

**AmlInvestment Bank Berhad**  
**and its subsidiary companies**  
**(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)**

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

	Note	Group		Bank	
		30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
<b>ASSETS</b>					
Cash and short-term funds		1,023,089	907,107	921,693	777,190
Securities purchased under resale agreements		35,889	16,807	-	-
Deposits and placements with banks and other financial institutions		1,231	1,270	-	-
Securities held-for-trading	8	39,888	10,984	39,719	10,752
Securities available-for-sale	9	59,378	48,771	57,178	46,571
Securities held-to-maturity	10	114,859	113,419	114,857	113,417
Derivative financial assets		3,592	5,800	3,592	5,800
Loans, advances and financing	11	315,342	253,708	315,342	253,708
Other assets	12	850,118	461,398	446,587	329,648
Investments in subsidiary companies		-	-	88,231	88,231
Investments in associated companies		2,404	2,291	100	100
Prepaid land lease payments		2,565	2,595	2,565	2,595
Property and equipment		30,422	38,612	27,307	35,163
Deferred tax assets		134	1,485	-	-
Intangible assets		12,831	54,241	1,572	6,537
		<u>2,491,742</u>	<u>1,918,488</u>	<u>2,018,743</u>	<u>1,669,712</u>
Assets of disposal group/Asset classified as held for sale		-	103,082	-	48,807
<b>TOTAL ASSETS</b>		<u>2,491,742</u>	<u>2,021,570</u>	<u>2,018,743</u>	<u>1,718,519</u>
<b>LIABILITIES AND EQUITY</b>					
Deposits from customers	13	114,120	185,616	114,120	185,616
Deposits and placements of banks and other financial institutions	14	637,325	566,479	637,325	566,479
Derivative financial liabilities		-	22,279	-	22,279
Other liabilities	15	1,002,510	562,165	625,718	362,156
Term loans		54,082	-	-	-
Redeemable unsecured subordinated bonds		135,000	135,000	135,000	135,000
		<u>1,943,037</u>	<u>1,471,539</u>	<u>1,512,163</u>	<u>1,271,530</u>
Liabilities directly associated with assets classified as held for sale		-	25,611	-	-
Total Liabilities		<u>1,943,037</u>	<u>1,497,150</u>	<u>1,512,163</u>	<u>1,271,530</u>
Share capital		200,000	200,000	200,000	200,000
Reserves		348,705	324,420	306,580	246,989
Equity attributable to equity holder of the Bank		<u>548,705</u>	<u>524,420</u>	<u>506,580</u>	<u>446,989</u>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<u>2,491,742</u>	<u>2,021,570</u>	<u>2,018,743</u>	<u>1,718,519</u>

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

	Note	Group		Bank	
		30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
<b>COMMITMENTS AND CONTINGENCIES</b>	26	751,179	699,699	751,179	699,699
<b>NET ASSETS PER ORDINARY SHARE (RM)</b>		2.74	2.62	2.53	2.23
<b>CAPITAL ADEQUACY</b>	29				
Core Capital Ratio		21.89%	27.14%	26.52%	28.13%
Risk-Weighted Capital Ratio		26.69%	34.16%	28.07%	28.13%

The Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 March 2009.

**AmlInvestment Bank Berhad**  
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**(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)**

