

Company No. 295576-U

**Amlslamic Bank Berhad**

(Company No. 295576-U)

(Incorporated in Malaysia)

**Interim Financial Statements**

**For the Financial Period**

**1 April 2009 to**

**30 June 2009**

(In Ringgit Malaysia)

**Amlslamic Bank Berhad  
(Incorporated in Malaysia)**

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

	Note	30 June 2009 RM'000	31 March 2009 RM'000
<b>ASSETS</b>			
Cash and short-term funds		6,120,736	3,217,910
Securities held-for-trading	A8	274,543	203,863
Securities available-for-sale	A9	537,785	569,295
Derivative financial assets		1,727	1,885
Financing and advances	A10	9,885,608	9,810,477
Other assets		233,606	106,438
Statutory deposit with Bank Negara Malaysia		92,079	86,079
Deferred tax asset		78,931	99,191
Property and equipment		362	393
Intangible assets		519	560
<b>TOTAL ASSETS</b>		<b>17,225,896</b>	<b>14,096,091</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	A11	13,678,722	10,155,070
Deposits and placements of banks and other financial institutions	A12	1,145,635	1,445,052
Derivative financial liabilities		1,725	1,884
Bills and acceptances payable		469,306	612,567
Other liabilities		187,180	196,833
Provision for zakat		1,452	1,130
Subordinated Sukuk Musyarakah		400,000	400,000
Total Liabilities		<b>15,884,020</b>	<b>12,812,536</b>
Share capital		403,038	403,038
Reserves		938,838	880,517
Equity attributable to equity holder of the Bank		<b>1,341,876</b>	<b>1,283,555</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>17,225,896</b>	<b>14,096,091</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A22	<b>4,276,275</b>	<b>4,185,781</b>
<b>NET ASSETS PER ORDINARY SHARE (RM)</b>		<b>3.33</b>	<b>3.18</b>

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

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**UNAUDITED INCOME STATEMENT**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2009**

	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
Income derived from investment of depositors' funds and others	A13	213,019	180,941	213,019	180,941
Income derived from investment of shareholder's funds	A14	32,735	35,144	32,735	35,144
Allowances for losses on financing and advances	A15	(20,981)	(27,707)	(20,981)	(27,707)
Provision for commitments and contingencies		(171)	(13,102)	(171)	(13,102)
Impairment loss		-	(18)	-	(18)
Transfer (to)/from profit equalisation reserve		(2,074)	6,076	(2,074)	6,076
<b>Total distributable income</b>		<b>222,528</b>	<b>181,334</b>	<b>222,528</b>	<b>181,334</b>
Income attributable to the depositors	A16	(80,196)	(91,495)	(80,196)	(91,495)
<b>Total net income</b>		<b>142,332</b>	<b>89,839</b>	<b>142,332</b>	<b>89,839</b>
Other operating expenses	A17	(57,602)	(55,049)	(57,602)	(55,049)
Finance cost		(4,787)	(4,787)	(4,787)	(4,787)
<b>Profit before zakat and taxation</b>		<b>79,943</b>	<b>30,003</b>	<b>79,943</b>	<b>30,003</b>
Zakat		(322)	98	(322)	98
Taxation		(20,785)	(8,000)	(20,785)	(8,000)
<b>Profit after zakat and taxation</b>		<b>58,836</b>	<b>22,101</b>	<b>58,836</b>	<b>22,101</b>
<b>Earnings per share (sen)</b>	A18	<b>14.60</b>	<b>5.48</b>	<b>14.60</b>	<b>5.48</b>

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

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**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2009**

	←-----Attributable to Equity Holder of the Bank----->						Distributable
	←-----Non-distributable----->						
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Merger Reserve RM'000	Available For-Sale Reserve RM'000	Unappropriated Profits RM'000	Total RM'000
<b>At 1 April 2008</b>	403,038	534,068	90,439	317,903	-	90,436	1,435,884
Effects arising from the pooling of interest	-	-	-	(317,903)	-	-	(317,903)
Profit for the period	-	-	-	-	-	22,101	22,101
<b>At 30 June 2008</b>	<b>403,038</b>	<b>534,068</b>	<b>90,439</b>	<b>-</b>	<b>-</b>	<b>112,537</b>	<b>1,140,082</b>
<b>At 1 April 2009</b>	403,038	534,068	168,773	-	8,906	168,770	1,283,555
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	(515)	-	(515)
Profit for the period	-	-	-	-	-	58,836	58,836
<b>At 30 June 2009</b>	<b>403,038</b>	<b>534,068</b>	<b>168,773</b>	<b>-</b>	<b>8,391</b>	<b>227,606</b>	<b>1,341,876</b>

