	1.98
Deposits and placements with banks and other financial institutions	-	220,000	150,000	-	51,050	-	-	-	421,050	2.10
Securities held-for-trading	-	-	-	-	-	-	203,862	1,183,549	1,387,411	3.16
Securities available-for-sale	11,807	140,367	73,100	129,817	1,655,709	2,914,531	673,153	-	5,598,484	4.93
Securities held-to-maturity	7,704	60,838	1,748	35,475	372,821	122,638	152,135	-	753,359	2.93
Derivative financial assets	-	-	-	-	-	-	477,132	-	477,132	-
Loans, advances and financing										
- Performing	21,236,917	2,186,412	778,127	448,261	6,374,210	15,270,350	9,836,429	-	56,130,706	6.45
- Non-performing*	-	-	-	-	-	-	609,086	-	609,086	-
Amount due from originators	-	-	-	-	25,789	-	-	-	25,789	5.74
Other non-interest sensitive balances	-	-	-	-	-	-	1,832,516	-	1,832,516	-
<b>TOTAL ASSETS</b>	<b>34,669,989</b>	<b>2,607,617</b>	<b>1,002,975</b>	<b>613,553</b>	<b>8,479,579</b>	<b>18,307,519</b>	<b>17,477,199</b>	<b>1,183,549</b>	<b>84,341,980</b>	
<b>LIABILITIES AND EQUITY</b>										
Deposits from customers	22,946,485	9,807,794	6,192,948	9,787,533	2,400,834	-	12,811,541	-	63,947,135	2.74
Deposits and placements of banks and other financial institutions	2,646,076	549,473	775,583	652,203	787,719	781,369	1,448,983	-	7,641,406	2.62
Derivative financial liabilities	-	-	-	-	-	-	565,483	-	565,483	-
Bills and acceptances payable	483,002	771,732	245,757	7,189	-	-	612,569	-	2,120,249	2.07
Recourse obligation on loans sold to Cagamas Berhad	-	-	-	-	155,037	-	-	-	155,037	3.98
Hybrid securities	-	-	-	-	-	825,853	-	-	825,853	6.69
Medium term notes	-	-	-	-	-	1,460,000	-	-	1,460,000	5.66
Subordinated bonds	-	-	-	-	-	-	400,000	-	400,000	4.80
Exchangeable bonds	-	-	-	-	-	575,000	-	-	575,000	5.22
Term loans	145,820	-	-	-	-	-	-	-	145,820	1.80
Stapled Capital Securities	-	-	-	-	-	500,000	-	-	500,000	9.00
Irredeemable Non-Cumulative Convertible Preference shares	-	-	-	-	-	-	150,000	-	150,000	-
Other non-interest sensitive balances	-	-	-	-	-	-	1,384,242	-	1,384,242	-
<b>Total Liabilities</b>	<b>26,221,383</b>	<b>11,128,999</b>	<b>7,214,288</b>	<b>10,446,925</b>	<b>3,343,590</b>	<b>4,142,222</b>	<b>17,372,818</b>	<b>-</b>	<b>79,870,225</b>	
Minority interests	-	-	-	-	-	-	28	-	28	
Equity attributable to equity holder of the Bank	-	-	-	-	-	-	4,471,727	-	4,471,727	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>26,221,383</b>	<b>11,128,999</b>	<b>7,214,288</b>	<b>10,446,925</b>	<b>3,343,590</b>	<b>4,142,222</b>	<b>21,844,573</b>	<b>-</b>	<b>84,341,980</b>	
On-balance sheet interest sensitivity gap	8,448,606	(8,521,382)	(6,211,313)	(9,833,372)	5,135,989	14,165,297	(4,367,374)	1,183,549	-	
Off-balance sheet interest sensitivity gap **	(798,353)	(3,120,000)	1,662,088	70,000	2,881,853	(755,588)	-	-	(60,000)	
<b>Total interest sensitivity gap</b>	<b>7,650,253</b>	<b>(11,641,382)</b>	<b>(4,549,225)</b>	<b>(9,763,372)</b>	<b>8,017,842</b>	<b>13,409,709</b>	<b>(4,367,374)</b>	<b>1,183,549</b>	<b>(60,000)</b>	

\* This is arrived at after deducting the general allowance, specific allowance and interest / income-in-suspense from gross non-performing loans/financing outstanding.

\*\* This comprises interest rate swap and interest rate futures.



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A31. The following tables show the interest rate sensitivity gap, by time bands, on which interest rates of instruments are next repriced on a contractual basis or, if earlier, the dates on which the instruments mature (Contd.).