**UNAUDITED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2009**

Group	Note	Individual Quarter		Cumulative Quarter	
		30.09.09 RM'000	30.09.08 RM'000	30.09.09 RM'000	30.09.08 RM'000
Revenue		79,520	69,702	184,584	124,099
Interest income	16	11,098	29,561	21,767	77,261
Interest expense	17	(5,108)	(17,697)	(13,827)	(47,330)
Net interest income		5,990	11,864	7,940	29,931
Net income/(expense) from Islamic banking business		3,238	(360)	76,675	4,291
Other operating income	18	65,184	40,501	86,142	42,547
Net income		74,412	52,005	170,757	76,769
Other operating expenses	19	(53,977)	(70,945)	(109,456)	(141,037)
Operating Profit/(Loss)		20,435	(18,940)	61,301	(64,268)
(Allowance)/Writeback of allowance for losses on loans and financing	20	(122)	(70)	(559)	1,025
Impairment loss on:					
Securities		(3,869)	(43)	(7,589)	(43)
Writeback of allowance/(Allowance) for doubtful sundry receivables- net		751	(285)	1,005	171
Profit/(Loss) before share in results of associated companies		17,195	(19,338)	54,158	(63,115)
Share in results of associated companies		37	(9)	114	43
Profit/(Loss) before taxation		17,232	(19,347)	54,272	(63,072)
Taxation		(3,489)	(527)	(23,783)	(3,665)
Profit/(Loss) for the period from continuing operations		13,743	(19,874)	30,489	(66,737)
Profit for the period from discontinued operations		-	5,966	-	12,229
Profit/(Loss) for the period		13,743	(13,908)	30,489	(54,508)
Attributable to :					
Equity holder of the Bank		13,743	(13,908)	30,489	(54,508)
<b>EARNINGS PER SHARE (SEN)</b>					
Basic		6.87	(6.95)	15.24	(27.25)
Fully diluted		6.87	(6.95)	15.24	(27.25)

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2009.

**AmInvestment Bank Berhad**  
**and its subsidiary companies**  
**(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)**

**UNAUDITED CONSOLIDATED INCOME STATEMENTS (CONTD.)**  
**FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2009**

Bank	Note	Individual Quarter		Cumulative Quarter	
		30.09.09 RM'000	30.09.08 RM'000	30.09.09 RM'000	30.09.08 RM'000
Revenue		63,382	60,964	198,972	155,665
Interest income	16	9,633	28,209	18,922	74,439
Interest expense	17	(4,053)	(17,437)	(11,929)	(46,764)
Net interest income		5,580	10,772	6,993	27,675
Net income/(expense) from Islamic banking business		3,238	(360)	76,675	4,291
Other operating income	18	50,511	33,115	103,375	76,935
Net income		59,329	43,527	187,043	108,901
Other operating expenses	19	(43,403)	(60,774)	(88,787)	(118,672)
Operating Profit		15,926	(17,247)	98,256	(9,771)
(Allowance)/Writeback of allowance for losses on loans and financing	20	(122)	(70)	(559)	1,025
Impairment loss on: Securities		(3,869)	(43)	(7,589)	(43)
(Allowance)/Writeback of allowance for doubtful sundry receivables- net		(55)	(9)	(260)	315
Profit/(Loss) before taxation		11,880	(17,369)	89,848	(8,474)
Taxation		(2,471)	(260)	(21,963)	(3,479)
Net profit attributable to equity holder of the Bank		9,409	(17,629)	67,885	(11,953)
<b>EARNINGS PER SHARE (SEN)</b>					
Basic		4.70	(8.81)	33.94	(5.98)
Fully diluted		4.70	(8.81)	33.94	(5.98)

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2009.

**AmlInvestment Bank Berhad  
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**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2009**

Group	-----Attributable to equity holder of the Bank----->								
	Non-distributable						Distributable		Total shareholder's equity RM'000
	Share capital RM'000	Capital reserve RM'000	Share premium RM'000	Statutory reserve RM'000	Merger reserve RM'000	Available-for- sale reserve RM'000	Exchange fluctuation reserve RM'000	Unappropriated profits RM'000	
<b>At 1 April 2008</b>	340,000	2,815	190,284	389,500	19,155	23,516	23,853	1,083,286	2,072,409
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	-	(36,788)	-	-	(36,788)
Exchange fluctuation adjustments	-	-	-	-	-	-	2,632	-	2,632
Net (expense)/income recognised directly in equity	-	-	-	-	-	(36,788)	2,632	-	(34,156)
Loss for the period	-	-	-	-	-	-	-	(54,508)	(54,508)
Total recognised (expense)/income for the period	-	-	-	-	-	(36,788)	2,632	(54,508)	(88,664)
Effects arising from pooling of interest method	-	-	-	-	1,151	-	-	(1,151)	-
Capitalised for Bonus Issue	189,500	-	-	(189,500)	-	-	-	-	-
Capital reduction	(329,500)	-	(190,284)	-	-	-	-	-	(519,784)
Special dividends paid	-	-	-	-	-	-	-	(864,000)	(864,000)
Ordinary dividends paid	-	-	-	-	-	-	-	(90,000)	(90,000)
<b>At 30 September 2008</b>	<b>200,000</b>	<b>2,815</b>	<b>-</b>	<b>200,000</b>	<b>20,306</b>	<b>(13,272)</b>	<b>26,485</b>	<b>73,627</b>	<b>509,961</b>
<b>At 1 April 2009</b>	<b>200,000</b>	<b>2,815</b>	<b>-</b>	<b>200,000</b>	<b>22,023</b>	<b>(5,557)</b>	<b>24,900</b>	<b>80,239</b>	<b>524,420</b>
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	-	5,089	-	-	5,089
Exchange fluctuation adjustments	-	-	-	-	-	-	3,074	-	3,074
Net income recognised directly in equity	-	-	-	-	-	5,089	3,074	-	8,163
Profit for the period	-	-	-	-	-	-	-	30,489	30,489
Total recognised income for the period	-	-	-	-	-	5,089	3,074	30,489	38,652
Effects arising from pooling of interest method	-	-	-	-	(14,367)	-	-	-	(14,367)
<b>At 30 September 2009</b>	<b>200,000</b>	<b>2,815</b>	<b>-</b>	<b>200,000</b>	<b>7,656</b>	<b>(468)</b>	<b>27,974</b>	<b>110,728</b>	<b>548,705</b>