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

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**UNAUDITED CONDENSED CASH FLOW STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2009**

	<b>30 June 2009 RM'000</b>	<b>30 June 2008 RM'000</b>
Profit before zakat and taxation	79,943	30,003
Adjustments for non-cash items	31,805	51,393
Operating profit before working capital changes	<u>111,748</u>	<u>81,396</u>
Changes in working capital:		
Net changes in operating assets	(309,551)	(438,194)
Net changes in operating liabilities	3,069,066	1,054,413
Net cash generated from operating activities	<u>2,871,263</u>	<u>697,615</u>
Net cash generated from/(used in) investing activities	31,563	(314,862)
Net increase in cash and cash equivalents	<u>2,902,826</u>	<u>382,753</u>
Cash and cash equivalents at beginning of the period	<u>3,217,910</u>	<u>1,871,442</u>
Cash and cash equivalents at end of the period	<u><u>6,120,736</u></u>	<u><u>2,254,195</u></u>

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

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

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**A1. Basis of Preparation (continued)**

The specific and general allowances for financing and advances of 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 Bank has adopted a more stringent classification policy on non-performing financing and advances, whereby financing and advances 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 Bank has adopted a more stringent basis for specific allowances on non-performing financing and advances as follows:

- (i) Values assigned to collateral held for non-performing financing and advances 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 financing and advances 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 financing and advances which are in arrears for more than seven (7) years.
- (ii) Specific allowance of 20% is provided on non-performing financing and advances which are four (4) to less than six (6) months-in-arrears.

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**A2. Audit Qualification**

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

**A3. Seasonality or Cyclicalness of Operations**

The operations of the Bank are not materially affected by any 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 the 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.

**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.



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

	<b>30 June 2009 RM'000</b>	<b>31 March 2009 RM'000</b>
<b>At fair value</b>		
Money Market Securities:		
Negotiable Islamic debt certificates	149,793	-
Islamic Khazanah bonds	996	991
	<u>150,789</u>	<u>991</u>
Unquoted securities:		
Private Debt Securities	123,754	202,872
	<u>123,754</u>	<u>202,872</u>
Total securities held-for-trading	<u>274,543</u>	<u>203,863</u>

**A9. Securities Available-for-sale**

	<b>30 June 2009 RM'000</b>	<b>31 March 2009 RM'000</b>
<b>At fair value</b>		
Money Market Securities:		
Malaysian Government Investment Certificates	77,202	36,025
Negotiable Instruments of Deposit	-	29,190
	<u>77,202</u>	<u>65,215</u>
Unquoted securities:		
Private Debt Securities	460,583	504,080
Total securities available-for-sale	<u>537,785</u>	<u>569,295</u>

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**A10. Financing and Advances**

	<b>30 June 2009 RM'000</b>	<b>31 March 2009 RM'000</b>
Cash lines	121,144	125,849
Term financing		
- House financing	711,402	730,830
- Hire-purchase receivables	7,615,440	7,608,606
- Other financing	4,536,569	4,359,119
Cards receivable	307,469	310,594
Bills receivables	2,006	2,103
Trust receipts	20,216	32,385
Claims on customers under acceptance credit	703,288	763,656
Revolving credit	279,529	257,038
Total	<u>14,297,063</u>	<u>14,190,180</u>
Unearned income	<u>(3,300,519)</u>	<u>(3,208,340)</u>
	10,996,544	10,981,840
Less: Islamic financing sold to Cagamas Berhad	<u>(830,431)</u>	<u>(905,803)</u>
Gross financing and advances	10,166,113	10,076,037
Allowances for bad and doubtful financing		
- General	(166,503)	(166,507)
- Specific	(114,002)	(99,053)
Net financing and advances	<u>9,885,608</u>	<u>9,810,477</u>

**A10a. By contract**

	<b>30 June 2009 RM'000</b>	<b>31 March 2009 RM'000</b>
Bai' Bithaman Ajil	1,179,634	1,177,304
Istisna	625	625
Ijarah/Al-Ijarah Thumma Al-Bai'	5,518,438	5,430,924
Musyarakah	7	6
Murabahah	793,254	861,692
Other Islamic contracts	2,674,155	2,605,486
Gross financing and advances	<u>10,166,113</u>	<u>10,076,037</u>