30 June 2009

	-----Non-Trading Book----->						Non-interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000				
<b>The Bank</b>										
<b>ASSETS</b>										
Cash and short-term funds	9,101,895	-	-	-	-	-	484,085	-	9,585,980	1.95
Deposits and placements with banks and other financial institutions	-	231,301	200,622	-	51,798	-	-	-	483,721	2.05
Securities held-for-trading	-	-	-	-	-	-	-	1,955,112	1,955,112	2.51
Securities available-for-sale	721,834	64,517	82,010	100,980	1,863,779	2,996,793	88,819	-	5,918,732	4.46
Securities held-to-maturity	1,747	35,211	-	6,296	264,819	190,389	165,339	-	663,801	3.14
Derivative financial assets	-	-	-	-	-	-	494,153	-	494,153	-
Loans, advances and financing										
– Performing	23,651,724	1,325,265	725,769	278,433	7,132,838	13,800,292	-	-	46,914,321	6.24
– Non-performing*	-	-	-	-	-	-	583,699	-	583,699	-
Amount due from originators	-	-	-	-	25,051	-	-	-	25,051	-
Other non-interest sensitive balances	-	-	-	-	-	-	2,316,620	-	2,316,620	-
<b>TOTAL ASSETS</b>	<b>33,477,200</b>	<b>1,656,294</b>	<b>1,008,401</b>	<b>385,709</b>	<b>9,338,285</b>	<b>16,987,474</b>	<b>4,132,715</b>	<b>1,955,112</b>	<b>68,941,190</b>	
<b>LIABILITIES AND EQUITY</b>										
Deposits from customers	22,407,437	8,408,814	6,996,339	8,876,235	2,183,022	100	2,788,071	-	51,660,018	2.52
Deposits and placements of banks and other financial institutions	3,109,278	776,529	189,151	728,982	772,041	781,894	39,674	-	6,397,549	2.41
Derivative financial liabilities	-	-	-	-	-	-	576,755	-	576,755	-
Bills and acceptances payable	448,103	592,438	90,907	6,412	-	-	-	-	1,137,860	2.07
Recourse obligation on loans sold to Cagamas Berhad	-	-	-	124,880	25,051	-	-	-	149,931	3.98
Subordinated term loans	-	-	-	-	-	762,816	-	-	762,816	6.31
Medium term notes	-	-	-	-	-	1,460,000	-	-	1,460,000	5.66
Exchangeable bonds	-	-	-	-	-	575,000	-	-	575,000	5.22
Term loans	140,680	-	-	-	-	-	-	-	140,680	1.19
Stapled Capital Securities	-	-	-	-	-	500,000	-	-	500,000	9.00
Irredeemable Non-Cumulative Convertible Preference shares	-	-	-	-	-	-	150,000	-	150,000	-
Other non-interest sensitive balances	-	-	-	-	-	-	1,406,389	-	1,406,389	-
<b>Total Liabilities</b>	<b>26,105,498</b>	<b>9,777,781</b>	<b>7,276,397</b>	<b>9,736,509</b>	<b>2,980,114</b>	<b>4,079,810</b>	<b>4,960,889</b>	<b>-</b>	<b>64,916,998</b>	
Equity attributable to equity holder of the Bank	-	-	-	-	-	-	4,024,192	-	4,024,192	-
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>26,105,498</b>	<b>9,777,781</b>	<b>7,276,397</b>	<b>9,736,509</b>	<b>2,980,114</b>	<b>4,079,810</b>	<b>8,985,081</b>	<b>-</b>	<b>68,941,190</b>	
On-balance sheet interest sensitivity gap	7,371,702	(8,121,487)	(6,267,996)	(9,350,800)	6,358,171	12,907,664	(4,852,366)	1,955,112	-	
Off-balance sheet interest sensitivity gap **	31,373	(2,697,012)	(512,500)	170,000	3,498,027	(549,888)	-	-	(60,000)	
<b>Total interest sensitivity gap</b>	<b>7,403,075</b>	<b>(10,818,499)</b>	<b>(6,780,496)</b>	<b>(9,180,800)</b>	<b>9,856,198</b>	<b>12,357,776</b>	<b>(4,852,366)</b>	<b>1,955,112</b>	<b>(60,000)</b>	

\* This is arrived at after deducting the general allowance, specific allowance and interest / income-in-suspense from gross non-performing loans/financing outstanding.

\*\* This comprises interest rate swap and interest rate futures.

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A31. The following tables show the interest rate sensitivity gap, by time bands, on which interest rates of instruments are next repriced on a contractual basis or, if earlier, the dates on which the instruments mature(Contd.).