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2009.

**AmlInvestment Bank Berhad  
and its subsidiary companies  
(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)**

**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTD.)  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2009**

Bank	<-----Attributable to equity holder of the Bank----->							Total shareholder's equity RM'000
	Non-distributable					Distributable		
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Merger reserve RM'000	Available-for- sale reserve RM'000	Exchange fluctuation reserve RM'000	Unappropriated profits RM'000	
<b>At 1 April 2008</b>	340,000	190,284	389,500	14,367	23,464	8,878	984,642	1,951,135
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	(36,788)	-	-	(36,788)
Exchange fluctuation adjustments	-	-	-	-	-	(986)	-	(986)
Net expense recognised directly in equity	-	-	-	-	(36,788)	(986)	-	(37,774)
Loss for the period	-	-	-	-	-	-	(11,953)	(11,953)
Total recognised expense for the period	-	-	-	-	(36,788)	(986)	(11,953)	(49,727)
Capitalised for Bonus Issue	189,500	-	(189,500)	-	-	-	-	-
Capital reduction	(329,500)	(190,284)	-	-	-	-	-	(519,784)
Special dividends paid	-	-	-	-	-	-	(864,000)	(864,000)
Ordinary dividends paid	-	-	-	-	-	-	(90,000)	(90,000)
<b>At 30 September 2008</b>	200,000	-	200,000	14,367	(13,324)	7,892	18,689	427,624
<b>At 1 April 2009</b>	200,000	-	200,000	14,367	(5,609)	6,840	31,391	446,989
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	5,089	-	-	5,089
Exchange fluctuation adjustments	-	-	-	-	-	984	-	984
Net income recognised directly in equity	-	-	-	-	5,089	984	-	6,073
Profit for the period	-	-	-	-	-	-	67,885	67,885
Total recognised income for the period	-	-	-	-	5,089	984	67,885	73,958
Effects arising from pooling of interest method	-	-	-	(14,367)	-	-	-	(14,367)
<b>At 30 September 2009</b>	200,000	-	200,000	-	(520)	7,824	99,276	506,580

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2009.