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**A10. Financing and Advances (continued)**

**A10b. By type of customer**

	<b>30 June 2009 RM'000</b>	<b>31 March 2009 RM'000</b>
Domestic non-bank financial institutions	3,143	4,106
Domestic business enterprises		
- Small medium enterprises	970,983	946,981
- Others	1,277,535	1,319,548
Individuals	7,910,187	7,801,361
Foreign entities	4,265	4,041
Gross financing and advances	<u>10,166,113</u>	<u>10,076,037</u>

**A10c. By profit rate sensitivity**

	<b>30 June 2009 RM'000</b>	<b>31 March 2009 RM'000</b>
Fixed rate		
- House financing	373,500	381,353
- Hire purchase receivables	5,518,434	5,430,921
- Other fixed rate financing	4,114,391	4,101,030
Variable rate		
- Base financing rate plus	-	2,013
- Cost plus	159,788	160,720
Gross financing and advances	<u>10,166,113</u>	<u>10,076,037</u>

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**A10. Financing and Advances (continued)**

**A10d. By financing purpose**

	<b>30 June 2009 RM'000</b>	<b>31 March 2009 RM'000</b>
Purchase of securities	5,585	6,319
Purchase of transport vehicles	6,241,844	6,255,482
Purchase of landed property		
- Residential	377,577	383,048
- Non-residential	195,959	213,184
Purchase of fixed assets other than land and building	185,764	161,385
Personal use	2,105,840	2,035,433
Credit card	304,203	309,379
Purchase of consumer durables	146	124
Construction	132,190	109,673
Working capital	1,091,972	1,216,667
Other purposes	355,464	291,146
	<u>10,996,544</u>	<u>10,981,840</u>
Less: Islamic financing sold to Cagamas Berhad	(830,431)	(905,803)
Gross financing and advances	<u>10,166,113</u>	<u>10,076,037</u>

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**A10e(i). Movements in non-performing financing and advances (“NPF”) are as follows:**

	<b>30 June 2009 RM'000</b>	<b>31 March 2009 RM'000</b>
Balance at beginning of period/year	239,637	305,321
Non-performing during the period/year	79,252	186,216
Reclassified as performing	(45,644)	(62,432)
Amount recovered	(9,847)	(27,618)
Amount written off	(15,998)	(161,850)
Balance at end of period/year	<u>247,400</u>	<u>239,637</u>
Less: Specific allowance	(114,002)	(99,053)
Non-performing financing and advances - net	<u>133,398</u>	<u>140,584</u>
Gross financing and advances	10,166,113	10,076,037
Add: Islamic financing sold to Cagamas Berhad	830,431	905,803
	<u>10,996,544</u>	<u>10,981,840</u>
Less: Specific allowance	(114,002)	(99,053)
Net Financing and advances (including Islamic financing sold to Cagamas Berhad)	<u>10,882,542</u>	<u>10,882,787</u>
Ratio of non-performing financing and advances to total financing and advances (including Islamic financing sold to Cagamas Berhad) - net	<u>1.23%</u>	<u>1.29%</u>

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**A10e(ii). Movements in the allowance for bad and doubtful financing accounts are as follows:**

	<b>30 June 2009 RM'000</b>	<b>31 March 2009 RM'000</b>
<b>General Allowance</b>		
Balance at beginning of period/year	166,507	154,953
Allowance (written back)/made during the period/year	(4)	11,554
Balance at end of period/year	<u>166,503</u>	<u>166,507</u>
% of net financing and advances (including Islamic financing sold to Cagamas Berhad)	<u>1.53%</u>	<u>1.53%</u>
<b>Specific Allowance</b>		
Balance at beginning of period/year	<u>99,053</u>	<u>153,436</u>
Allowance made during the period/year	42,508	156,544
Amount written back in respect of recoveries during the period/year	<u>(11,717)</u>	<u>(48,145)</u>
Net charge to income statement	30,791	108,399
Amount written off	<u>(15,842)</u>	<u>(162,782)</u>
Balance at end of period/year	<u>114,002</u>	<u>99,053</u>

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**A10f. Non-performing financing and advances by purpose**

