

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 September 2009**  
(In Ringgit Malaysia)

Company No. 8515–D

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

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

	Note	The Group		The Bank	
		30 September 2009 RM'000	31 March 2009 RM'000	30 September 2009 RM'000	31 March 2009 RM'000
<b>ASSETS</b>					
Cash and short-term funds		12,244,524	17,106,447	8,397,202	13,634,119
Deposits and placements with banks and other financial institutions		2,922,361	421,050	2,484,057	427,143
Securities purchased under resale agreements		24,413	-	24,413	-
Securities held-for-trading	A8	2,550,711	1,387,411	2,158,469	1,183,549
Securities available-for-sale	A9	5,657,972	5,598,484	5,513,105	5,053,563
Securities held-to-maturity	A10	650,299	753,359	611,502	710,798
Derivative financial assets		367,951	477,132	363,541	475,247
Loans, advances and financing	A11	60,165,311	56,739,792	49,068,026	46,899,886
Other assets	A12	974,695	754,038	998,577	649,967
Statutory deposit with Bank Negara Malaysia	A13	129,551	517,578	107,472	431,499
Deferred tax asset		246,328	344,230	185,239	241,639
Investment in subsidiaries		-	-	849,870	849,870
Investment in associates		919	805	137	137
Prepaid land lease payments		3,863	4,051	2,820	2,860
Property and equipment		195,964	171,196	171,442	146,088
Intangible assets		70,710	66,407	70,230	65,846
<b>TOTAL ASSETS</b>		<b>86,205,572</b>	<b>84,341,980</b>	<b>71,006,102</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.

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

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

	Note	The Group		The Bank	
		30 September 2009 RM'000	31 March 2009 RM'000	30 September 2009 RM'000	31 March 2009 RM'000
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	A14	65,712,492	63,947,135	53,009,735	53,199,845
Deposits and placements of banks and other financial institutions	A15	6,903,162	7,641,406	6,083,055	6,645,325
Derivative financial liabilities		445,780	565,483	441,376	563,600
Obligations on securities sold under repurchase agreements		24,732	-	24,732	-
Bills and acceptances payable		1,738,479	2,120,249	1,275,144	1,507,680
Recourse obligation on loans sold to Cagamas Berhad		145,324	155,037	145,324	155,037
Other liabilities	A16	1,684,926	1,384,242	1,501,236	1,186,739
Subordinated term loan		-	-	766,784	825,853
Hybrid securities		766,784	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 and Revolving credit		242,235	145,820	242,235	145,820
Capital Securities		985,000	500,000	985,000	500,000
Irredeemable Non-Cumulative Convertible Preference shares		150,000	150,000	150,000	150,000
<b>TOTAL LIABILITIES</b>		<b>81,233,914</b>	<b>79,870,225</b>	<b>66,659,621</b>	<b>66,914,899</b>
Share capital		670,364	670,364	670,364	670,364
Reserves		4,301,272	3,801,363	3,676,117	3,186,948
Equity attributable to equity holder of the Bank		4,971,636	4,471,727	4,346,481	3,857,312
Minority Interests		22	28	-	-
Total Equity		4,971,658	4,471,755	4,346,481	3,857,312
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>86,205,572</b>	<b>84,341,980</b>	<b>71,006,102</b>	<b>70,772,211</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A31	<b>58,496,017</b>	<b>49,211,943</b>	<b>54,364,200</b>	<b>45,031,062</b>
<b>NET ASSETS PER SHARE (RM)</b>		<b>7.42</b>	<b>6.67</b>	<b>6.48</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 FINANCIAL HALF-YEAR ENDED 30 SEPTEMBER 2009**

**The Group**

	Note	Individual Quarter		Cumulative Quarter	
		30 September 2009 RM'000	30 September 2008 RM'000 (restated)	30 September 2009 RM'000	30 September 2008 RM'000 (restated)
Revenue		1,257,633	1,176,624	2,496,228	2,364,753
Interest income	A17	876,928	954,865	1,743,168	1,885,431
Interest expense	A18	(444,460)	(509,151)	(902,045)	(1,027,087)
Net interest income		432,468	445,714	841,123	858,344
Net income from Islamic Banking business	A19	167,278	148,445	326,233	274,572
Other operating income	A20	122,225	(29,651)	248,561	11,377
Share in results of associates		37	(9)	114	43
Net income		722,008	564,499	1,416,031	1,144,336
Other operating expenses	A21	(272,301)	(230,594)	(550,033)	(464,634)
Operating profit		449,707	333,905	865,998	679,702
Allowance for losses on loans, advances and financing	A22	(146,162)	(38,010)	(287,114)	(83,873)
Provision for commitments and contingencies		8,231	(1,410)	7,863	(14,842)
Impairment loss	A23	(32,644)	(8,085)	(72,308)	(35,308)
Profit before zakat and taxation		279,132	286,400	514,439	545,679
Zakat		(497)	(127)	(819)	(29)
Taxation	A24	(77,131)	(77,757)	(139,303)	(145,603)
Profit after zakat and taxation		201,504	208,516	374,317	400,047
Attributable to:					
Equity holder of the Bank		201,507	208,518	374,323	400,052
Minority interests		(3)	(2)	(6)	(5)
Profit after zakat and taxation		201,504	208,516	374,317	400,047
<b>Earnings per share (sen)</b>	A25				
Basic		30.06	31.11	55.84	59.79
Fully diluted		24.56	25.42	45.63	48.86

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 CONSOLIDATED INCOME STATEMENTS (CONTD.)**  
**FOR THE FINANCIAL HALF-YEAR ENDED 30 SEPTEMBER 2009**

**The Bank**

	Note	Individual Quarter		Cumulative Quarter	
		30 September 2009 RM'000	30 September 2008 RM'000 (restated)	30 September 2009 RM'000	30 September 2008 RM'000 (restated)
Revenue		1,187,974	970,095	2,232,464	1,988,112
Interest income	A17	874,777	952,852	1,740,711	1,881,675
Interest expense	A18	(445,190)	(508,209)	(903,585)	(1,025,216)
Net interest income		429,587	444,643	837,126	856,459
Other operating income	A20	313,197	17,243	491,753	106,437
Net income		742,784	461,886	1,328,879	962,896
Other operating expenses	A21	(267,957)	(225,266)	(540,662)	(453,020)
Operating profit		474,827	236,620	788,217	509,876
Allowance for losses on loans, advances and financing	A22	(122,592)	(16,209)	(237,338)	(34,396)
Provision for commitments and contingencies		(4,810)	334	(5,007)	4
Impairment loss	A23	(28,343)	(8,084)	(68,007)	(42,265)
Profit before taxation		319,082	212,661	477,865	433,219
Taxation	A24	(86,813)	(58,665)	(128,102)	(118,489)
Profit after taxation		232,269	153,996	349,763	314,730
<b>Earnings per share (sen)</b>	A25				
Basic		34.65	22.97	52.18	47.06
Fully diluted		28.31	18.77	42.64	38.46

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 FINANCIAL HALF-YEAR ENDED 30 SEPTEMBER 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	-	-	-	-	(1,982,256)	-	-	-	17,961	-	(1,964,295)
Conversion of Irredeemable Convertible Unsecured Loan Stocks	60,000	(200,792)	232,184	-	-	-	-	-	-	-	91,392
Net change in revaluation of securities available-for-sale	-	-	-	-	-	-	(154,452)	-	-	-	(154,452)
Exchange fluctuation adjustments	-	-	-	-	-	-	-	6,390	-	-	6,390
Profit/(loss) for the period	-	-	-	-	-	-	-	-	400,052	(5)	400,047
<b>Balance as at 30 September 2008</b>	<b>670,364</b>	<b>-</b>	<b>942,844</b>	<b>770,898</b>	<b>331,145</b>	<b>377,492</b>	<b>(156,542)</b>	<b>6,390</b>	<b>1,153,073</b>	<b>36</b>	<b>4,095,700</b>

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CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL HALF-YEAR ENDED 30 SEPTEMBER 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 1 April 2009	670,364	942,844	849,232	397,566	377,492	(44,099)	(79,581)	1,357,909	28	4,471,755
Net change in revaluation of securities available- for-sale	-	-	-	-	-	81,280	-	-	-	81,280
Exchange fluctuation adjustments	-	-	-	-	-	-	(5,430)	-	-	(5,430)
Net change in cash flow hedges	-	-	-	-	-	-	49,736	-	-	49,736
Profit/(loss) for the period	-	-	-	-	-	-	-	374,323	(6)	374,317
Transfer to statutory reserve	-	-	62,118	-	-	-	-	(62,118)	-	-
<b>Balance as at 30 September 2009</b>	<b>670,364</b>	<b>942,844</b>	<b>911,350</b>	<b>397,566</b>	<b>377,492</b>	<b>37,181</b>	<b>(35,275)</b>	<b>1,670,114</b>	<b>22</b>	<b>4,971,658</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  
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CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL HALF-YEAR ENDED 30 SEPTEMBER 2009

The Bank	Attributable to Equity Holder of the Bank							Distributable Unappropriated Profits RM'000	Total Equity RM'000
	Non-distributable					Available For-Sale Reserve RM'000	Exchange Fluctuation Reserve RM'000		
	Share Capital RM'000	ICULS (equity component) RM'000	Share Premium RM'000	Statutory Reserve RM'000	Merger Reserve 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	-	-	-	-	(1,664,354)	-	-	17,961	(1,646,393)
Conversion of Irredeemable Convertible Unsecured Loan Stocks	60,000	(200,792)	232,184	-	-	-	-	-	91,392
Net change in revaluation of securities available for sale	-	-	-	-	-	(154,437)	-	-	(154,437)
Exchange fluctuation adjustments	-	-	-	-	-	-	(5)	-	(5)
Profit for the period	-	-	-	-	-	-	-	314,730	314,730
<b>Balance as at 30 September 2008</b>	<b>670,364</b>	<b>-</b>	<b>942,844</b>	<b>680,459</b>	<b>(66,421)</b>	<b>(156,527)</b>	<b>(5)</b>	<b>1,535,199</b>	<b>3,605,913</b>



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CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL HALF-YEAR ENDED 30 SEPTEMBER 2009

	←----- Attributable to Equity Holder of the Bank ----->						Distributable Unappropriated Profits RM'000	Total Equity RM'000
	Non-distributable							
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Available For-Sale Reserve RM'000	Other Reserves 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	
Net change in revaluation of securities available-for-sale	-	-	-	89,454	-		89,454	
Exchange fluctuation adjustments	-	-	-	-	216		216	
Net change in cash flow hedges	-	-	-	-	49,736		49,736	
Profit for the period	-	-	-	-	-	349,763	349,763	
<b>Balance as at 30 September 2009</b>	<b>670,364</b>	<b>942,844</b>	<b>680,459</b>	<b>36,479</b>	<b>(41,721)</b>	<b>2,058,056</b>	<b>4,346,481</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)  
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**UNAUDITED CONDENSED CASH FLOW STATEMENTS  
FOR THE FINANCIAL HALF-YEAR ENDED 30 SEPTEMBER 2009**

	The Group		The Bank	
	30 September 2009 RM'000	30 September 2008 RM'000 (restated)	30 September 2009 RM'000	30 September 2008 RM'000 (restated)
Profit before zakat and taxation	514,439	545,679	477,865	433,219
Adjustments for non-cash items	489,746	634,609	293,738	565,440
Operating profit before working capital changes	1,004,185	1,180,288	771,603	998,659
Changes in working capital:				
Net changes in operating assets	(7,407,646)	1,486,804	(5,538,962)	2,441,731
Net changes in operating liabilities	1,006,077	1,138,693	(616,680)	(698,549)
Tax (paid)/refunded	(224)	(125)	-	(10)
Net cash (used in)/generated from operating activities	(5,397,608)	3,805,660	(5,384,039)	2,741,831
Net cash generated from/(used in) investing activities	50,685	(4,220,101)	(337,878)	(3,774,511)
Net cash generated from/(used in) financing activities	485,000	(60,000)	485,000	(60,000)
Net decrease in cash and cash equivalents	(4,861,923)	(474,441)	(5,236,917)	(1,092,680)
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	12,244,524	10,297,229	8,397,202	7,272,933

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)  
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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

(a) issuance of revised Standards, amendments to Financial Reporting Standards ("FRSs"), together with the issuance of new Interpretations and Technical release as follows:

FRS 123	Borrowing costs
FRS 101	Presentation of Financial Statements
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
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139	Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosure and IC Interpretation 9 Reassessment of Embedded Derivatives
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)".	
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

(b) withdrawal of FRS *i- 1* <sub>2004</sub> for Presentation of Financial Statements of Islamic Financial Institutions for application for financial statements with annual periods beginning on or after 1 January 2010.