**AmlInvestment Bank Berhad  
and its subsidiary companies  
(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)**

**UNAUDITED CONDENSED CASH FLOW STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009**

	Group		Bank	
	30.09.09 RM'000	30.09.08 RM'000	30.09.09 RM'000	30.09.08 RM'000
Profit/(Loss) before taxation from:				
Continuing operations	54,272	(63,072)	89,848	(8,474)
Discontinued operations	-	17,470	-	-
Adjustments for non-operating and non cash items	44,492	78,435	311	28,448
Operating profit before working capital changes	98,764	32,833	90,159	19,974
(Increase)/Decrease in operating assets	(482,873)	1,157,831	(277,527)	1,023,554
Increase in operating liabilities	448,932	255,137	249,391	387,470
Cash generated from operations	64,823	1,445,801	62,023	1,430,998
Taxation paid	(23,725)	(20,396)	(15,804)	(12,446)
Net cash generated from operating activities	41,098	1,425,405	46,219	1,418,552
Net cash (used in)/generated from investing activities	(59,823)	(1,443,940)	20,504	(905,128)
Net cash generated from/(used in) financing activities	54,082	(1,940,784)	-	(1,933,784)
	(5,741)	(3,384,724)	20,504	(2,838,912)
Net decrease/(increase) in cash and cash equivalents	35,357	(1,959,319)	66,723	(1,420,360)
Cash and cash equivalents at beginning of period	656,015	2,931,865	632,710	2,310,779
Cash and cash equivalents at end of period	691,372	972,546	699,433	890,419

**Note 1: Disposal of subsidiaries**

The assets and liabilities disposed arising on the transfer of AmlInvestment Management Berhad & AmlInvestment Services Berhad during the financial period ended 30 September 2009 were as follows:

	Unaudited As at 1 April 2009 RM'000
<b>Net assets disposed:</b>	
Cash and short-term funds	80,116
Other assets	21,515
Property and equipment	1,459
Intangible assets	972
Other liabilities	(46,576)
Net assets disposed as at date of disposal	57,486
Loss on transfer of subsidiaries	(45,121)
Goodwill realised	36,443
Net value on disposals	48,808
Less : Cash and short-term funds	(80,116)
Cash flow on disposal, net of cash disposed	(31,308)

The Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2009.

**Note 2 : Cash and cash equivalents**

For the purpose of the cash flow statements, cash and cash equivalents consist of cash and short-term funds excluding deposits and monies held in trust net of bank overdraft. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.09</b>	<b>30.09.08</b>	<b>30.09.09</b>	<b>30.09.08</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and short-term funds	1,023,089	1,255,696	921,693	1,009,898
Less: Cash and bank balances and deposit held in trust	(331,717)	(283,150)	(222,260)	(119,479)
	<u>691,372</u>	<u>972,546</u>	<u>699,433</u>	<u>890,419</u>

The Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2009.



## EXPLANATORY NOTES :

### 1. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with Financial Reporting Standards ("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.

Standards and IC Interpretations to existing standards that are not relevant or material for the Group and the Bank's operations:

FRS 111	Construction Contract
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating In a Specific Market – Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach to FRS 129 Financial Accounting in Hyperinflationary Economies
IC Interpretation 13	Customer Loyalty Programs

The following are the FRSs and IC Interpretations which have been issued by the Malaysian Accounting Standards Board ("MASB") as of the balance sheet date but are not yet effective:

FRS 139	Financial Instruments : Recognition and Measurement
FRS 4	Insurance Contracts
FRS 7	Financial Instruments : Disclosures
FRS 8	Operating Segments
FRS 123	Borrowing Costs
Amendments to FRS 2	Share Based Payment : Vesting Conditions and Cancellation
Amendments to FRS 1	First time adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Joint Controlled Entity or Associate
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and impairment
IC Interpretation 11	FRS 2 : Group and Treasury Share Transactions
IC Interpretation 14	FRS 119 : The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

All the new FRSs and IC Interpretations above are effective from 1 January 2010, except for FRS 8, which is effective from 1 July 2009. The new FRSs and IC Interpretations above are expected to have no significant impact on the financial statements of the Group and the Bank upon their initial application except for changes on disclosure arising from the adoption of FRS 7 and FRS 8. The Group and the Bank are exempted from disclosing the possible impact, if any, in the financial statements upon the initial application of FRS 139.

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 have adopted a more stringent classification policy on non-performing loans, whereby loans 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 the previous year, the Group and the Bank has also adopted a more stringent basis for specific allowances on non-performing loans as follows:

- (i) Values assigned to collateral held for non-performing loans 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 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 which are in arrears for more than seven (7) years.
- (ii) Specific allowance of 20% is provided on non-performing loans which are three (3) to less than six (6) months-in-arrears. Previously, specific allowance was only made when a non-performing loan was in arrears of 6 months and above.