	<b>30 June 2009 RM'000</b>	<b>31 March 2009 RM'000</b>
Purchase of securities	551	626
Purchase of transport vehicles	127,325	120,821
Purchase of landed property		
- Residential	54,810	58,008
- Non-residential	13,698	14,277
Purchase of fixed assets other than land and building	2,303	2,312
Personal use	514	496
Credit card	13,874	11,095
Construction	7	6
Working capital	30,562	30,747
Other purposes	3,756	1,249
	<b>247,400</b>	<b>239,637</b>

**A11. Deposits from Customers**

	<b>30 June 2009 RM'000</b>	<b>31 March 2009 RM'000</b>
(i) <u>By type of deposit:</u>		
<u>Non-Mudharabah</u>		
Demand deposits	1,169,090	645,865
Savings deposits	987,695	945,950
Negotiable instruments of deposits	302,192	266,985
	<b>2,458,977</b>	<b>1,858,800</b>
<u>Mudharabah</u>		
General/Special investment deposits	11,175,545	8,251,420
Others	44,200	44,850
	<b>11,219,745</b>	<b>8,296,270</b>
	<b>13,678,722</b>	<b>10,155,070</b>
(ii) <u>By type of customers:</u>		
Government and other statutory bodies	5,471,979	2,914,914
Business enterprises	5,904,880	4,765,935
Individuals	1,988,472	1,957,159
Others	313,391	517,062
	<b>13,678,722</b>	<b>10,155,070</b>

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**A12. Deposits and Placements of Banks and Other Financial Institutions**

	<b>30 June 2009 RM'000</b>	<b>31 March 2009 RM'000</b>
<u>Non-Mudharabah</u>		
Licensed Islamic banks	296,834	413,974
Licensed banks	149,790	198,259
Licensed investment banks	116,309	202,031
Other financial institutions	51,449	61,731
Bank Negara Malaysia	3,276	3,429
	<u>617,658</u>	<u>879,424</u>
<u>Mudharabah</u>		
Licensed investment banks	1,822	-
Other financial institutions	526,155	565,628
	<u>527,977</u>	<u>565,628</u>
	<u>1,145,635</u>	<u>1,445,052</u>

**A13. Income Derived From Investment of Depositors' Funds and Others**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30 June 2009 RM'000</b>	<b>30 June 2008 RM'000</b>	<b>30 June 2009 RM'000</b>	<b>30 June 2008 RM'000</b>
Income derived from investment of:				
- General investment deposits	141,111	94,750	141,111	94,750
- Other deposits	71,908	86,191	71,908	86,191
	<u>213,019</u>	<u>180,941</u>	<u>213,019</u>	<u>180,941</u>



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**A13. Income Derived From Investment of Depositors' Funds and Others (continued)**

	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<b>Income derived from investment of general investment deposits</b>				
<u>Finance income and hibah:</u>				
Financing and advances	121,234	84,749	121,234	84,749
Securities held-for-trading	1,556	977	1,556	977
Money at call and deposits with financial institutions	11,601	8,078	11,601	8,078
	<u>134,391</u>	<u>93,804</u>	<u>134,391</u>	<u>93,804</u>
Accretion of discount less amortisation of premium - net	34	423	34	423
	<u>134,425</u>	<u>94,227</u>	<u>134,425</u>	<u>94,227</u>
<u>Fee and commission income:</u>				
Commission	1,283	836	1,283	836
Other fee income	5,341	4,784	5,341	4,784
	<u>6,624</u>	<u>5,620</u>	<u>6,624</u>	<u>5,620</u>
<u>Gain arising from sale of securities:</u>				
Net gain from sale of securities held-for-trading	487	563	487	563
Net gain from sale of securities available-for-sale	-	5	-	5
	<u>487</u>	<u>568</u>	<u>487</u>	<u>568</u>
<u>Others:</u>				
Loss on revaluation of securities held-for-trading	(408)	(5,680)	(408)	(5,680)
Others	(17)	15	(17)	15
	<u>(425)</u>	<u>(5,665)</u>	<u>(425)</u>	<u>(5,665)</u>
<b>Total</b>	<b><u>141,111</u></b>	<b><u>94,750</u></b>	<b><u>141,111</u></b>	<b><u>94,750</u></b>

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**A13. Income Derived From Investment of Depositors' Funds and Others (continued)**