(c) issuance of TR *i- 3* Presentation of Financial statements of Islamic Financial Institution and SOP *i- 1* Financial Reporting from an Islamic Perspective.

The Group and the Bank has not early adopted the above revised FRS, 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 A37.

**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 and period.

**A4. Unusual Items**

There were no unusual items during the current financial quarter and period.

**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 period ended 30 September 2009.

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

On 18 August 2009, the Bank issued up to RM300 million Innovative Tier I Capital Securities under its RM500 million Innovative Tier I Capital Securities ("ITICS") Programme. The ITICS bears a fixed interest (non-cumulative) rate at issuance date (interest rate is 8.25% per annum for the first tranche issued) and step up 100 basis points after the First Call Date (10 years after issuance date) and interest is payable semi annually in arrears. The maturity date of the first tranche is 30 years from the issue date. The ITICS facility is for a tenor of 60 years from the First Issue date and has a principal stock settlement mechanism to redeem the ITICS via cash through the issuance of the Bank's ordinary shares. Upon BNM's approval, the Bank may redeem in whole but not in part the relevant tranche of the ITICS at any time on the 10th anniversary of the issue date of that tranche or on any interest payment date thereafter. The proceeds from the ITICS is for the Bank's working capital purposes. The issuance has been approved by the Securities Commission and BNM via their approval letters dated 24 June 2009 and 8 July 2009 respectively. A long term rating of A3 has been assigned to the ITICS by Rating Agency Malaysia Berhad. The ITICS rank pari passu with other Tier I securities and the most junior class of preference shares but above ordinary shares.

On 30 September 2009, the Bank issued an additional RM185 million ITICS under the RM500 million ITICS Programme. This maturity date of the second tranche is 30 years from the issue date and bears interest at 8.25% per annum, payable semi-annually. The Bank may redeem the tranche at any time on the 10th anniversary of the issue date of that tranche or on any interest payment date thereafter.

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

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 and period.

**A7. Dividends Paid**

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

**AmBank (M) Berhad  
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**A8. Securities Held-for-trading**

	The Group		The Bank	
	30 September 2009 RM'000	31 March 2009 RM'000	30 September 2009 RM'000	31 March 2009 RM'000
<b>At fair value</b>				
Money Market Securities:				
Treasury bills	24,689	-	24,689	-
Islamic Treasury bills	706	-	-	-
Malaysian Government Securities	793,895	999,652	793,895	999,652
Malaysian Government Investment Certificates	306,847	4,065	180,375	4,065
Islamic Khazanah bonds	3,460	991	-	-
Negotiable Islamic debt certificate	49,984	-	-	-
Bank Negara Malaysia Monetary Notes	563,210	-	365,965	-
	<u>1,742,791</u>	<u>1,004,708</u>	<u>1,364,924</u>	<u>1,003,717</u>
<u>Quoted Securities</u>				
In Malaysia:				
Shares and Unit Trusts	50,524	20,294	50,524	20,294
Warrants	5,705	-	5,705	-
	<u>56,229</u>	<u>20,294</u>	<u>56,229</u>	<u>20,294</u>
<u>Unquoted Securities</u>				
In Malaysia:				
Private debt securities	739,371	347,004	724,996	144,133
	<u>739,371</u>	<u>347,004</u>	<u>724,996</u>	<u>144,133</u>
Outside Malaysia:				
Private debt securities	12,320	15,405	12,320	15,405
	<u>12,320</u>	<u>15,405</u>	<u>12,320</u>	<u>15,405</u>
Total securities held-for-trading	<u>2,550,711</u>	<u>1,387,411</u>	<u>2,158,469</u>	<u>1,183,549</u>

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

	The Group		The Bank	
	30 September 2009 RM'000	31 March 2009 RM'000	30 September 2009 RM'000	31 March 2009 RM'000
<b>At fair value</b>				
Money Market Securities:				
Malaysian Government Securities	350,525	-	350,525	-
Malaysian Government Investment Certificates	76,442	36,025	-	-
Negotiable Islamic Debt Certificate	-	29,190	-	-
Islamic Khazanah bonds	37,150	36,945	37,150	36,945
Negotiable instruments of deposit	669,267	70,990	695,196	96,427
	<u>1,133,384</u>	<u>173,150</u>	<u>1,082,871</u>	<u>133,372</u>
<u>Quoted Securities</u>				
In Malaysia:				
Shares	84,490	91,039	84,402	91,001
Corporate bonds with collateral	332	332	332	332
Loan stocks	2,481	3,096	2,481	3,096
	<u>87,303</u>	<u>94,467</u>	<u>87,215</u>	<u>94,429</u>
Outside Malaysia:				
Shares	14,311	12,090	14,311	12,090
	<u>14,311</u>	<u>12,090</u>	<u>14,311</u>	<u>12,090</u>
<u>Unquoted Securities</u>				
In Malaysia:				
Shares	972	-	-	-
Private debt securities	4,052,126	4,877,451	3,954,651	4,373,371
Guaranteed private debt securities	304,529	309,446	304,529	309,446
	<u>4,357,627</u>	<u>5,186,897</u>	<u>4,259,180</u>	<u>4,682,817</u>
Outside Malaysia:				
Shares	-	1,025	-	-
Private debt securities	103,041	130,855	103,041	130,855
	<u>103,041</u>	<u>131,880</u>	<u>103,041</u>	<u>130,855</u>
Total	5,695,666	5,598,484	5,546,618	5,053,563
Less: Accumulated impairment losses	(37,694)	-	(33,513)	-
Total securities available-for-sale	<u>5,657,972</u>	<u>5,598,484</u>	<u>5,513,105</u>	<u>5,053,563</u>

The Bank and its wholly owned subsidiary company, AmIslamic Bank Berhad was appointed Principal Dealer ("PD") and Islamic Principal Dealer ("i-PD") respectively by Bank Negara Malaysia ("BNM") for Government /Islamic Government, BNM and BNM Sukuk Berhad issuances with effect from 1 July 2009 until 31 December 2012.

As PD and i-PD, the Group and the Bank are required to undertake certain obligations as well as accorded certain incentives in the appointment period. One of the incentives accorded is the eligibility to maintain 1% Statutory Reserve Requirement ("SRR") in the form of Malaysian Government Securities ("MGS") and/or Government Investment Issues ("GII") holdings instead of cash. As at 30 September 2009, the nominal values of MGS and GII holdings maintained for SRR purposes amount to RM425,260,000 and RM350,000,000 for the Group and the Bank respectively.

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**A10. Securities Held-to-maturity**

	The Group		The Bank	
	30 September 2009 RM'000	31 March 2009 RM'000	30 September 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	-	1,825	-	1,825
Debt securities with options and/or collateral	131,125	160,847	130,153	159,876
	<u>131,165</u>	<u>162,712</u>	<u>130,193</u>	<u>161,741</u>
<u>Unquoted Securities</u>				
In Malaysia:				
Shares	92,246	92,445	90,470	90,470
Debt securities	320,463	379,849	267,492	324,337
Debt securities with options and/or collateral	472,670	493,119	472,670	493,119
	<u>885,379</u>	<u>965,413</u>	<u>830,632</u>	<u>907,926</u>
Outside Malaysia:				
Shares	18	17	18	17
Private debt securities	6,921	7,291	-	-
	<u>6,939</u>	<u>7,308</u>	<u>18</u>	<u>17</u>
Total	1,023,483	1,135,433	960,843	1,069,684
Less: Accumulated impairment losses	<u>(373,184)</u>	<u>(382,074)</u>	<u>(349,341)</u>	<u>(358,886)</u>
Total securities held-to-maturity	<u>650,299</u>	<u>753,359</u>	<u>611,502</u>	<u>710,798</u>



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**A11. Loans, Advances and Financing**

	The Group		The Bank	
	30 September 2009 RM'000	31 March 2009 RM'000	30 September 2009 RM'000	31 March 2009 RM'000
Overdrafts	1,715,384	1,735,296	1,575,132	1,609,448
Term loan facilities				
– Housing loans/financing	11,549,439	11,485,193	10,817,840	10,754,364
– Hire-purchase receivables	30,730,952	30,409,126	23,002,187	22,800,520
– Other loans/financing	16,899,845	14,347,371	11,914,183	9,973,395
Card receivables	1,843,777	1,867,505	1,541,322	1,556,912
Bills receivables	62,356	47,442	62,356	45,338
Trust receipts	422,519	373,871	397,832	341,486
Claims on customers under acceptance credits	2,410,934	2,368,892	1,598,406	1,605,237
Revolving credits	3,943,000	3,623,254	3,512,066	3,351,767
Staff loans	157,372	159,631	156,845	159,058
<b>Total</b>	<b>69,735,578</b>	<b>66,417,581</b>	<b>54,578,169</b>	<b>52,197,525</b>
Unearned interest and unearned income	(7,183,523)	(6,961,346)	(3,789,638)	(3,753,006)
	62,552,055	59,456,235	50,788,531	48,444,519
Less: Islamic financing sold to Cagamas Berhad	(384,283)	(905,803)	-	-
<b>Gross loans, advances and financing</b>	<b>62,167,772</b>	<b>58,550,432</b>	<b>50,788,531</b>	<b>48,444,519</b>
Allowance for bad and doubtful debts and financing:				
–General	(940,861)	(895,655)	(762,878)	(728,700)
–Specific	(1,061,600)	(914,985)	(957,627)	(815,933)
<b>Net loans, advances and financing</b>	<b>60,165,311</b>	<b>56,739,792</b>	<b>49,068,026</b>	<b>46,899,886</b>

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

**A11a. By type of customer**

	The Group		The Bank	
	30 September 2009 RM'000	31 March 2009 RM'000	30 September 2009 RM'000	31 March 2009 RM'000
Domestic non-bank financial institutions	229,453	292,678	220,791	288,572
Domestic business enterprises				
– Small medium enterprises	6,693,390	6,693,845	5,629,283	5,746,864
– Others	14,762,032	12,430,959	13,259,658	11,096,555
Government and statutory bodies	54,662	69,506	53,082	69,506
Individuals	39,939,998	38,515,929	31,171,688	30,713,995
Other domestic entities	3,526	20,037	1,297	20,037
Foreign entities	484,711	527,478	452,732	508,990
Gross loans, advances and financing	<u>62,167,772</u>	<u>58,550,432</u>	<u>50,788,531</u>	<u>48,444,519</u>

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

	The Group		The Bank	
	30 September 2009 RM'000	31 March 2009 RM'000	30 September 2009 RM'000	31 March 2009 RM'000
Fixed rate				
– Housing loans/financing	2,144,144	2,243,363	1,766,036	1,861,510
– Hire purchase receivables	25,224,623	24,486,192	19,187,696	19,055,198
– Other fixed rate loans/financing	8,925,041	8,217,674	4,126,144	4,116,630
Variable rate				
– Base lending rate plus	16,568,268	15,183,038	16,568,268	15,181,025
– Cost plus	8,214,234	7,372,821	8,057,577	7,197,668
– Other variable rates	1,091,462	1,047,344	1,082,810	1,032,488
Gross loans, advances and financing	<u>62,167,772</u>	<u>58,550,432</u>	<u>50,788,531</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 September 2009 RM'000	31 March 2009 RM'000	30 September 2009 RM'000	31 March 2009 RM'000
Purchase of securities	2,128,115	1,662,075	2,123,183	1,655,756
Purchase of transport vehicles	24,555,203	24,347,678	18,242,821	18,092,123
Purchase of landed property				
– Residential	11,408,079	11,306,561	11,024,512	10,923,013
– Non-residential	3,463,830	2,878,021	3,275,603	2,664,837
Purchase of fixed assets other than land and building	1,998,747	1,815,104	1,815,838	1,653,719
Personal use	2,525,094	2,369,408	411,248	333,975
Credit card	1,817,163	1,844,448	1,518,487	1,535,069
Purchase of consumer durables	533	933	396	809
Construction	1,503,091	1,127,832	1,290,125	1,018,159
Mergers and acquisitions	401,220	346,203	401,220	346,203
Working capital	9,635,373	9,406,313	8,308,887	8,160,342
Other purpose	3,115,607	2,351,659	2,376,211	2,060,514
	<u>62,552,055</u>	<u>59,456,235</u>	<u>50,788,531</u>	<u>48,444,519</u>
Less: Islamic financing sold to Cagamas Berhad	(384,283)	(905,803)	-	-
Gross loans, advances and financing	<u>62,167,772</u>	<u>58,550,432</u>	<u>50,788,531</u>	<u>48,444,519</u>