31 March 2009

	-----Non-Trading Book----->							Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
<b>The Bank</b>										
<b>ASSETS</b>										
Cash and short-term funds	13,162,747	-	-	-	-	-	471,372	-	13,634,119	2.04
Deposits and placements with banks and other financial institutions	-	220,000	155,471	622	51,050	-	-	-	427,143	2.10
Securities held-for-trading	-	-	-	-	-	-	-	1,183,549	1,183,549	3.16
Securities available-for-sale	11,807	140,367	73,100	129,817	1,681,146	2,914,531	102,795	-	5,053,563	4.93
Securities held-to-maturity	7,704	60,838	1,748	35,475	366,970	122,638	115,425	-	710,798	2.88
Derivative financial assets	-	-	-	-	-	-	475,247	-	475,247	-
Loans, advances and financing										
- Performing	21,218,114	2,186,412	767,650	448,261	6,374,143	15,269,850	-	-	46,264,430	6.45
- Non-performing*	-	-	-	-	-	-	635,456	-	635,456	-
Amount due from originators	-	-	-	-	25,789	-	-	-	25,789	5.74
Other non-interest sensitive balances	-	-	-	-	-	-	2,362,117	-	2,362,117	-
<b>TOTAL ASSETS</b>	<b>34,400,372</b>	<b>2,607,617</b>	<b>997,969</b>	<b>614,175</b>	<b>8,499,098</b>	<b>18,307,019</b>	<b>4,162,412</b>	<b>1,183,549</b>	<b>70,772,211</b>	
<b>LIABILITIES AND EQUITY</b>										
Deposits from customers	22,379,889	9,784,922	6,190,513	9,787,533	2,400,834	-	2,656,154	-	53,199,845	2.77
Deposits and placements of banks and other financial institutions	3,086,673	549,473	775,583	652,203	787,719	781,369	12,305	-	6,645,325	2.63
Derivative financial liabilities	-	-	-	-	-	-	563,600	-	563,600	-
Bills and acceptances payable	483,002	771,732	245,757	7,189	-	-	-	-	1,507,680	2.07
Recourse obligation on loans sold to Cagamas Berhad	-	-	-	-	155,037	-	-	-	155,037	3.98
Subordinated term loans	-	-	-	-	-	825,853	-	-	825,853	6.69
Medium term notes	-	-	-	-	-	1,460,000	-	-	1,460,000	5.66
Exchangeable bonds	-	-	-	-	-	575,000	-	-	575,000	5.22
Term loans	145,820	-	-	-	-	-	-	-	145,820	1.80
Stapled Capital Securities	-	-	-	-	-	500,000	-	-	500,000	9.00
Irredeemable Non-Cumulative Convertible Preference shares	-	-	-	-	-	-	150,000	-	150,000	-
Other non-interest sensitive balances	-	-	-	-	-	-	1,186,739	-	1,186,739	-
<b>Total Liabilities</b>	<b>26,095,384</b>	<b>11,106,127</b>	<b>7,211,853</b>	<b>10,446,925</b>	<b>3,343,590</b>	<b>4,142,222</b>	<b>4,568,798</b>	<b>-</b>	<b>66,914,899</b>	
Equity attributable to equity holder of the Bank	-	-	-	-	-	-	3,857,312	-	3,857,312	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>26,095,384</b>	<b>11,106,127</b>	<b>7,211,853</b>	<b>10,446,925</b>	<b>3,343,590</b>	<b>4,142,222</b>	<b>8,426,110</b>	<b>-</b>	<b>70,772,211</b>	
On-balance sheet interest sensitivity gap	8,304,988	(8,498,510)	(6,213,884)	(9,832,750)	5,155,508	14,164,797	(4,263,698)	1,183,549	-	
Off-balance sheet interest sensitivity gap **	(798,353)	(3,120,000)	1,662,088	70,000	2,881,853	(755,588)	-	-	(60,000)	
<b>Total interest sensitivity gap</b>	<b>7,506,635</b>	<b>(11,618,510)</b>	<b>(4,551,796)</b>	<b>(9,762,750)</b>	<b>8,037,361</b>	<b>13,409,209</b>	<b>(4,263,698)</b>	<b>1,183,549</b>	<b>(60,000)</b>	

\* This is arrived at after deducting the general allowance, specific allowance and interest / income-in-suspense from gross non-performing loans/financing outstanding.

\*\* This comprises interest rate swap and interest rate futures.