	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>Income derived from investment of other deposits</b>				
<u>Finance income and hibah:</u>				
Financing and advances	61,780	77,093	61,780	77,093
Securities held-for-trading	793	889	793	889
Money at call and deposits with financial institutions	5,912	7,348	5,912	7,348
	<u>68,485</u>	<u>85,330</u>	<u>68,485</u>	<u>85,330</u>
Accretion of discount less amortisation of premium - net	17	384	17	384
	<u>68,502</u>	<u>85,714</u>	<u>68,502</u>	<u>85,714</u>
<u>Fee and commission income:</u>				
Commission	653	760	653	760
Other fee income	2,722	4,352	2,722	4,352
	<u>3,375</u>	<u>5,112</u>	<u>3,375</u>	<u>5,112</u>
<u>Gain arising from sale of securities:</u>				
Net gain from sale of securities held-for-trading	248	512	248	512
Net gain from sale of securities available-for-sale	-	6	-	6
	<u>248</u>	<u>518</u>	<u>248</u>	<u>518</u>
<u>Others:</u>				
Loss on revaluation of securities held-for-trading	(207)	(5,167)	(207)	(5,167)
Others	(10)	14	(10)	14
	<u>(217)</u>	<u>(5,153)</u>	<u>(217)</u>	<u>(5,153)</u>
<b>Total</b>	<b><u>71,908</u></b>	<b><u>86,191</u></b>	<b><u>71,908</u></b>	<b><u>86,191</u></b>

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**A14. Income Derived From Investment of Shareholder's Funds**

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<u>Finance income and hibah:</u>				
Financing and advances	22,492	31,434	22,492	31,434
Securities held-for-trading	289	363	289	363
Securities available-for-sale	5,824	-	5,824	-
Money at call and deposits with financial institutions	1,786	2,996	1,786	2,996
	<u>30,391</u>	<u>34,793</u>	<u>30,391</u>	<u>34,793</u>
Amortisation of premium less accretion of discount - net	(254)	157	(254)	157
	<u>30,137</u>	<u>34,950</u>	<u>30,137</u>	<u>34,950</u>
<u>Fee and commission income:</u>				
Commission	242	310	242	310
Other fee income	966	1,774	966	1,774
	<u>1,208</u>	<u>2,084</u>	<u>1,208</u>	<u>2,084</u>
<u>Gain arising from sale of securities:</u>				
Net gain from sale of securities held-for-trading	95	209	95	209
Net gain from sale of securities available-for-sale	1,350	2	1,350	2
	<u>1,445</u>	<u>211</u>	<u>1,445</u>	<u>211</u>
<u>Others:</u>				
Loss on revaluation of securities held-for-trading	(51)	(2,107)	(51)	(2,107)
Others	(4)	6	(4)	6
	<u>(55)</u>	<u>(2,101)</u>	<u>(55)</u>	<u>(2,101)</u>
<b>Total</b>	<b><u>32,735</u></b>	<b><u>35,144</u></b>	<b><u>32,735</u></b>	<b><u>35,144</u></b>

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**A15. Allowances for Losses on Financing and Advances**

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
Allowance for bad and doubtful financing:				
Specific allowance				
- made in the financial period/year	42,508	40,909	42,508	40,909
- written back	(11,717)	(13,007)	(11,717)	(13,007)
General allowance	(4)	5,688	(4)	5,688
Bad debts and financing recovered - net	(9,806)	(5,883)	(9,806)	(5,883)
	<u>20,981</u>	<u>27,707</u>	<u>20,981</u>	<u>27,707</u>

**A16. Income Attributable to The Depositors**

	Individual Quarter		Cumulative Quarter	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
Deposit from customers				
- Mudharabah fund	54,432	49,168	54,432	49,168
- Non-Mudharabah fund	6,715	7,219	6,715	7,219
	<u>61,147</u>	<u>56,387</u>	<u>61,147</u>	<u>56,387</u>
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	2,445	3,045	2,445	3,045
- Non-Mudharabah fund	6,613	10,656	6,613	10,656
	<u>9,058</u>	<u>13,701</u>	<u>9,058</u>	<u>13,701</u>
Others	<u>9,991</u>	<u>21,407</u>	<u>9,991</u>	<u>21,407</u>
	<u>80,196</u>	<u>91,495</u>	<u>80,196</u>	<u>91,495</u>