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

	The Group		The Bank	
	30 September 2009 RM'000	31 March 2009 RM'000	30 September 2009 RM'000	31 March 2009 RM'000
Purchase of securities	59,398	60,085	58,873	59,459
Purchase of transport vehicles	474,020	453,501	345,826	332,680
Purchase of landed property				
– Residential	972,082	924,484	913,321	866,476
– Non-residential	248,232	220,630	236,843	206,353
Purchase of fixed assets other than land and building	25,203	27,393	24,729	25,081
Personal use	14,963	19,163	14,033	18,667
Credit card	80,943	70,209	67,249	59,114
Purchase of consumer durables	181	550	181	550
Construction	148,388	148,962	148,388	148,956
Working capital	353,516	450,016	330,545	419,269
Other purpose	40,100	44,733	36,991	43,484
	<u>2,417,026</u>	<u>2,419,726</u>	<u>2,176,979</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 September 2009 RM'000	31 March 2009 RM'000	30 September 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	773,619	1,165,774	655,005	979,558
Reclassification to performing loans, advances and financing	(341,950)	(577,415)	(290,629)	(514,983)
Amount recovered	(128,293)	(383,387)	(113,603)	(355,769)
Debt equity conversion	-	(933)	-	(933)
Amount written off	(306,076)	(1,293,281)	(253,883)	(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	2,417,026	2,419,726	2,176,979	2,180,089
Less: Specific allowance	(1,061,600)	(914,985)	(957,627)	(815,933)
Non-performing loans, advances and financing - net	1,355,426	1,504,741	1,219,352	1,364,156
Gross loans, advances and financing	62,167,772	58,550,432	50,788,531	48,444,519
Add: Islamic financing sold to Cagamas Berhad	384,283	905,803	-	-
Balance as the end of period/year	62,552,055	59,456,235	50,788,531	48,444,519
Less: Specific allowance	(1,061,600)	(914,985)	(957,627)	(815,933)
Loans, advances and financing (including Islamic financing sold to Cagamas Berhad)	61,490,455	58,541,250	49,830,904	47,628,586
Ratio of non-performing loans, advances and financing to total loans, advances and financing (including Islamic financing sold to Cagamas Berhad) - net	2.20%	2.57%	2.45%	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 September 2009 RM'000	31 March 2009 RM'000	30 September 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	45,652	51,102	34,597	39,651
Allowance vested over from related company not charged to Income Statement	-	4,462	-	4,462
Exchange fluctuation adjustments	(446)	61	(419)	-
Balance at end of period/year	<u>940,861</u>	<u>895,655</u>	<u>762,878</u>	<u>728,700</u>
As % of total loans, advances and financing including Islamic financing sold to Cagamas Berhad less specific allowance	<u>1.53%</u>	<u>1.53%</u>	<u>1.53%</u>	<u>1.53%</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	603,956	1,042,014	524,656	885,471
Amount written back in respect of recoveries during the period/year	<u>(159,197)</u>	<u>(377,380)</u>	<u>(136,788)</u>	<u>(329,236)</u>
Net charge to income statements	444,759	664,634	387,868	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>(298,144)</u>	<u>(1,233,813)</u>	<u>(246,174)</u>	<u>(1,071,014)</u>
Balance at end of period/year	<u>1,061,600</u>	<u>914,985</u>	<u>957,627</u>	<u>815,933</u>

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**A12. Other Assets**

	The Group		The Bank	
	30 September 2009 RM'000	31 March 2009 RM'000	30 September 2009 RM'000	31 March 2009 RM'000
Deferred assets	34,744	34,744	34,744	34,744
Interest receivable	131,562	108,536	123,326	102,272
Other receivables, deposits and prepayments (net)	380,978	192,676	465,071	146,996
Deferred charges	228,837	213,545	176,862	161,418
Amount due from originators	24,297	25,789	24,297	25,789
Foreclosed properties net of impairment loss of RM95,180,000 (2009: RM97,950,000)	174,277	178,748	174,277	178,748
	<u>974,695</u>	<u>754,038</u>	<u>998,577</u>	<u>649,967</u>

**A13. Statutory deposit with Bank Negara Malaysia**

The non-interest bearing statutory deposit is maintained with Bank Negara Malaysia in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act, 1958 (revised 1994), the amounts of which are determined as a set percentage of total eligible liabilities. As at 30 September 2009, the nominal values of MGS and GII holdings classified as Securities available-for-sale, maintained for SRR purposes amount to RM425,260,000 and RM350,000,000 for the Group and the Bank respectively, as mentioned in Note A9.

**A14. Deposits from Customers**

	The Group		The Bank	
	30 September 2009 RM'000	31 March 2009 RM'000	30 September 2009 RM'000	31 March 2009 RM'000
Demand deposits	3,899,937	3,168,521	2,933,035	2,522,656
Savings deposits	3,705,026	3,581,219	2,666,544	2,635,269
Other deposits	12,990,975	12,500,747	12,908,472	12,455,897
Fixed/Investment deposits	43,845,824	43,870,934	33,479,889	35,027,294
Negotiable certificates of deposits	1,270,730	825,714	1,021,795	558,729
	<u>65,712,492</u>	<u>63,947,135</u>	<u>53,009,735</u>	<u>53,199,845</u>
<u>By type of customers</u>				
Individuals	24,890,065	25,510,224	22,836,050	23,551,245
Business enterprises	28,038,021	26,226,827	22,402,121	20,870,811
Government and other statutory bodies	11,629,018	10,815,814	6,921,667	7,900,901
Others	1,155,388	1,394,270	849,897	876,888
	<u>65,712,492</u>	<u>63,947,135</u>	<u>53,009,735</u>	<u>53,199,845</u>

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**A15. Deposits and Placements of Banks and Other Financial Institutions**

	The Group		The Bank	
	30 September 2009 RM'000	31 March 2009 RM'000	30 September 2009 RM'000	31 March 2009 RM'000
Licensed banks	693,999	1,677,935	673,990	1,537,832
Licensed investment banks	1,397,873	1,433,340	1,279,176	1,231,309
Other financial institutions	3,923,015	3,621,465	3,244,735	2,970,947
Bank Negara Malaysia ("BNM")	888,275	908,666	885,154	905,237
	<u>6,903,162</u>	<u>7,641,406</u>	<u>6,083,055</u>	<u>6,645,325</u>

**A16. Other Liabilities**

	The Group		The Bank	
	30 September 2009 RM'000	31 March 2009 RM'000	30 September 2009 RM'000	31 March 2009 RM'000
Interest payable	432,847	442,153	394,416	382,436
Other creditors and accruals	1,042,554	816,498	973,809	748,891
Profit equalisation reserve	62,208	62,162	-	-
Lease deposits and advance rentals	63,259	62,259	54,617	55,392
Provision for commitment and contingencies	5,186	-	5,007	-
Provision for zakat	1,944	1,130	-	-
Provision for taxation	76,928	40	73,387	20
	<u>1,684,926</u>	<u>1,384,242</u>	<u>1,501,236</u>	<u>1,186,739</u>



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**A17. Interest Income**

	Individual Quarter		Cumulative Quarter	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<b>The Group</b>				
Loans and advances				
– Interest income other than recoveries from NPLs	727,206	754,248	1,444,715	1,470,145
– Recoveries from NPLs	39,964	61,084	84,574	123,700
Money at call, deposit and placements with financial institutions	53,054	79,515	110,245	159,131
Securities held-for-trading	9,333	13,739	15,044	37,557
Securities available-for-sale	62,589	61,041	122,931	113,144
Securities held-to-maturity	5,210	5,639	13,562	21,722
Others	(1)	244	21	260
	897,355	975,510	1,791,092	1,925,659
Interest suspended	(22,104)	(25,883)	(51,073)	(47,686)
Accretion of discount less amortisation of premium - net	1,677	5,238	3,149	7,458
	<u>876,928</u>	<u>954,865</u>	<u>1,743,168</u>	<u>1,885,431</u>
<b>The Bank</b>				
Loans and advances				
– Interest income other than recoveries from NPLs	721,035	753,856	1,438,231	1,469,379
– Recoveries from NPLs	39,964	61,084	84,574	123,700
Money at call, deposit and placements with financial institutions	52,955	77,935	110,114	156,187
Securities held-for-trading	9,540	13,739	15,516	37,568
Securities available-for-sale	66,708	61,041	127,097	113,144
Securities held-to-maturity	5,002	5,639	13,090	21,722
Others	-	203	13	203
	895,204	973,497	1,788,635	1,921,903
Interest suspended	(22,104)	(25,883)	(51,073)	(47,686)
Accretion of discount less amortisation of premium - net	1,677	5,238	3,149	7,458
	<u>874,777</u>	<u>952,852</u>	<u>1,740,711</u>	<u>1,881,675</u>

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**A18. Interest Expense**

	Individual Quarter		Cumulative Quarter	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<b>The Group</b>				
Deposits from customers	324,596	396,471	658,604	780,434
Deposits and placements of banks and other financial institutions	22,940	65,403	53,143	131,899
Recourse obligation of loans sold to Cagamas Berhad	1,115	1,261	2,259	2,920
Subordinated term loans	-	7,885	-	15,770
Subordinated bonds	-	(44)	-	1,263
Hybrid securities	17,315	11,135	29,329	22,012
Medium term notes	20,837	20,837	41,448	40,626
Exchangeable bonds	7,566	7,566	15,049	15,049
Term loans and Revolving credit	536	2,309	1,012	3,962
Irredeemable Convertible Unsecured Loan Stocks	-	-	-	995
Capital securities	19,723	-	30,942	-
Others	29,832	(3,672)	70,259	12,157
	<u>444,460</u>	<u>509,151</u>	<u>902,045</u>	<u>1,027,087</u>
<b>The Bank</b>				
Deposits from customers	324,410	381,744	658,243	754,849
Deposits and placements of banks and other financial institutions	23,832	79,059	55,108	155,453
Recourse obligation of loans sold to Cagamas Berhad	1,115	1,261	2,259	2,920
Subordinated term loans	17,317	19,073	29,393	37,782
Subordinated bonds	-	(44)	-	1,263
Medium term notes	20,837	20,837	41,448	40,626
Exchangeable bonds	7,566	7,566	15,049	15,049
Term loans and Revolving credit	536	2,309	1,012	3,962
Irredeemable Convertible Unsecured Loan Stocks	-	-	-	995
Capital securities	19,723	-	30,942	-
Others	29,854	(3,596)	70,131	12,317
	<u>445,190</u>	<u>508,209</u>	<u>903,585</u>	<u>1,025,216</u>

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**A19. Net Income from Islamic Banking Business**

	Individual Quarter		Cumulative Quarter	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<b>The Group</b>				
Income derived from investment of depositors' funds and others	223,105	189,726	436,351	371,054
Income derived from investment of shareholders' funds	35,375	61,684	68,148	96,891
Transfer (to)/from profit equalisation reserve	1,879	740	(53)	6,805
Income attributable to the depositors	(87,342)	(98,866)	(167,687)	(190,552)
Finance cost	(5,739)	(4,839)	(10,526)	(9,626)
	<u>167,278</u>	<u>148,445</u>	<u>326,233</u>	<u>274,572</u>