The unaudited condensed interim financial statements incorporates those activities relating to the Islamic Banking business, which have been undertaken by the Group and the Bank. Islamic Banking business refers generally to the acceptance of deposits, dealing in Islamic securities, granting of financing, capital market and treasury activities under the Shariah principles.

## **2. AUDIT QUALIFICATION**

There were no audit qualification in the audited annual financial statements for the year ended 31 March 2009.

## **3. SEASONALITY OR CYCLICALITY OF OPERATIONS**

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

## **4. UNUSUAL ITEMS**

There were no unusual items during the current financial quarter and period except for the transfer of subsidiaries as mentioned in note 24.

## **5. USE OF ESTIMATES**

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

## **6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES**

The Bank has not issued any new shares or debentures during the financial quarter and period.

There were no share buy-back, share cancellation, shares held as treasury shares nor resale of treasury shares by the Bank during the financial quarter and period.

## **7. DIVIDENDS**

The directors do not recommend the payment of any dividend in respect of the current financial quarter.

## 8. SECURITIES HELD-FOR-TRADING

	Group		Bank	
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
<b>At Fair Value</b>				
<b>Securities Quoted:</b>				
In Malaysia:				
Shares	38,417	7,871	38,417	7,871
Trust units	1,302	1,450	1,302	1,450
Outside Malaysia:				
Shares	169	1,663	-	1,431
Total securities held-for-trading	39,888	10,984	39,719	10,752

## 9. SECURITIES AVAILABLE-FOR-SALE

	Group		Bank	
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
<b>At Fair Value</b>				
<b>Money Market Securities:</b>				
Negotiable instruments of deposits	15,253	15,129	15,253	15,129
<b>Securities Quoted in Malaysia:</b>				
Shares	17,596	4,861	17,596	4,861
<b>Unquoted Securities Of Companies Incorporated in Malaysia:</b>				
Shares	2,200	2,200	-	-
<b>Unquoted Private Debt Securities Of Companies Incorporated</b>				
Outside Malaysia:				
Islamic corporate bonds	9,536	-	9,536	-
Corporate bonds	22,383	26,581	22,383	26,581
	31,919	26,581	31,919	26,581
Total	66,968	48,771	64,768	46,571
Accumulated impairment losses	(7,590)	-	(7,590)	-
Total securities available-for-sale	59,378	48,771	57,178	46,571

## 10. SECURITIES HELD-TO-MATURITY

	Group		Bank	
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
<b>At Amortised Cost:</b>				
<b>Money Market Securities:</b>				
Negotiable Instrument of Deposit	98,455	96,614	98,455	96,614
<b>Quoted Securities:</b>				
In Malaysia:				
Shares	2	2	-	-
<b>Unquoted Securities Of Companies</b>				
<b>Incorporated:</b>				
In Malaysia:				
Shares	12,788	12,788	12,788	12,788
Corporate bonds	100	100	100	100
Unit trust	1,000	1,000	1,000	1,000
Outside Malaysia:				
Shares	2,514	4,313	2,514	4,313
	16,402	18,201	16,402	18,201
Total	114,859	114,817	114,857	114,815
Accumulated impairment losses	-	(1,398)	-	(1,398)
Total securities held-to-maturity	114,859	113,419	114,857	113,417

## 11. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
Term loans and revolving credits				
Customers	286,228	220,924	286,228	220,924
Related companies	30,409	31,130	30,409	31,130
Staff loans	9,761	12,141	9,761	12,141
Gross loans, advances and financing	326,398	264,195	326,398	264,195
Less:				
Allowance for bad and doubtful debts and financing:				
General	4,801	3,862	4,801	3,862
Specific	6,255	6,625	6,255	6,625
	11,056	10,487	11,056	10,487
Net loans, advances and financing	315,342	253,708	315,342	253,708

Loans, advances and financing analysed by their economic purposes are as follows:

	Group		Bank	
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
Working capital	30,409	31,130	30,409	31,130
Purchase of securities	283,217	220,423	283,217	220,423
Other purpose	2,510	-	2,510	-
Residential landed properties	7,711	9,870	7,711	9,870
Personal use	501	501	501	501
Purchase of transport vehicles	2,050	2,271	2,050	2,271
Gross loans, advances and financing	326,398	264,195	326,398	264,195