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**A17. 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
Personnel costs				
– Salaries, allowances and bonuses	1,007	1,358	1,007	1,358
– Others	281	261	281	261
Establishment costs				
– Depreciation	34	31	34	31
– Amortisation of intangible assets	40	36	40	36
– Rental	163	236	163	236
– Cleaning, maintenance and security	5	7	5	7
– Computerisation cost	2	2	2	2
– Others	4	27	4	27
Marketing and communication expenses				
– Communication	299	612	299	612
– Advertising and marketing	1,214	1,115	1,214	1,115
– Others	16	26	16	26
Administration and general expenses				
– Professional services	490	611	490	611
– Others	340	56	340	56
Service transfer pricing expense	53,707	50,671	53,707	50,671
	<u>57,602</u>	<u>55,049</u>	<u>57,602</u>	<u>55,049</u>

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**A18. Earnings Per Share (EPS)**

**Basic/Diluted**

Basic earnings per share is calculated by dividing the net profit for the financial period attributable to shareholder of the Bank by the weighted average number of ordinary shares in issue during the financial period.

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 period.

	Individual Quarter		Cumulative Quarter	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
Net profit attributable to shareholder of the Bank (RM'000)	58,836	22,101	58,836	22,101
Number of ordinary shares at beginning of period representing weighted average number of ordinary shares in issue ('000)	403,038	403,038	403,038	403,038
Basic/Diluted earnings per share (sen)	<b>14.60</b>	<b>5.48</b>	<b>14.60</b>	<b>5.48</b>

**A19a. Performance Review for the Quarter ended 30 June 2009**

The Bank recorded a Profit before zakat and taxation ("Pre-tax profit") of RM79.9 million for the quarter ended 30 June 2009 compared to RM30.0 million for the corresponding quarter in the previous year.

The increase in Pre-tax profit is mainly attributable to higher profit/dividend income, lower income attributable to the depositors, lower financing loss allowance as well as lower provision for commitments and contingencies. These were partially mitigated by profit equalisation reserve charge and higher operating expenses in tandem with the expanding business operations.

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**A19a. Performance Review for the Quarter ended 30 June 2009 (continued)**

Increase in profit/dividend income was driven by growth in financing and advances since June 2008. The Bank's core business of providing fixed rate financing and advances under the Islamic principle had to a certain extent cushioned the negative impact of the 3 recent cuts in overnight policy rate by BNM from 3.5% to 2.0%. Lower income attributable to the depositors were consistent with the reduction in overnight policy rate and lower allowance on financing is due to enhanced credit control and continued intensive recovery effort.

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

**A19b. 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 as 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.

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**A19b. Prospects for 31 March 2010 (continued)**

The 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.

**A20. Valuation of Property and Equipment**

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

**A21. Events Subsequent To Balance Sheet Date**

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



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**A22. Commitments and Contingencies**

In the normal course of business, the Bank makes various commitments and incurs 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 Bank's assets.

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

	30 June 2009			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	210,853	210,853	210,853	168,092	168,092	168,092
Certain transaction-related contingent items	190,472	95,236	95,736	182,317	91,159	91,659
Irrevocable commitments to extend credit:						
- maturing less than one year	1,662,986	-	-	1,508,291	-	-
- maturing more than one year	278,743	10,383	7,514	259,804	10,433	24,083
Unutilised credit card lines	505,548	101,110	75,570	505,845	101,169	75,602
Short-term self-liquidating						
trade-related contingencies	79,286	15,857	15,857	55,734	11,147	11,147
Sell and buy back agreements	113,967	513	513	155,560	212	206
Obligations under underwriting agreements	399,000	-	-	399,000	199,500	199,500
Islamic financing sold to Cagamas						
Berhad with recourse	782,297	782,297	591,319	874,067	874,067	663,997
Equity options	44,300	-	-	44,494	-	-
Others	8,823	-	-	32,577	-	-
	<b>4,276,275</b>	<b>1,216,249</b>	<b>997,362</b>	<b>4,185,781</b>	<b>1,455,779</b>	<b>1,234,286</b>

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

**A23. 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. The Bank's involvement in financial derivatives is limited to options.

As part of the asset and liability exposure management, the Bank uses derivatives to manage the Bank's market risk exposure. As the value of these financial derivatives are principally driven by interest rate and foreign rate factors, the Bank uses them to reduce the overall interest rate and foreign exchange rate exposures of the Bank. 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 Bank. The Bank 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 Bank.