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**A20. Other Operating Income**

	Individual Quarter		Cumulative Quarter	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<b>The Group</b>				
(a) <u>Fee Income:</u>				
Commissions	16,929	16,143	31,177	30,137
Guarantee fees	10,375	7,035	19,235	13,251
Other fee income	43,853	40,939	78,177	77,421
	<u>71,157</u>	<u>64,117</u>	<u>128,589</u>	<u>120,809</u>
(b) <u>Investment income:</u>				
Net gain/(loss) on sale/redemption of:				
Securities held-for-trading	3,273	(24,836)	26,475	(63,675)
Securities available-for-sale	10,385	(444)	18,282	10,032
Securities held-to-maturity	2,745	7,684	17,571	22,344
Net gain/(loss) on revaluation of securities held-for-trading	8,114	3,070	6,450	(46,075)
Foreign exchange*	12,008	(7,390)	18,911	(11,038)
Net gain/(loss) on revaluation of derivatives	2,278	(78,599)	8,947	(33,930)
Gross dividend income from:				
Securities held-for-trading	1,788	2,934	1,788	5,813
Securities available-for-sale	705	803	2,674	803
Securities held-to-maturity	3,370	3,213	3,415	5,010
Others	(1)	6	(6)	6
	<u>44,665</u>	<u>(93,559)</u>	<u>104,507</u>	<u>(110,710)</u>
(c) <u>Other Income-net:</u>				
Rental income	397	995	1,764	1,798
Gain on disposal of property and equipment	12	103	210	511
Gain on disposal of foreclosed properties	91	33	1,918	33
Non trading foreign exchange	1,388	(2,813)	1,679	(3,936)
Other operating income	351	(48)	391	387
Service transfer pricing income	4,164	1,521	9,503	2,485
	<u>6,403</u>	<u>(209)</u>	<u>15,465</u>	<u>1,278</u>
	<u>122,225</u>	<u>(29,651)</u>	<u>248,561</u>	<u>11,377</u>

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**A20. Other Operating Income (Contd.)**

	Individual Quarter		Cumulative Quarter	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<b>The Bank</b>				
(a) <u>Fee Income:</u>				
Commissions	16,929	16,143	31,178	30,137
Guarantee fees	10,077	6,676	18,633	12,137
Other fee income	43,752	40,874	78,017	77,257
	<u>70,758</u>	<u>63,693</u>	<u>127,828</u>	<u>119,531</u>
(b) <u>Investment income:</u>				
Net gain/(loss) on sale/redemption of:				
Securities held-for-trading	3,273	(24,836)	26,475	(63,675)
Securities available-for-sale	10,385	(444)	18,282	10,032
Securities held-to-maturity	2,745	7,684	17,571	22,344
Net gain/(loss) on revaluation of securities held-for-trading	8,114	3,070	6,450	(46,075)
Foreign exchange*	11,988	(7,650)	18,911	(11,323)
Net gain/(loss) on revaluation of derivatives	2,278	(78,599)	8,947	(33,930)
Gross dividend income from:				
Securities held-for-trading	1,788	2,934	1,788	5,813
Securities available-for-sale	705	803	2,674	803
Securities held-to-maturity	3,370	3,213	3,415	5,010
Subsidiary	133,333	-	133,333	-
Others	(1)	6	(6)	6
	<u>177,978</u>	<u>(93,819)</u>	<u>237,840</u>	<u>(110,995)</u>
(c) <u>Other Income-net:</u>				
Rental income	687	650	1,386	1,360
Gain on disposal of property and equipment	12	45	210	453
Gain on disposal of foreclosed properties	91	33	1,918	33
Non trading foreign exchange	1,401	(2,402)	1,612	(3,438)
Other operating income	61	61	75	61
Service transfer pricing income	62,209	48,982	120,884	99,432
	<u>64,461</u>	<u>47,369</u>	<u>126,085</u>	<u>97,901</u>
	<u>313,197</u>	<u>17,243</u>	<u>491,753</u>	<u>106,437</u>

\* Foreign exchange income includes gains and losses from spot and forward contracts and other currency derivatives.

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**A21. Other Operating Expenses**

	Individual Quarter		Cumulative Quarter	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<b>The Group</b>				
Personnel costs				
– Salaries, allowances and bonuses	122,469	90,154	241,696	188,696
– Others	36,585	24,036	70,404	46,267
Establishment costs				
– Depreciation	10,916	9,584	23,540	19,040
– Rental	14,850	12,316	29,904	24,645
– Cleaning, maintenance and security	4,583	4,795	9,252	9,188
– Computerisation cost	17,641	15,704	40,055	29,708
– Amortisation of intangible assets	6,799	5,983	13,842	11,639
– Amortisation of prepaid land lease payments	25	25	49	50
– Others	6,301	5,041	12,689	9,746
Marketing and communication expenses				
– Commission	3,145	2,470	6,229	4,846
– Advertising and marketing	12,133	12,919	24,662	22,103
– Communication	8,963	10,192	19,104	20,895
– Others	1,678	1,899	3,330	3,549
Administration and general expenses				
– Professional services	14,849	18,073	28,236	31,598
– Others	4,685	4,713	11,380	9,413
Service transfer pricing expense	6,679	12,690	15,661	33,251
	<u>272,301</u>	<u>230,594</u>	<u>550,033</u>	<u>464,634</u>

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**A21. Other Operating Expenses (Contd.)**

	Individual Quarter		Cumulative Quarter	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<b>The Bank</b>				
Personnel costs				
– Salaries, allowances and bonuses	121,235	88,312	239,109	185,017
– Others	36,285	23,695	69,745	45,495
Establishment costs				
– Depreciation	10,755	9,424	23,218	18,723
– Rental	15,592	12,568	30,436	25,089
– Cleaning, maintenance and security	4,373	4,578	8,905	8,847
– Computerisation cost	17,629	15,693	40,035	29,686
– Amortisation of intangible assets	6,758	5,948	13,761	11,568
– Amortisation of prepaid land lease payments	20	20	40	40
– Others	6,069	4,836	12,228	9,294
Marketing and communication expenses				
– Commission	3,145	2,470	6,226	4,846
– Advertising and marketing	10,108	11,484	21,424	19,553
– Communication	9,471	10,039	19,303	20,120
– Others	1,658	1,854	3,291	3,463
Administration and general expenses				
– Professional services	13,743	25,152	26,288	38,001
– Others	4,500	4,154	11,031	8,707
Service transfer pricing expense	6,616	5,039	15,622	24,571
	<u>267,957</u>	<u>225,266</u>	<u>540,662</u>	<u>453,020</u>

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**A22. Allowance for Losses on Loans, Advances and Financing**

	Individual Quarter		Cumulative Quarter	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<b>The Group</b>				
Allowance for bad and doubtful debts and financing:				
Specific allowance				
– made in the financial period	319,787	183,763	603,956	469,958
– written back	(82,106)	(93,373)	(159,197)	(193,966)
General allowance	30,908	30,681	45,652	39,258
Bad debts and financing recovered - net	(122,427)	(83,061)	(203,297)	(231,377)
	<u>146,162</u>	<u>38,010</u>	<u>287,114</u>	<u>83,873</u>
<b>The Bank</b>				
Allowance for bad and doubtful debts and financing:				
Specific allowance				
– made in the financial period	282,995	147,209	524,656	392,495
– written back	(71,413)	(80,459)	(136,788)	(168,045)
General allowance	25,073	25,321	34,597	28,241
Bad debts and financing recovered - net	(114,063)	(75,862)	(185,127)	(218,295)
	<u>122,592</u>	<u>16,209</u>	<u>237,338</u>	<u>34,396</u>



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**A23. Impairment Loss**

	Individual Quarter		Cumulative Quarter	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<b>Impairment Loss</b>				
<b>The Group</b>				
Securities	32,677	8,489	70,570	34,886
Foreclosed properties	108	-	542	-
Sundry receivables	(141)	(404)	1,196	422
	<u>32,644</u>	<u>8,085</u>	<u>72,308</u>	<u>35,308</u>
<b>The Bank</b>				
Securities	28,378	8,489	66,271	34,886
Impairment on subsidiaries	-	-	-	7,000
Foreclosed properties	108	-	542	-
Sundry receivables	(143)	(405)	1,194	379
	<u>28,343</u>	<u>8,084</u>	<u>68,007</u>	<u>42,265</u>

**A24. Taxation**

	Individual Quarter		Cumulative Quarter	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<b>The Group</b>				
Estimated current tax payable	90,197	97	90,300	124
Net transfer from deferred taxation	(13,066)	77,660	49,003	145,479
	<u>77,131</u>	<u>77,757</u>	<u>139,303</u>	<u>145,603</u>

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**A24. Taxation (Contd.)**

	Individual Quarter		Cumulative Quarter	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<b>The Bank</b>				
Estimated current tax payable	106,695	5	106,700	10
Net transfer from deferred taxation	(19,882)	58,660	21,402	118,479
	<u>86,813</u>	<u>58,665</u>	<u>128,102</u>	<u>118,489</u>

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

**A25. Earnings Per Share (EPS)**

**(a) Basic**

	Individual Quarter		Cumulative Quarter	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<b>The Group</b>				
Net profit attributable to shareholder of the Bank	201,507	208,518	374,323	400,052
Effect of savings on interest on ICULS (net of tax)	-	-	-	746
	<u>201,507</u>	<u>208,518</u>	<u>374,323</u>	<u>400,798</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>30.06</u>	<u>31.11</u>	<u>55.84</u>	<u>59.79</u>

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**A25. Earnings Per Share (EPS) (Contd.)**

**(a) Basic**

	Individual Quarter		Cumulative Quarter	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<b>The Bank</b>				
Net profit attributable to shareholder of the Bank	232,269	153,996	349,763	314,730
Effect of savings on interest on ICULS (net of tax)	-	-	-	746
	<u>232,269</u>	<u>153,996</u>	<u>349,763</u>	<u>315,476</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>34.65</u>	<u>22.97</u>	<u>52.18</u>	<u>47.06</u>

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**A25. 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 and period.

The Bank has one category of dilutive potential ordinary shares:

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

	Individual Quarter		Cumulative Quarter	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
<b>The Group</b>				
Net profit attributable to shareholder of the Bank (as in (a) above)	201,507	208,518	374,323	400,798
	'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)	24.56	25.42	45.63	48.86
	RM'000	RM'000	RM'000	RM'000
<b>The Bank</b>				
Net profit attributable to shareholder of the Bank (as in (a) above)	232,269	153,996	349,763	315,476
	'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)	28.31	18.77	42.64	38.46

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**A26a. Performance Review for the period ended 30 September 2009**

The Group registered a profit before zakat and taxation ("pre-tax profit") of RM514.4 million representing a 5.7% decrease compared to the pre-tax profit for the corresponding period last year.

The decrease in pre-tax profit was attributable to higher loan losses due to loan growth, higher operating expenses due to higher personnel costs with the increase in head count and impairment loss on securities.

The decrease was offset with higher trading income and write back of provision for commitments and contingencies arising from recovery of the capital markets. Net income from Islamic Banking business increased by RM51.7 million or 18.8% mainly driven by growth in financing and advances.

Net non-performing loans of the Group continue to improve to 2.20% from 2.57% in March 2009 and the risk weighted capital ratio of the Bank remains strong at 15.06% as at 30 September 2009.

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

**A26b. Prospects for 31 March 2010**

There is increasing global optimism for revival of the world economies but risks linger. AMMB Holdings Berhad and its subsidiaries ("AHB Group") remains vigilant on the rate of recovery and lag effects on the banking sector. AHB Group forecasts gross domestic product (GDP) to expand 1% in 4Q2009 (fourth quarter of 2009), after contracting -5% in the 1H2009 (first half of 2009) and an estimated -3% in 3Q2009 (third quarter of 2009). Forecast 2009 GDP is at -3%. For 2010, we are projecting a GDP expansion of circa 3%. Nonetheless, AHB Group will keep abreast with the progress of economic developments to refine our business priorities.