Loans, advances and financing analysed by type of customers are as follows:

	Group		Bank	
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
Domestic :				
Other non-bank financial institutions	30,409	31,130	30,409	31,130
Business enterprises:				
Small medium enterprises	2,103	-	2,103	-
Others	21,131	30,882	21,131	30,882
Individuals	270,653	200,066	270,653	200,066
Foreign entities	2,102	2,117	2,102	2,117
	<u>326,398</u>	<u>264,195</u>	<u>326,398</u>	<u>264,195</u>

Loans, advances and financing analysed by interest rate sensitivity are as follows:

	Group		Bank	
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
Variable rate				
Cost-plus	144,220	76,813	144,220	76,813
Other variable rates	30,409	31,130	30,409	31,130
	<u>174,629</u>	<u>107,943</u>	<u>174,629</u>	<u>107,943</u>
Fixed rate				
Housing loans	7,711	9,870	7,711	9,870
Hire purchase receivables	2,050	2,271	2,050	2,271
Other fixed rates	142,008	144,111	142,008	144,111
	<u>151,769</u>	<u>156,252</u>	<u>151,769</u>	<u>156,252</u>
	<u>326,398</u>	<u>264,195</u>	<u>326,398</u>	<u>264,195</u>

Movements in non-performing loans, advances and financing are as follows:

	Group		Bank	
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
Balance at beginning of period/year	6,733	293,172	6,733	293,172
Non-performing during the period/year	-	-	-	-
Reclassification to performing loans, advances and financing	-	-	-	-
Debt equity conversion	-	-	-	-
Recoveries	(370)	(595)	(370)	(595)
Amount written off	-	-	-	-
Amount vested to AmBank/AmIslamic Bank	-	(285,844)	-	(285,844)
Exchange fluctuation adjustment	-	-	-	-
Reclassification from trade receivable	-	-	-	-
Balance at end of period/year	6,363	6,733	6,363	6,733
Specific allowance	(6,255)	(6,625)	(6,255)	(6,625)
Non-performing loans, advances and financing - net	<u>108</u>	<u>108</u>	<u>108</u>	<u>108</u>
Ratios of non-performing loans, advances and financing to total loans, advances and financing - net	0.03%	0.04%	0.03%	0.04%

Non-performing loans, advances and financing analysed by their economic purposes are as follows:

	Group		Bank	
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
Purchase of securities	6,363	6,733	6,363	6,733

Movements in allowances for bad and doubtful debts and financing are as follows:

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.09</b>	<b>31.03.09</b>	<b>30.09.09</b>	<b>31.03.09</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>General allowance</b>				
Balance at beginning of period/year	3,862	69,179	3,862	68,689
Reversal of allowance during the period/year	939	3,272	939	3,272
Amount vested to AmBank/AmIslamic Bank	-	(68,895)	-	(68,895)
Exchange fluctuation adjustments	-	306	-	796
Balance at end of period/year	<u>4,801</u>	<u>3,862</u>	<u>4,801</u>	<u>3,862</u>
% of total loans, advances and financing less specific allowances	<u>1.50%</u>	<u>1.50%</u>	<u>1.50%</u>	<u>1.50%</u>
<b>Specific allowance</b>				
Balance at beginning of period/year	6,625	160,266	6,625	160,250
Allowance during the period/year	-	124	-	124
Amount written back in respect of recoveries and reversals	(370)	(616)	(370)	(616)
Net charge to income statements	(370)	(492)	(370)	(492)
Reclassification from sundry receivables	-	78	-	78
Amount vested to AmBank/AmIslamic Bank	-	(153,211)	-	(153,211)
Exchange fluctuation adjustments	-	(16)	-	-
Balance at end of period/year	<u>6,255</u>	<u>6,625</u>	<u>6,255</u>	<u>6,625</u>