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**A32. Reclassification of securities**

During the 2nd quarter of financial year 2009, the Bank adopted Bank Negara Malaysia's Circular on the Reclassification of Securities under Specific Circumstances which allow banking institutions to reclassify securities in held-for-trading category under the Revised Guidelines of Financial reporting for Licensed Institutions (BNM/GP 8). The provisions in this Circular shall override the existing requirements of BNM/GP8 in relation to the reclassification of securities into or out of the held-for-trading category and are effective from 1 July 2008 until 31 December 2009. The effects of the reclassification are as follows:

	<b>Before reclassification</b>	<b>Increase/ (Decrease) reclassification</b>	<b>After reclassification</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Effect on Balance Sheet as at 30 September 2008</b>			
<b>The Group and the Bank</b>			
Securities held-for-trading	1,678,356	(500,787)	1,177,569
Securities available for sale	4,956,006	500,787	5,456,793
Available for sale reserve	(134,342)	(22,200)	(156,542)
Unappropriated profits	1,135,875	17,200	1,153,075
<b>Effect on Income Statement for the period ended 30 September 2008</b>			
<b>The Group and the Bank</b>			
Revenue	2,342,136	22,200	2,364,336
Other operating income	5,860	22,200	28,060
Taxation	(140,593)	(5,000)	(145,593)
Profit after zakat and taxation	400,808	17,200	418,008

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**A32. Reclassification of securities (Contd.)**

There was no reclassification of securities in the current financial quarter. The balances relating to securities reclassified in the previous financial year are:

	Carrying value RM'000	Fair value RM'000	Mark-to-market loss taken up in Available for sale reserve RM'000
<b>The Group and the Bank as at 30 June 2009</b>			
Securities reclassified	495,328	493,904	1,424

The carrying value and fair value as at 30 September 2008 for securities reclassified are RM581,453,000 and RM500,787,000 respectively.

**A33. Restatement of Comparatives**

Pursuant to the Business Transfer Agreement dated 11 March 2008 and the Vesting Order granted by the High Court of Malaya on 9 April 2008, the Group acquired the assets and assumed the liabilities relating to AmInvestment Bank Berhad's (AmInvestment Bank) conventional/Islamic Fund-Based Activity (including AmInvestment Bank's 100% shareholding interest in AmInternational (L) Ltd, a licensed offshore bank). As the vesting of assets and assumption of liabilities were carried out by entities under common control, the transaction has been accounted for via the pooling of interest method ("Merger"). Under the pooling of interest method, the results of the business transferred from AmInvestment Bank, together with the assets and liabilities are included into the financial statements of the Group and the Bank as if the merger had been effected prior to and throughout the current financial year/period. As the transfer of the conventional Fund-Based Activity to the Bank was effected on 12 April 2008, 26 September 2008 and 1 March 2009, the comparative figures for this current financial period had been restated.

The Group and the Bank had reviewed and changed the presentation of certain balances as follows:

- (a) During the 2nd quarter of financial year 2009, the Group and the Bank had reviewed and changed the presentation of certain incidental expenses which were incurred in the acquisition of housing loans/financing offered under the "Zero Entry cost" package. These expenses which were previously taken up under other operating expenses are now deducted against interest income earned from the said loans/financing.
- (b) Recoveries of expenses charged to subsidiary and other related companies which were previously taken up under Other Operating expenses were reclassified to Other operating income under service transfer pricing income. This classification is to conform with current period presentation which better reflects the nature of the item.

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**A33. Restatement of Comparatives (Contd.)**

The comparative amounts which have been restated are as follows:

	As previously stated RM'000	Effect of change arising from pooling of interest method RM'000	Effect of other reclassification RM'000	As restated RM'000
<b>The Group</b>				
<b>Income Statement for the financial quarter ended 30 June 2008</b>				
Interest Income	926,723	7,656	(3,813)	930,566
Interest Expense	(511,808)	(6,128)	-	(517,936)
Net income from Islamic Banking business	126,144	-	(17)	126,127
Other operating income	43,639	(3,449)	838	41,028
Other operating expenses	(236,443)	(589)	2,992	(234,040)
Allowance for losses on loans, advances and financing	(44,458)	(1,405)	-	(45,863)
Taxation	(67,841)	(5)	-	(67,846)
<b>The Bank</b>				
<b>Income Statement for the financial quarter ended 30 June 2008</b>				
Interest Income	924,980	7,656	(3,813)	928,823
Interest Expense	(510,879)	(6,128)	-	(517,007)
Other operating income	42,193	(3,449)	50,450	89,194
Other operating expenses	(180,528)	(589)	(46,637)	(227,754)
Allowance for losses on loans, advances and financing	(16,782)	(1,405)	-	(18,187)
Taxation	(59,819)	(5)	-	(59,824)