During the recent downturn, Malaysian banks have proven their resilience. The regulators have stated that the banking system's capital position is sturdy, which has enabled the industry to weather the financial crisis. No major spikes in non-performing loans/financing were observed. On the back of fiscal pump priming, improving consumption and higher corporate investment, loan/financing growth is expected to strengthen.

AHB Group will stay focused on its Medium Term Aspirations (MTA) by executing its strategies built around de-risking, diversifying from concentrations and differentiated growth via targeting profitable business segments and volume versus price trade-off. AHB Group continues to focus on income diversification, efficiency management, building its brand name, growing deposits in particular low-cost deposits and expanding distribution footprints. In addition, enhanced risk disciplines, and collections and recoveries management are key focus areas in the current financial year.

For financial year ending 31 March 2010, AHB Group now expects to deliver profits in excess of the top end of its market guidance provided earlier (circa RM800 million to RM900 million), barring any major reversals on economic turnaround. Executing its MTA around profitable growth, diversification and portfolio rebalancing, has provided the AHB Group with head-start advantage in the current year. AHB Group continues to leverage on the technical support and knowledge exchange from its strategic partners, namely the Australia and New Zealand Banking Group.

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**A27. 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 September 2009</b>					
<b>Revenue</b>					
<u>External revenue</u>					
Interest income	1,737,251	-	5,917	-	1,743,168
Fee income	128,511	-	78	-	128,589
Investment and other operating income	119,278	-	631	63	119,972
Income from Islamic Banking:					
Financing income	-	478,524	-	-	478,524
Fee income	-	21,782	-	-	21,782
Investment and other operating income	-	4,193	-	-	4,193
	<u>1,985,040</u>	<u>504,499</u>	<u>6,626</u>	<u>63</u>	<u>2,496,228</u>
<u>Inter-segment revenue</u>					
Interest Income	6,269	-	46,915	(53,184)	-
Investment and other operating income	245,370	-	947	(246,317)	-
	<u>251,639</u>	<u>-</u>	<u>47,862</u>	<u>(299,501)</u>	<u>-</u>
Total revenue	<u>2,236,679</u>	<u>504,499</u>	<u>54,488</u>	<u>(299,438)</u>	<u>2,496,228</u>
<b>Results</b>					
Profit before zakat and taxation	480,194	169,677	(2,208)	(133,224)	514,439
Zakat	-	(819)	-	-	(819)
Taxation	(128,112)	(44,245)	(279)	33,333	(139,303)
Profit after zakat and taxation	<u>352,082</u>	<u>124,613</u>	<u>(2,487)</u>	<u>(99,891)</u>	<u>374,317</u>
<b>Total Assets</b>	<u>71,500,796</u>	<u>15,947,847</u>	<u>1,574,332</u>	<u>(2,817,403)</u>	<u>86,205,572</u>

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**A27. 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 September 2008</b>					
<b>Revenue</b>					
<u>External revenue</u>					
Interest income	1,885,431	-	-	-	1,885,431
Fee income	120,732	-	77	-	120,809
Investment and other operating income	(109,998)	-	743	(177)	(109,432)
Income from Islamic Banking :					
Financing income	-	446,198	-	-	446,198
Fee income	-	22,521	-	-	22,521
Investment and other operating income	-	(774)	-	-	(774)
	<u>1,896,165</u>	<u>467,945</u>	<u>820</u>	<u>(177)</u>	<u>2,364,753</u>
<u>Inter-segment revenue</u>					
Interest Income	428	-	22,460	(22,888)	-
Investment and other operating income	97,191	-	947	(98,138)	-
	<u>97,619</u>	<u>-</u>	<u>23,407</u>	<u>(121,026)</u>	<u>-</u>
Total revenue	<u>1,993,784</u>	<u>467,945</u>	<u>24,227</u>	<u>(121,203)</u>	<u>2,364,753</u>
<b>Results</b>					
Profit before zakat and taxation	434,538	103,112	1,004	7,025	545,679
Zakat	-	(29)	-	-	(29)
Taxation	(118,499)	(27,000)	(104)	-	(145,603)
Profit after zakat and taxation	<u>316,039</u>	<u>76,083</u>	<u>900</u>	<u>7,025</u>	<u>400,047</u>
<b>Total Assets</b>	<u>66,294,163</u>	<u>13,348,599</u>	<u>753,953</u>	<u>(1,706,717)</u>	<u>78,689,998</u>

**A27. 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.

**A28. 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.

**A29. 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 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 period.

**A30. Changes in the composition of the Group**

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



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**A31. 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 September 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	2,292,153	2,292,153	2,061,761	2,260,512	2,260,512	1,928,815
Certain transaction-related contingent items	1,820,109	910,056	892,467	1,496,866	748,433	740,965
Short-term self-liquidating trade-related contingencies	583,826	116,765	116,765	493,284	98,657	98,716
Obligations under underwriting agreements	691,000	-	-	592,000	296,000	296,000
Unpaid portion of partly paid shares	250	150	150	250	250	250
Irrevocable commitments to extend credit:						
– maturing less than one year	12,114,528	-	-	10,390,145	-	-
– maturing more than one year	1,920,580	418,284	353,896	1,904,045	280,552	241,386
Unutilised credit card lines	4,519,877	903,975	675,828	4,383,472	876,694	655,346
Forward purchase commitments						
– less than one year	472,386	17,022	6,875	206,144	10,210	4,022
Foreign exchange related contracts:						
– less than one year	2,462,965	23,394	17,741	824,899	30,173	14,435
Cross currency swap						
– less than one year	301,517	10,500	5,250	298,931	10,068	5,034
– maturing more than one year to less than five years	317,041	22,072	10,382	311,282	26,721	13,360
Interest rate related contracts:						
– maturing within one year	4,160,000	27,726	10,092	4,215,000	21,022	9,005
– maturing more than one year to less than five years	22,225,697	734,461	316,205	17,641,853	765,528	351,903
– maturing more than five years	3,618,588	507,938	230,535	2,755,588	450,952	184,496
Interest rate futures:						
– maturing within one year	30,000	-	-	-	-	-
– maturing more than one year to less than five years	30,000	-	-	60,000	25,104	12,552
Sell and buy back agreements	178,863	2,304	1,926	155,560	212	206
Islamic financing sold to Cagamas Berhad with recourse	373,791	373,791	282,400	874,067	874,067	663,997
Options related contracts	323,204	32,474	16,116	194,154	-	-
Any commitments that are unconditionally cancelled at any time by the Group	59,642	-	-	153,891	-	-
<b>Total</b>	<b>58,496,017</b>	<b>6,393,065</b>	<b>4,998,389</b>	<b>49,211,943</b>	<b>6,775,155</b>	<b>5,220,488</b>

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**A31. Commitments and Contingencies (Contd.)**

The Bank	As at 30 September 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	2,087,236	2,087,236	1,856,860	2,092,419	2,092,419	1,760,725
Certain transaction-related contingent items	1,634,123	817,062	797,893	1,314,548	657,274	649,306
Short-term self-liquidating trade-related contingencies	509,694	101,939	101,939	437,551	87,510	87,569
Obligations under underwriting agreements	315,000	-	-	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	10,263,316	-	-	8,881,854	-	-
– maturing more than one year	1,660,026	347,574	285,973	1,644,241	270,119	217,303
Unutilised credit card lines	4,011,324	802,265	599,780	3,877,627	775,525	579,743
Forward purchase commitments						
– less than one year	472,386	17,022	6,875	211,145	10,224	4,028
Foreign exchange related contracts:						
– less than one year	2,462,965	23,394	17,741	824,899	30,173	14,435
Cross currency swap						
– less than one year	301,517	10,500	5,250	298,931	10,068	5,034
– maturing more than one year to less than five years	317,041	22,072	10,382	311,282	26,721	13,360
Interest rate related contracts:						
– maturing within one year	4,160,000	27,726	10,092	4,215,000	21,022	9,005
– maturing more than one year to less than five years	22,225,697	734,461	316,205	17,641,853	765,528	351,903
– maturing more than five years	3,618,588	507,938	230,535	2,755,588	450,952	184,496
Interest rate futures:						
– maturing within one year	30,000	-	-	-	-	-
– maturing more than one year to less than five years	30,000	-	-	60,000	25,104	12,552
Options related contracts	242,021	21,569	13,935	149,660	-	-
Any commitments that are unconditionally cancelled at any time by the Bank	23,116	-	-	121,314	-	-
<b>Total</b>	<b>54,364,200</b>	<b>5,520,908</b>	<b>4,253,610</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.

### **A32. 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.

**A32. 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 Bank 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.

**A32. 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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**A33. Capital Adequacy**

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

	The Group		The Bank	
	30 September 2009	31 March 2009	30 September 2009	31 March 2009
Core capital ratio	9.66%	9.25%	10.70%	10.39%
Risk-weighted capital ratio	15.23%	14.62%	15.06%	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 minimum regulatory capital adequacy requirement is 8% (8% in 2009) for the risk weighted capital ratio.

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, AmInternational (L) Ltd ("AMIL").

The detailed disclosures on the risk-weighted assets, as set out in Notes A33 (d) to (f) are presented in accordance with paragraph 4.3 of Bank Negara Malaysia's Concept Paper Risk-weighted Capital Adequacy Framework (Basel II) and Capital Adequacy Framework of Islamic Banks (CAFIB) Disclosure Requirements (Pillar 3).

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

	AmIslamic (Note 1)		AMIL (Note 2)	
	30 September 2009	31 March 2009	30 September 2009	31 March 2009
Core capital ratio	11.01%	11.22%	36.08%	33.09%
Risk-weighted capital ratio	16.10%	16.65%	36.27%	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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**A33. 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 September 2009 RM'000	31 March 2009 RM'000	30 September 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	945,216	750,100	864,573	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	911,350	849,232	680,459	680,459
Capital reserve	377,492	377,492	-	-
Merger reserve	397,566	397,566	-	-
Exchange fluctuation reserve	12,120	11,904	21,583	21,367
Unappropriated profit	1,634,280	1,322,399	2,115,952	1,766,189
	6,541,232	5,971,901	5,945,775	5,481,323
Less: Deferred tax assets	(240,687)	(306,334)	(182,770)	(204,174)
Total Tier I capital	6,300,545	5,665,567	5,763,005	5,277,149
<u>Tier II capital</u>				
Innovative Tier I capital	289,884	-	370,527	-
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	940,864	895,655	763,446	729,148
Total Tier II capital	3,665,748	3,330,655	3,168,973	2,764,148
Total capital funds	9,966,293	8,996,222	8,931,978	8,041,297
Less:				
Investment in subsidiaries	(32,779)	(32,780)	(816,850)	(816,850)
Other deduction	(45)	(10,219)	(45)	(10,219)
Capital base	9,933,469	8,953,223	8,115,083	7,214,228

**A33. Capital Adequacy (Contd.)**

(d) The breakdown of risk-weighted assets ("RWA") by exposure in each major risk category of the Group is as follows:

**30 September 2009**

	Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
	RM'000		RM'000	RM'000	RM'000
<b><u>Credit Risk</u></b>					
<i>On-Balance Sheet Exposures</i>					
Sovereigns/Central Banks	13,045,260		13,020,987	-	-
Public Sector Entities	59,656		59,656	11,931	955
Banks, Development Financial Institutions ("DFI") and Multilateral Development Banks ("MDBs")	3,282,612		3,282,611	787,856	63,028
Insurance Companies, Securities Firms and Fund Managers	23,100		23,100	23,100	1,848
Corporates	23,175,946		21,890,338	18,878,267	1,510,261
Regulatory Retail	33,182,858		33,064,238	24,748,676	1,979,894
Residential Mortgages	6,602,153		6,593,569	2,799,018	223,921
Higher Risk Assets	211,371		211,371	317,057	25,365
Other Assets	1,440,791		1,440,791	1,001,666	80,133
Equity Exposures	183,043		183,043	183,043	14,644
Defaulted Exposures	2,893,913		2,828,685	3,809,900	304,792
<b>Total for On-Balance Sheet Exposures</b>	<b>84,100,703</b>		<b>82,598,389</b>	<b>52,560,514</b>	<b>4,204,841</b>
<i>Off-Balance Sheet Exposures</i>					
Over The Counter ("OTC") Derivatives	1,358,565		1,358,565	606,321	48,506
Off balance sheet exposures other than OTC derivatives or credit derivatives	5,034,500		4,687,552	4,392,068	351,365
<b>Total for Off-Balance Sheet Exposures</b>	<b>6,393,065</b>		<b>6,046,117</b>	<b>4,998,389</b>	<b>399,871</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>90,493,768</b>		<b>88,644,506</b>	<b>57,558,903</b>	<b>4,604,712</b>
<b>Large Exposures Risk Requirement</b>				<b>7,889</b>	<b>631</b>
<b><u>Market Risk</u></b>					
	Long Position	Short Position			
Interest Rate Risk					
- General interest rate risk	30,611,426	28,032,180		1,774,285	141,943
- Specific interest rate risk	2,358,622	202,892		311,195	24,896
Foreign Currency Risk	714,523	-		714,523	57,162
Equity Risk					
- General rate risk	46,256	-		46,256	3,700
- Specific risk	46,256	-		64,646	5,172
	<b>33,777,083</b>	<b>28,235,072</b>		<b>2,910,905</b>	<b>232,873</b>
Operational Risk				4,727,906	378,232
<b>Total RWA and Capital Requirements</b>				<b>65,205,603</b>	<b>5,216,448</b>



**A33. Capital Adequacy (Contd.)**

(d) The breakdown of risk-weighted assets ("RWA") by exposure in each major risk category of the Group is as follows:

**31 March 2009**

	Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
	RM'000		RM'000	RM'000	RM'000
<b><u>Credit Risk</u></b>					
<i>On-Balance Sheet Exposures</i>					
Sovereigns/Central Banks	16,196,762		16,196,762	-	-
Public Sector Entities	70,928		70,928	14,186	1,135
Banks, Development Financial Institutions ("DFI") and Multilateral Development Banks ("MDBs")					
Insurance Companies, Securities Firms and Fund Managers	2,079,133		2,079,133	718,803	57,504
Corporates	21,025,393		19,842,717	16,470,451	1,317,636
Regulatory Retail	32,169,564		32,032,159	23,993,437	1,919,475
Residential Mortgages	6,393,220		6,386,080	2,718,618	217,490
Higher Risk Assets	165,052		165,052	247,578	19,806
Other Assets	1,809,424		1,809,424	1,212,349	96,988
Equity Exposures	288,475		288,475	288,475	23,078
Securitisation Exposures	215,864		215,864	73,955	5,916
Defaulted Exposures	3,135,609		3,063,098	4,183,544	334,684
<b>Total for On-Balance Sheet Exposures</b>	<b>83,549,424</b>		<b>82,149,692</b>	<b>49,921,396</b>	<b>3,993,712</b>
<i>Off-Balance Sheet Exposures</i>					
Over The Counter ("OTC") Derivatives	1,314,886		1,314,886	582,461	46,596
Off balance sheet exposures other than OTC derivatives or credit derivatives	5,144,086		4,927,630	4,329,375	346,350
<b>Total for Off-Balance Sheet Exposures</b>	<b>6,458,972</b>		<b>6,242,516</b>	<b>4,911,836</b>	<b>392,946</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>90,008,396</b>		<b>88,392,208</b>	<b>54,833,232</b>	<b>4,386,658</b>
<b>Large Exposures Risk Requirement</b>				12,986	1,039
<b><u>Market Risk</u></b>					
	Long Position	Short Position			
Interest Rate Risk					
- General interest rate risk	30,636,665	28,307,712		1,379,902	110,392
- Specific interest rate risk	1,717,431	6,099		40,076	3,206
Foreign Currency Risk	193,284	351,644		352,938	28,235
Equity Risk					
- General rate risk	20,293	-		20,293	1,623
- Specific risk	20,293	-		20,293	1,623
Option Risk	592,000	-		79,000	6,320
	<b>33,179,966</b>	<b>28,665,455</b>		<b>1,892,502</b>	<b>151,399</b>
Operational Risk				4,487,810	359,025
<b>Total RWA and Capital Requirements</b>				<b>61,226,530</b>	<b>4,898,121</b>

The Group and the Bank does not have any issuance of Profit-Sharing Investment Account ("PSIA") used as a risk absorbent.

**A33. Capital Adequacy (Contd.)**

(d) The breakdown of risk-weighted assets ("RWA") by exposure in each major risk category of the Bank is as follows:

**30 September 2009**

	Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
	RM'000		RM'000	RM'000	RM'000
<b><u>Credit Risk</u></b>					
<i>On-Balance Sheet Exposures</i>					
Sovereigns/Central Banks	9,492,619		9,468,345	-	-
Public Sector Entities	34,005		34,005	6,801	544
Banks, Development Financial Institutions ("DFI") and Multilateral Development Banks ("MDBs")	2,659,122		2,659,122	662,911	53,033
Insurance Companies, Securities Firms and Fund Managers	23,100		23,100	23,100	1,848
Corporates	20,713,112		19,468,978	16,475,400	1,318,032
Regulatory Retail	24,693,964		24,579,702	18,386,390	1,470,911
Residential Mortgages	6,443,290		6,434,762	2,734,202	218,736
Higher Risk Assets	211,371		211,371	317,057	25,365
Other Assets	1,485,166		1,485,166	1,044,286	83,543
Equity Exposures	183,043		183,043	183,043	14,643
Defaulted Exposures	2,630,264		2,565,078	3,459,360	276,749
<b>Total for On-Balance Sheet Exposures</b>	<b>68,569,056</b>		<b>67,112,672</b>	<b>43,292,550</b>	<b>3,463,404</b>
<i>Off-Balance Sheet Exposures</i>					
OTC Derivatives	1,347,660		1,347,660	604,140	48,331
Off balance sheet exposures other than OTC derivatives or credit derivatives	4,173,248		3,826,300	3,649,470	291,958
<b>Total for Off-Balance Sheet Exposures</b>	<b>5,520,908</b>		<b>5,173,960</b>	<b>4,253,610</b>	<b>340,289</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>74,089,964</b>		<b>72,286,632</b>	<b>47,546,160</b>	<b>3,803,693</b>
<b>Large Exposures Risk Requirement</b>			-	7,889	631
<b><u>Market Risk</u></b>					
	Long Position	Short Position			
Interest Rate Risk					
- General interest rate risk	29,667,162	27,987,098		1,574,888	125,991
- Specific interest rate risk	2,018,143	202,892		210,664	16,853
Foreign Currency Risk	714,523	-		714,523	57,162
Equity Risk					
- General rate risk	46,256	-		46,256	3,700
- Specific risk	46,256	-		64,646	5,172
	<b>32,492,340</b>	<b>28,189,990</b>		<b>2,610,977</b>	<b>208,878</b>
Operational Risk				3,719,254	297,540
<b>Total RWA and Capital Requirements</b>				<b>53,884,280</b>	<b>4,310,742</b>

**A33. Capital Adequacy (Contd.)**

(d) The breakdown of risk-weighted assets ("RWA") by exposure in each major risk category of the Bank is as follows:

**31 March 2009**

	Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
	RM'000		RM'000	RM'000	RM'000
<b><u>Credit Risk</u></b>					
<i>On-Balance Sheet Exposures</i>					
Sovereigns/Central Banks	13,109,588		13,109,588	-	-
Public Sector Entities	45,367		45,367	9,073	726
Banks, Development Financial Institutions ("DFI") and Multilateral Development Banks ("MDBs")					
Insurance Companies, Securities Firms and Fund Managers	1,805,314		1,805,314	654,731	52,378
Corporates	18,527,925		17,377,667	14,378,394	1,150,271
Regulatory Retail	24,489,900		24,357,444	18,244,298	1,459,544
Residential Mortgages	6,238,301		6,231,208	2,654,859	212,389
Higher Risk Assets	165,052		165,052	247,578	19,806
Other Assets	1,770,330		1,770,330	1,184,253	94,740
Equity Exposures	288,475		288,475	288,475	23,078
Securitisation Exposures	215,864		215,864	73,954	5,916
Defaulted Exposures	2,958,748		2,886,418	3,955,700	316,456
<b>Total for On-Balance Sheet Exposures</b>	<b>69,614,864</b>		<b>68,252,727</b>	<b>41,691,315</b>	<b>3,335,304</b>
<i>Off-Balance Sheet Exposures</i>					
OTC Derivatives	1,314,688		1,314,688	582,261	46,581
Off balance sheet exposures other than OTC derivatives or credit derivatives	3,882,997		3,675,660	3,294,796	263,584
<b>Total for Off-Balance Sheet Exposures</b>	<b>5,197,685</b>		<b>4,990,348</b>	<b>3,877,057</b>	<b>310,165</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>74,812,549</b>		<b>73,243,075</b>	<b>45,568,372</b>	<b>3,645,469</b>
<b>Large Exposures Risk Requirement</b>				12,986	1,039
<b><u>Market Risk</u></b>					
	Long Position	Short Position			
Interest Rate Risk					
- General interest rate risk	29,866,594	28,254,149		1,219,706	97,576
- Specific interest rate risk	1,412,894	6,099		18,656	1,493
Foreign Currency Risk	191,990	351,644		351,644	28,132
Equity Risk					
- General rate risk	20,293	-		20,293	1,623
- Specific risk	20,293	-		20,293	1,623
Option Risk	193,000	-		24,125	1,930
	31,705,064	28,611,892		1,654,717	132,377
Operational Risk				3,560,356	284,828
<b>Total RWA and Capital Requirements</b>				<b>50,796,431</b>	<b>4,063,713</b>

The Group and the Bank does not have any issuance of Profit-Sharing Investment Account ("PSIA") used as a risk absorbent.

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**A33. Capital Adequacy (Contd.)**

(e) The breakdown of credit risk exposures by risk weights of the Group is as follows:

**30 September 2009**

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, MDBs and DFIs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Securitisation Exposures	Equity Exposures		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	13,025,343	-	20,800	-	-	-	-	-	271,922	-	-	13,318,065	-
20%	-	59,656	3,171,333	-	3,223,169	13,542	-	-	209,000	-	-	6,676,700	1,335,340
35%	-	-	-	-	-	-	3,319,214	-	-	-	-	3,319,214	1,161,725
50%	-	-	1,207,415	-	959,392	178,025	3,293,237	-	-	-	-	5,638,069	2,819,035
75%	-	-	-	-	-	34,465,895	464	-	-	-	-	34,466,359	25,849,769
100%	-	-	53,924	23,225	21,303,580	139,621	228,965	-	959,869	-	183,043	22,892,227	22,892,227
150%	-	-	52	-	1,207,310	908,479	-	218,031	-	-	-	2,333,872	3,500,807
Average Risk Weight													
<b>Total</b>	<b>13,025,343</b>	<b>59,656</b>	<b>4,453,524</b>	<b>23,225</b>	<b>26,693,451</b>	<b>35,705,562</b>	<b>6,841,880</b>	<b>218,031</b>	<b>1,440,791</b>	<b>-</b>	<b>183,043</b>	<b>88,644,506</b>	<b>57,558,903</b>
Deduction from Capital Base										45		45	

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**A33. Capital Adequacy (Contd.)**

(e) The breakdown of credit risk exposures by risk weights of the Group is as follows:

**31 March 2009**

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, MDBs and DFIs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Securitisation Exposures	Equity Exposures		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	16,198,923	-	-	-	-	-	-	-	292,247	-	-	16,491,170	-
20%	-	70,959	1,751,913	-	3,771,700	10,378	-	-	367,054	168,088	-	6,140,092	1,228,019
35%	-	-	-	-	-	-	3,163,493	-	-	-	-	3,163,493	1,107,222
50%	-	-	1,350,835	-	990,114	157,586	3,243,458	-	-	14,876	-	5,756,869	2,878,435
75%	-	-	-	-	-	33,910,666	493	-	-	-	-	33,911,159	25,433,368
100%	-	-	258,039	4,486	18,322,225	118,975	218,302	-	1,172,495	32,900	288,475	20,415,897	20,415,897
150%	-	-	-	-	1,484,994	880,040	-	170,866	(22,372)	-	-	2,513,528	3,770,291
Average Risk Weight													
<b>Total</b>	<b>16,198,923</b>	<b>70,959</b>	<b>3,360,787</b>	<b>4,486</b>	<b>24,569,033</b>	<b>35,077,645</b>	<b>6,625,746</b>	<b>170,866</b>	<b>1,809,424</b>	<b>215,864</b>	<b>288,475</b>	<b>88,392,208</b>	<b>54,833,232</b>
Deduction from Capital Base										40		40	