**Risk associated with financial derivatives**

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

**Derivative Financial Instruments and Hedge Accounting**

Derivative financial instruments are measured at fair value and are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gain or loss arising from the change in the fair value of the derivative instrument is recognised in the income statement unless they are part of a hedging relationship which qualifies for hedge accounting where the gain or loss is recognised as follows:

(i) Fair value hedge

Where a derivative financial instrument hedges the changes in fair value of a recognised asset or liability, any gain or loss on the hedging instruments is recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

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**A23. Risk Management Policy on Financial Derivatives (continued)**

(ii) Cash flow hedge

Gains and losses on the hedging instruments, to the extent that the hedge is effective, are deferred in the separate component of equity. The ineffective part of any gain or loss is recognised in the income statement. The deferred gains and losses are then released to the income statement in the periods when the hedged item affects the income statement.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

**A24. Capital Adequacy**

(a) The capital adequacy ratios of the Bank as at the following dates:

	<b>30 June 2009</b>	<b>31 March 2009</b>
Core capital ratio	11.01%	11.22%
Risk-weighted capital ratio	16.32%	16.65%

With effect from 1 January 2008, the capital adequacy ratios of the Bank 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. The Bank has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.

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**A24. Capital Adequacy (continued)**

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

	<b>30 June 2009 RM'000</b>	<b>31 March 2009 RM'000</b>
<u>Tier I capital</u>		
Paid-up ordinary share capital	403,038	403,038
Share premium	534,068	534,068
Statutory reserve	168,773	168,773
Unappropriated profits	168,770	168,770
	<u>1,274,649</u>	<u>1,274,649</u>
Less: Deferred tax asset	(102,161)	(102,161)
Total Tier I capital	<u>1,172,488</u>	<u>1,172,488</u>
<u>Tier II capital</u>		
Subordinated Sukuk Musyarakah	400,000	400,000
General allowances for bad and doubtful debts and financing	166,503	166,507
	<u>566,503</u>	<u>566,507</u>
Capital base	<u>1,738,991</u>	<u>1,738,995</u>

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

	<b>30 June 2009 RM'000</b>	<b>31 March 2009 RM'000</b>
Credit risk	9,465,498	9,279,536
Market risk	209,379	237,786
Operational risk	978,896	929,719
Total risk-weighted assets	<u>10,653,773</u>	<u>10,447,041</u>

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**A25.** The following table shows the profit rate sensitivity gap, by time bands, on which profit rates of instruments are next repriced on a contractual basis or, if earlier, the dates on which the instruments mature.

30 June 2009

	←-----Non-Trading Book----->						Non-profit sensitive	Trading Book	Total	Effective profit rate
	Up to 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	1 to 5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>ASSETS</b>										
Cash and short-term funds	6,113,140	-	-	-	-	-	7,596	-	6,120,736	1.96
Securities held-for-trading	-	-	-	-	-	-	-	274,543	274,543	4.32
Securities available-for-sale	9,202	-	21,612	35,511	294,859	176,601	-	-	537,785	4.22
Derivative financial assets	-	-	-	-	-	-	1,727	-	1,727	-
Financing and advances										
– Performing	738,301	81,210	193,179	189,341	2,418,161	6,298,521	-	-	9,918,713	7.91
– Non-performing *	-	-	-	-	-	-	(33,105)	-	(33,105)	-
Other non-profit sensitive balances	-	-	-	-	-	-	405,497	-	405,497	-
<b>TOTAL ASSETS</b>	<b>6,860,643</b>	<b>81,210</b>	<b>214,791</b>	<b>224,852</b>	<b>2,713,020</b>	<b>6,475,122</b>	<b>381,715</b>	<b>274,543</b>	<b>17,225,896</b>	
<b>LIABILITIES AND EQUITY</b>										
Deposits from customers	8,499,786	2,038,342	1,017,042	585,358	369,105	-	1,169,089	-	13,678,722	2.19
Deposits and placements of banks and other financial institutions	481,561	281,776	23,710	163,907	189,481	-	5,200	-	1,145,635	2.97
Derivative financial liabilities	-	-	-	-	-	-	1,725	-	1,725	-
Bills and acceptances payable	209,667	252,111	7,528	-	-	-	-	-	469,306	2.00
Subordinated Sukuk Musyarakah	-	-	-	-	400,000	-	-	-	400,000	4.80
Other non-profit sensitive balances	-	-	-	-	-	-	188,632	-	188,632	-
Total Liabilities	9,191,014	2,572,229	1,048,280	749,265	958,586	-	1,364,646	-	15,884,020	
Equity attributable to equity holder of the Bank	-	-	-	-	-	-	1,341,876	-	1,341,876	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>9,191,014</b>	<b>2,572,229</b>	<b>1,048,280</b>	<b>749,265</b>	<b>958,586</b>	<b>-</b>	<b>2,706,522</b>	<b>-</b>	<b>17,225,896</b>	
On-balance sheet profit sensitivity gap	(2,330,371)	(2,491,019)	(833,489)	(524,413)	1,754,434	6,475,122	(2,324,807)	274,543	-	
Off-balance sheet profit sensitivity gap	-	-	-	-	-	-	-	-	-	
Total profit sensitivity gap	(2,330,371)	(2,491,019)	(833,489)	(524,413)	1,754,434	6,475,122	(2,324,807)	274,543	-	