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**A33. Capital Adequacy (Contd.)**

(e) The breakdown of credit risk exposures by risk weights of the Bank is as follows:

**30 September 2009**

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, MDBs and DFIs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Securitisation Exposures	Equity Exposures		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	9,472,702	-	20,800	-	-	-	-	-	269,310	-	-	9,762,812	-
20%	-	34,005	2,537,765	-	3,224,393	13,542	-	-	214,462	-	-	6,024,167	1,204,834
35%	-	-	-	-	-	-	3,221,966	-	-	-	-	3,221,966	1,127,688
50%	-	-	1,205,831	-	916,053	162,429	3,231,326	-	-	-	-	5,515,639	2,757,819
75%	-	-	-	-	-	25,498,312	464	-	-	-	-	25,498,776	19,124,082
100%	-	-	53,924	23,100	18,549,417	99,515	215,951	-	1,001,394	-	183,043	20,126,344	20,126,344
150%	-	-	52	-	1,128,071	794,613	-	214,192	-	-	-	2,136,928	3,205,393
Average Risk Weight													
<b>Total</b>	9,472,702	34,005	3,818,372	23,100	23,817,934	26,568,411	6,669,707	214,192	1,485,166	-	183,043	72,286,632	47,546,160
Deduction from Capital Base											45		45

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**A33. Capital Adequacy (Contd.)**

(e) The breakdown of credit risk exposures by risk weights of the Bank is as follows:

**31 March 2009**

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Exposures after Netting and Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns and Central Banks	Public Sector Entities	Banks, MDBs and DFIs	Insurance Companies, Securities Firms and Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Securitisation Exposures	Equity Exposures		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	13,111,749	-	-	-	-	-	-	-	287,544	-	-	13,399,293	-
20%	-	45,367	1,509,122	-	3,362,014	10,378	-	-	363,948	168,088	-	5,458,917	1,091,784
35%	-	-	-	-	-	-	3,072,451	-	-	-	-	3,072,451	1,075,358
50%	-	-	1,319,808	-	936,831	141,685	3,177,942	-	-	14,876	-	5,591,142	2,795,571
75%	-	-	-	-	-	25,260,378	493	-	-	-	-	25,260,871	18,945,653
100%	-	-	258,039	4,357	16,036,738	102,485	204,607	-	1,133,589	32,900	288,475	18,061,190	18,061,190
150%	-	-	-	-	1,461,214	785,859	-	166,889	(14,751)	-	-	2,399,211	3,598,816
Average Risk Weight												-	-
<b>Total</b>	<b>13,111,749</b>	<b>45,367</b>	<b>3,086,969</b>	<b>4,357</b>	<b>21,796,797</b>	<b>26,300,785</b>	<b>6,455,493</b>	<b>166,889</b>	<b>1,770,330</b>	<b>215,864</b>	<b>288,475</b>	<b>73,243,075</b>	<b>45,568,372</b>
Deduction from Capital Base										40		40	

**A33. Capital Adequacy (Contd.)**

(f) The Off-Balance Sheet exposures and their related counterparty credit risk of the Group are as follows:

**Group**

<b>30 September 2009</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Assets RM'000</b>
<b>Credit-Related Exposures</b>				
Direct credit substitutes	2,292,153		2,292,153	2,061,761
Certain transaction-related contingent items	1,820,109		910,056	892,467
Obligations under underwriting agreements	691,000		-	-
Short term self liquidating trade-related contingencies	583,826		116,765	116,765
Islamic financing sold to Cagamas Berhad with recourse	373,791		373,791	282,400
Irrevocable commitments to extend credit maturing :				
- within one year	12,114,528		-	-
- more than one year	1,920,580		418,284	353,896
Unutilised credit card lines	4,519,877		903,975	675,828
Sell and buy back agreements	178,863		2,304	1,926
Others	59,892		150	150
	<u>24,554,619</u>		<u>5,017,478</u>	<u>4,385,193</u>
<b>Derivative Financial Instruments</b>				
<b>Foreign exchange related contracts:</b>				
<b>Forward exchange contracts</b>				
- One year or less	2,462,965	10,378	23,394	17,741
<b>Cross currency swaps</b>				
- One year or less	301,517	5,920	10,500	5,250
- Over one year to five years	317,041	472	22,072	10,382
<b>Interest rate related contracts</b>				
<b>Interest rate futures</b>				
- One year or less	30,000	10,489	-	-
- Over one year to five years	30,000	800	-	-
<b>Interest rate swaps</b>				
- One year or less	4,160,000	19,368	27,726	10,092
- Over one year to five years	22,212,158	209,368	734,461	316,205
- Over five years	3,618,588	101,820	507,938	230,535
<b>Interest rate options</b>				
- Over one year to five years	13,539	-	-	-
<b>Options related contracts:</b>				
<b>Equity</b>				
- One year or less	30,000	-	1,800	900
- Over one year to five years	212,021	4,926	19,769	13,035
<b>Commodity</b>				
- Over one year to five years	81,183	4,410	10,905	2,181
	<u>33,469,012</u>	<u>367,951</u>	<u>1,358,565</u>	<u>606,321</u>
<b>Other Treasury-related Exposures</b>				
Forward purchase commitments	472,386	-	17,022	6,875
<b>Total</b>	<u>58,496,017</u>	<u>367,951</u>	<u>6,393,065</u>	<u>4,998,389</u>



**A33. Capital Adequacy (Contd.)**

(f) The Off-Balance Sheet exposures and their related counterparty credit risk of the Group are as follows:

**Group**

<b>31 March 2009</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Assets RM'000</b>
<b>Credit-Related Exposures</b>				
Direct credit substitutes	2,260,512		2,260,512	1,928,815
Certain transaction-related contingent items	1,496,866		748,433	740,965
Short term self liquidating trade-related contingencies	493,284		98,657	98,716
Islamic financing sold to Cagamas Berhad with recourse	879,088		879,088	663,997
Irrevocable commitments to extend credit maturing : - more than one year	561,105		280,552	241,386
Unutilised credit card lines	4,383,472		876,694	655,346
Sell and buy back agreements	153,300		212	206
Others	11,887,127		150	150
	<b>22,114,754</b>		<b>5,144,298</b>	<b>4,329,581</b>
<b>Derivative Financial Instruments</b>				
<b>Foreign exchange related contracts:</b>				
<b>Forward exchange contracts</b>				
- One year or less	824,899	29,552	30,173	14,435
<b>Cross currency swaps</b>				
- One year or less	298,931	607	10,068	5,034
- Over one year to five years	311,282	-	26,721	13,360
<b>Interest rate related contracts</b>				
<b>Interest rate futures</b>				
- Over one year to five years	60,000	1,507	-	-
<b>Interest rate swaps</b>				
- One year or less	4,215,000	12,904	21,022	9,005
- Over one year to five years	17,641,853	291,170	765,528	351,903
- Over five years	2,755,588	137,697	450,952	184,496
<b>Options related contracts:</b>				
<b>Equity</b>				
- One year or less	30,000	390	-	-
- Over one year to five years	119,660	1,420	-	-
<b>Commodity</b>				
- Over one year to five years	44,494	1,885	-	-
	<b>26,301,707</b>	<b>477,132</b>	<b>1,304,464</b>	<b>578,233</b>
<b>Other Treasury-related Exposures</b>				
Forward purchase commitments	265,000	-	10,210	4,022
<b>Total</b>	<b>48,681,461</b>	<b>477,132</b>	<b>6,458,972</b>	<b>4,911,836</b>

**A33. Capital Adequacy (Contd.)**

(f) The Off-Balance Sheet exposures and their related counterparty credit risk of the Bank are as follows:

**Bank**

<b>30 September 2009</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Assets RM'000</b>
<b>Credit-Related Exposures</b>				
Direct credit substitutes	2,087,236		2,087,236	1,856,860
Certain transaction-related contingent items	1,634,123		817,062	797,893
Obligations under underwriting agreements	315,000		-	-
Short term self liquidating trade-related contingencies	509,694		101,939	101,939
Irrevocable commitments to extend credit maturing :				
- within one year	10,263,316		-	-
- more than one year	1,660,026		347,574	285,973
Unutilised credit card lines	4,011,324		802,265	599,780
Others	23,266		150	150
	<u>20,503,985</u>		<u>4,156,226</u>	<u>3,642,595</u>
<b>Derivative Financial Instruments</b>				
<b>Foreign exchange related contracts:</b>				
<b>Forward exchange contracts</b>				
- One year or less	2,462,965	10,378	23,394	17,741
<b>Cross currency swaps</b>				
- One year or less	301,517	5,920	10,500	5,250
- Over one year to five years	317,041	472	22,072	10,382
<b>Interest rate related contracts</b>				
<b>Interest rate futures</b>				
- One year or less	30,000	10,489	-	-
- Over one year to five years	30,000	800	-	-
<b>Interest rate swaps</b>				
- One year or less	4,160,000	19,368	27,726	10,092
- Over one year to five years	22,212,158	209,368	734,461	316,205
- Over five years	3,618,588	101,820	507,938	230,535
<b>Interest rate options</b>				
- Over one year to five years	13,539	-	-	-
<b>Options related contracts:</b>				
<b>Equity</b>				
- One year or less	30,000	-	1,800	900
- Over one year to five years	212,021	4,926	19,769	13,035
	<u>33,387,829</u>	<u>363,541</u>	<u>1,347,660</u>	<u>604,140</u>
<b>Other Treasury-related Exposures</b>				
Forward purchase commitments	472,386	-	17,022	6,875
<b>Total</b>	<u>54,364,200</u>	<u>363,541</u>	<u>5,520,908</u>	<u>4,253,610</u>

**A33. Capital Adequacy (Contd.)**

(f) The Off-Balance Sheet exposures and their related counterparty credit risk of the Bank are as follows:

**Bank**

<b>31 March 2009</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Assets RM'000</b>
<b>Credit-Related Exposures</b>				
Direct credit substitutes	2,092,419		2,092,419	1,760,725
Certain transaction-related contingent items	1,314,548		657,274	649,306
Short term self liquidating trade-related contingencies	437,551		87,510	87,569
Irrevocable commitments to extend credit maturing :				
- more than one year	540,239		270,119	217,303
Unutilised credit card lines	3,877,627		775,525	579,743
Others	10,107,321		150	150
	<u>18,369,705</u>		<u>3,882,997</u>	<u>3,294,796</u>
<b>Derivative Financial Instruments</b>				
<b>Foreign exchange related contracts:</b>				
<b>Forward exchange contracts</b>				
- One year or less	824,899	29,552	30,173	14,435
<b>Cross currency swaps</b>				
- One year or less	298,931	607	10,068	5,034
- Over one year to five years	311,282	-	26,721	13,360
<b>Interest rate related contracts</b>				
<b>Interest rate futures</b>				
- Over one year to five years	60,000	1,507	-	-
<b>Interest rate swaps</b>				
- One year or less	4,215,000	12,904	21,022	9,005
- Over one year to five years	17,641,853	291,170	765,528	351,903
- Over five years	2,755,588	137,697	450,952	184,496
<b>Options related contracts:</b>				
<b>Equity</b>				
- One year or less	30,000	390	-	-
- Over one year to five years	119,660	1,420	-	-
	<u>26,257,213</u>	<u>475,247</u>	<u>1,304,464</u>	<u>578,233</u>
<b>Other Treasury-related Exposures</b>				
Forward purchase commitments	270,000	-	10,224	4,028
<b>Total</b>	<u>44,896,918</u>	<u>475,247</u>	<u>5,197,685</u>	<u>3,877,057</u>

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A34. 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 September 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 Group</b>										
<b>ASSETS</b>										
Cash and short-term funds	8,118,541	-	-	-	-	-	4,125,983	-	12,244,524	1.89
Deposits and placements with banks and other financial institutions	-	2,200,000	220,000	52,361	-	-	450,000	-	2,922,361	2.06
Securities purchased under resale agreements	24,413	-	-	-	-	-	-	-	24,413	1.50
Securities held-for-trading	-	-	-	-	-	-	392,242	2,158,469	2,550,711	5.02
Securities available-for-sale	520,313	90,353	148,913	133,696	1,689,770	2,504,590	570,337	-	5,657,972	4.92
Securities held-to-maturity	-	-	-	42,267	320,314	98,568	189,150	-	650,299	2.59
Derivative financial assets	-	-	-	-	-	-	367,951	-	367,951	-
Loans, advances and financing										
– Performing	24,292,219	2,049,371	578,723	291,296	7,207,903	14,531,788	10,799,446	-	59,750,746	6.18
– Non-performing*	-	-	-	-	-	-	414,565	-	414,565	-
Amount due from originators	-	-	-	-	24,297	-	-	-	24,297	5.74
Other non-interest sensitive balances	-	-	-	-	-	-	1,597,733	-	1,597,733	-
<b>TOTAL ASSETS</b>	<b>32,955,486</b>	<b>4,339,724</b>	<b>947,636</b>	<b>519,620</b>	<b>9,242,284</b>	<b>17,134,946</b>	<b>18,907,407</b>	<b>2,158,469</b>	<b>86,205,572</b>	
<b>LIABILITIES AND EQUITY</b>										
Deposits from customers	24,142,978	9,039,972	7,527,821	7,326,938	2,199,417	-	15,475,366	-	65,712,492	2.36
Deposits and placements of banks and other financial institutions	2,779,128	390,276	585,837	377,378	853,495	782,165	1,134,883	-	6,903,162	2.10
Derivative financial liabilities	-	-	-	-	-	-	445,780	-	445,780	-
Obligations on securities sold under repurchase agreements	24,732	-	-	-	-	-	-	-	24,732	1.50
Bills and acceptances payable	418,425	686,001	170,721	-	-	-	463,332	-	1,738,479	2.19
Recourse obligation on loans sold to Cagamas Berhad	-	-	-	121,027	24,297	-	-	-	145,324	3.98
Hybrid securities	-	-	-	-	-	766,784	-	-	766,784	6.36
Medium term notes	-	-	-	-	710,000	750,000	-	-	1,460,000	5.66
Subordinated bonds	-	-	-	-	-	-	400,000	-	400,000	4.80
Exchangeable bonds	-	-	-	-	575,000	-	-	-	575,000	5.22
Term loans and Revolving credit	242,235	-	-	-	-	-	-	-	242,235	1.20
Capital Securities	-	-	-	-	-	985,000	-	-	985,000	8.72
Irredeemable Non-Cumulative Convertible Preference shares	-	-	-	-	-	-	150,000	-	150,000	-
Other non-interest sensitive balances	-	-	-	-	-	-	1,684,926	-	1,684,926	-
Total Liabilities	27,607,498	10,116,249	8,284,379	7,825,343	4,362,209	3,283,949	19,754,287	-	81,233,914	
Minority interests	-	-	-	-	-	-	22	-	22	
Equity attributable to equity holder of the Bank	-	-	-	-	-	-	4,971,636	-	4,971,636	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>27,607,498</b>	<b>10,116,249</b>	<b>8,284,379</b>	<b>7,825,343</b>	<b>4,362,209</b>	<b>3,283,949</b>	<b>24,725,945</b>	<b>-</b>	<b>86,205,572</b>	
On-balance sheet interest sensitivity gap	5,347,988	(5,776,525)	(7,336,743)	(7,305,723)	4,880,075	13,850,997	(5,818,538)	2,158,469	-	
Off-balance sheet interest sensitivity gap **	630,158	8,483,000	(447,100)	(150,000)	(8,778,158)	322,100	-	-	60,000	
Total interest sensitivity gap	5,978,146	2,706,475	(7,783,843)	(7,455,723)	(3,898,083)	14,173,097	(5,818,538)	2,158,469	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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A34. 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	-	-	-	-	710,000	750,000	-	-	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
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	-
Total Liabilities	26,221,383	11,128,999	7,214,288	10,446,925	4,053,590	3,432,222	17,372,818	-	79,870,225	
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>4,053,590</b>	<b>3,432,222</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)	4,425,989	14,875,297	(4,367,374)	1,183,549	-	
Off-balance sheet interest sensitivity gap **	798,353	3,115,000	(1,757,088)	30,000	(2,881,853)	755,588	-	-	60,000	
Total interest sensitivity gap	9,246,959	(5,406,382)	(7,968,401)	(9,803,372)	1,544,136	15,630,885	(4,367,374)	1,183,549	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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A34. 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 September 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	7,952,175	-	-	-	-	-	445,027	-	8,397,202	1.95
Deposits and placements with banks and other financial institutions	-	2,206,229	220,000	57,828	-	-	-	-	2,484,057	2.06
Securities purchased under resale agreements	24,413	-	-	-	-	-	-	-	24,413	1.50
Securities held-for-trading	-	-	-	-	-	-	-	2,158,469	2,158,469	5.02
Securities available-for-sale	520,313	90,353	148,913	133,696	1,715,699	2,806,930	97,201	-	5,513,105	4.75
Securities held-to-maturity	-	-	-	42,267	316,308	98,568	154,359	-	611,502	2.58
Derivative financial assets	-	-	-	-	-	-	363,541	-	363,541	-
Loans, advances and financing										
– Performing	24,255,884	2,049,371	578,723	291,296	7,203,247	14,233,031	-	-	48,611,552	6.18
– Non-performing*	-	-	-	-	-	-	456,474	-	456,474	-
Amount due from originators	-	-	-	-	24,297	-	-	-	24,297	5.74
Other non-interest sensitive balances	-	-	-	-	-	-	2,361,490	-	2,361,490	-
<b>TOTAL ASSETS</b>	<b>32,752,785</b>	<b>4,345,953</b>	<b>947,636</b>	<b>525,087</b>	<b>9,259,551</b>	<b>17,138,529</b>	<b>3,878,092</b>	<b>2,158,469</b>	<b>71,006,102</b>	
<b>LIABILITIES AND EQUITY</b>										
Deposits from customers	23,819,071	9,035,266	7,525,754	7,326,938	2,199,417	-	3,103,289	-	53,009,735	2.38
Deposits and placements of banks and other financial institutions	3,051,675	390,276	585,837	377,378	853,495	782,165	42,229	-	6,083,055	2.11
Derivative financial liabilities	-	-	-	-	-	-	441,376	-	441,376	-
Obligations on securities sold under repurchase agreements	24,732	-	-	-	-	-	-	-	24,732	1.50
Bills and acceptances payable	418,422	686,001	170,721	-	-	-	-	-	1,275,144	2.19
Recourse obligation on loans sold to Cagamas Berhad	-	-	-	121,027	24,297	-	-	-	145,324	3.98
Subordinated term loan	-	-	-	-	-	766,784	-	-	766,784	6.36
Medium term notes	-	-	-	-	710,000	750,000	-	-	1,460,000	5.66
Exchangeable bonds	-	-	-	-	575,000	-	-	-	575,000	5.22
Term loans and Revolving credit	242,235	-	-	-	-	-	-	-	242,235	1.20
Capital Securities	-	-	-	-	-	985,000	-	-	985,000	8.72
Irredeemable Non-Cumulative Convertible Preference shares	-	-	-	-	-	-	150,000	-	150,000	-
Other non-interest sensitive balances	-	-	-	-	-	-	1,501,236	-	1,501,236	-
<b>Total Liabilities</b>	<b>27,556,135</b>	<b>10,111,543</b>	<b>8,282,312</b>	<b>7,825,343</b>	<b>4,362,209</b>	<b>3,283,949</b>	<b>5,238,130</b>	<b>-</b>	<b>66,659,621</b>	
Equity attributable to equity holder of the Bank	-	-	-	-	-	-	4,346,481	-	4,346,481	-
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>27,556,135</b>	<b>10,111,543</b>	<b>8,282,312</b>	<b>7,825,343</b>	<b>4,362,209</b>	<b>3,283,949</b>	<b>9,584,611</b>	<b>-</b>	<b>71,006,102</b>	
On-balance sheet interest sensitivity gap	5,196,650	(5,765,590)	(7,334,676)	(7,300,256)	4,897,342	13,854,580	(5,706,519)	2,158,469	-	
Off-balance sheet interest sensitivity gap **	630,158	8,483,000	(447,100)	(150,000)	(8,778,158)	322,100	-	-	60,000	
<b>Total interest sensitivity gap</b>	<b>5,826,808</b>	<b>2,717,410</b>	<b>(7,781,776)</b>	<b>(7,450,256)</b>	<b>(3,880,816)</b>	<b>14,176,680</b>	<b>(5,706,519)</b>	<b>2,158,469</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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A34. 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 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	-	-	-	-	710,000	750,000	-	-	1,460,000	5.66
Exchangeable bonds	-	-	-	-	-	575,000	-	-	575,000	5.22
Term loans	145,820	-	-	-	-	-	-	-	145,820	1.80
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	-
Total Liabilities	26,095,384	11,106,127	7,211,853	10,446,925	4,053,590	3,432,222	4,568,798	-	66,914,899	
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>4,053,590</b>	<b>3,432,222</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)	4,445,508	14,874,797	(4,263,698)	1,183,549	-	
Off-balance sheet interest sensitivity gap **	798,353	3,115,000	(1,757,088)	30,000	(2,881,853)	755,588	-	-	60,000	
Total interest sensitivity gap	9,103,341	(5,383,510)	(7,970,972)	(9,802,750)	1,563,655	15,630,385	(4,263,698)	1,183,549	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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**A35. Reclassification of securities**

During the 2nd quarter of financial year 2009, the Bank had 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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**A35. Reclassification of securities (Contd.)**

There was no reclassification of securities after the second quarter of financial year 2009. The balances relating to securities reclassified in the previous financial year are:

	Carrying value RM'000	Fair value RM'000	Mark-to-market gain taken up in Available for sale reserve RM'000
<b>The Group and the Bank as at 30 September 2009</b>			

Securities reclassified	445,146	463,757	18,611
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The carrying value and fair value as at 30 September 2008 for securities reclassified are RM581,453,000 and RM500,787,000 respectively.

**A36. Credit Exposure arising from credit transaction with Connected Parties**

	The Group		The Bank	
	30 September 2009	31 March 2009	30 September 2009	31 March 2009
Outstanding credit exposures with connected parties (RM'000)	1,130,658	762,113	1,115,763	745,195
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures (%)	0.80	1.14	1.73	1.37
Percentage of outstanding credit exposures with connected parties which is non-performing or in default (%)	3.10	0.26	3.11	0.25

**A37. 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) 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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**A37. 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 period ended 30 September 2008</b>				
Interest Income	1,868,331	17,100	-	1,885,431
Interest Expense	(1,014,002)	(13,085)	-	(1,027,087)
Other operating income	28,060	(19,168)	2,485	11,377
Other operating expenses	(461,344)	(805)	(2,485)	(464,634)
Allowance for losses on loans, advances and financing	(81,880)	(1,993)	-	(83,873)
Taxation	(145,593)	(10)	-	(145,603)
<b>The Bank</b>				
<b>Income Statement for the financial period ended 30 September 2008</b>				
Interest Income	1,864,575	17,100	-	1,881,675
Interest Expense	(1,012,131)	(13,085)	-	(1,025,216)
Other operating income	25,929	(18,924)	99,432	106,437
Other operating expenses	(352,539)	(1,049)	(99,432)	(453,020)
Allowance for losses on loans, advances and financing	(32,403)	(1,993)	-	(34,396)
Taxation	(118,479)	(10)	-	(118,489)