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**A25.** The following table shows the profit rate sensitivity gap, by time bands, on which profit rates of instruments are next repriced on a contractual basis or, if earlier, the dates on which the instruments mature (continued).

31 March 2009

	<-----Non-Trading Book----->						Non-profit sensitive	Trading Book	Total	Effective profit rate
	Up to 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	1 to 5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>ASSETS</b>										
Cash and short-term funds	3,210,100	-	-	-	-	-	7,810	-	3,217,910	2.08
Securities held-for-trading	-	-	-	-	-	-	-	203,863	203,863	4.62
Securities available-for-sale	-	7,384	9,286	31,760	336,935	183,930	-	-	569,295	2.22
Derivative financial assets	-	-	-	-	-	-	1,885	-	1,885	-
Financing and advances										
– Performing	762,591	440,423	(245,620)	86,593	2,019,866	6,772,547	-	-	9,836,400	7.88
– Non-performing *	-	-	-	-	-	-	(25,923)	-	(25,923)	-
Other non-profit sensitive balances	-	-	-	-	-	-	292,661	-	292,661	-
<b>TOTAL ASSETS</b>	<b>3,972,691</b>	<b>447,807</b>	<b>(236,334)</b>	<b>118,353</b>	<b>2,356,801</b>	<b>6,956,477</b>	<b>276,433</b>	<b>203,863</b>	<b>14,096,091</b>	
<b>LIABILITIES AND EQUITY</b>										
Deposits from customers	5,000,098	2,294,215	1,239,990	525,255	449,647	-	645,865	-	10,155,070	2.58
Deposits and placements of banks and other financial institutions	512,025	296,164	272,374	166,528	192,778	-	5,183	-	1,445,052	3.25
Derivative financial liabilities	-	-	-	-	-	-	1,884	-	1,884	-
Bills and acceptances payable	220,903	281,824	109,840	-	-	-	-	-	612,567	2.00
Subordinated Sukuk Musyarakah	-	-	-	-	400,000	-	-	-	400,000	4.80
Other non-profit sensitive balances	-	-	-	-	-	-	197,963	-	197,963	-
Total Liabilities	5,733,026	2,872,203	1,622,204	691,783	1,042,425	-	850,895	-	12,812,536	
Equity attributable to equity holder of the Bank	-	-	-	-	-	-	1,283,555	-	1,283,555	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5,733,026</b>	<b>2,872,203</b>	<b>1,622,204</b>	<b>691,783</b>	<b>1,042,425</b>	<b>-</b>	<b>2,134,450</b>	<b>-</b>	<b>14,096,091</b>	
On-balance sheet profit sensitivity gap	(1,760,335)	(2,424,396)	(1,858,538)	(573,430)	1,314,376	6,956,477	(1,858,017)	203,863	-	
Off-balance sheet profit sensitivity gap	-	-	-	-	-	-	-	-	-	
Total profit sensitivity gap	(1,760,335)	(2,424,396)	(1,858,538)	(573,430)	1,314,376	6,956,477	(1,858,017)	203,863	-	

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

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**A26. Restatement Of Comparatives**

During the 2nd quarter of financial year 2009, the Bank had reviewed and changed the presentation of certain incidental expenses which were incurred in the acquisition of house 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 financing.

Accordingly, the comparative amounts which have been reclassified are as follows:

	<b>As previously stated RM'000</b>	<b>Effect of reclassification RM'000</b>	<b>As restated RM'000</b>
<b>Income Statement for the financial quarter ended 30 June 2008</b>			
Income derived from investment of depositors' funds and others	180,958	(17)	180,941
Other operating expenses	(55,066)	17	(55,049)