**12. OTHER ASSETS**

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.09</b>	<b>31.03.09</b>	<b>30.09.09</b>	<b>31.03.09</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Trade receivables, net of allowance for doubtful debts	716,984	316,471	324,952	171,452
Other receivables, deposits and prepayments, net of allowance for doubtful debts	102,388	144,378	96,822	125,778
Interest/Dividends receivable	1,325	1,343	1,308	19,678
Amount due from brokers	6,346	13,923	-	5,739
Amount due from:				
Ultimate holding company	-	1,019	-	1,019
Subsidiary companies	-	-	143	1,177
Related companies	3,955	4,115	4,242	4,121
Assets acquired in exchange of debts, net of impairment loss	684	684	684	684
Income tax receivable	18,436	-	18,436	-
	<u>850,118</u>	<u>481,933</u>	<u>446,587</u>	<u>329,648</u>
Asset reclassified as held for sale	-	(20,535)	-	-
	<u>850,118</u>	<u>461,398</u>	<u>446,587</u>	<u>329,648</u>

Trade receivables mainly relate to the stock and share-broking operations of subsidiary companies and the Bank, and represent amount outstanding in purchase contracts net of allowance.

Amounts due from ultimate holding company, subsidiary companies and other related companies are unsecured, interest-free and represent expenses paid on behalf and interest receivable.



### 13. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
Term/Investment deposits	-	-	-	-
Negotiable instruments of deposits	114,120	114,309	114,120	114,309
Other deposits	-	71,307	-	71,307
	<u>114,120</u>	<u>185,616</u>	<u>114,120</u>	<u>185,616</u>

The deposits are sourced from the following types of customers:

	Group		Bank	
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
Business enterprises	14,120	85,616	14,120	85,616
Individuals	-	-	-	-
Government	100,000	100,000	100,000	100,000
Others	-	-	-	-
	<u>114,120</u>	<u>185,616</u>	<u>114,120</u>	<u>185,616</u>

### 14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
Licensed banks:				
Subsidiary	-	-	-	-
Related	637,325	566,479	637,325	566,479
Others	-	-	-	-
	<u>637,325</u>	<u>566,479</u>	<u>637,325</u>	<u>566,479</u>

**15. OTHER LIABILITIES**

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.09</b>	<b>31.03.09</b>	<b>30.09.09</b>	<b>31.03.09</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Trade payables	873,834	468,454	507,888	271,097
Other payables and accruals	70,678	94,825	59,261	67,093
Provision for commitments	-	-	-	-
Amount due to Ultimate holding company	4,968	-	4,896	-
Amount due to subsidiaries	-	-	784	-
Amount due to related companies	51,322	17,282	51,139	17,291
Taxation payable	(42)	(340)	-	-
Zakat payable	38	38	38	38
Bank Overdraft	-	786	-	-
Deferred tax liabilities	1,712	6,731	1,712	6,637
	<u>1,002,510</u>	<u>587,776</u>	<u>625,718</u>	<u>362,156</u>
Liabilities directly associated with assets classified as held for sale	-	(25,611)	-	-
	<u>1,002,510</u>	<u>562,165</u>	<u>625,718</u>	<u>362,156</u>

Trade payables mainly relate to the stock and share-broking operations of subsidiary companies and the Bank, and represent amount payable in outstanding sales contracts.

Amount due to related companies represent interest payable on deposit placements.

The movements in profit equalisation reserve are as follows:

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.09</b>	<b>31.03.09</b>	<b>30.09.09</b>	<b>31.03.09</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance at beginning of period/year	-	335	-	95
Amount vested to AmBank/AmIslamic Bank	-	(335)	-	(95)
Balance at end of period/year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 16. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.09.09 RM'000	30.09.08 RM'000	30.09.09 RM'000	30.09.08 RM'000
Short-term funds and deposits with financial institutions	4,100	13,920	8,359	31,225
Securities held-for-trading	2	2,324	2	11,436
Securities available-for-sale	555	1,234	1,110	4,277
Securities held-to-maturity	-	-	-	-
Loans and advances				
- Interest income other than recoveries from NPLs	4,821	10,460	9,132	27,179
- Recoveries from NPLs	-	-	-	218
Others	316	307	581	750
Gross interest income	9,794	28,245	19,184	75,085
Amortisation of premiums less accretion of discounts	1,304	1,316	2,583	2,995
Interest suspended	-	-	-	(819)
Total after net interest suspension	11,098	29,561	21,767	77,261
Bank	Individual Quarter		Cumulative Quarter	
	30.09.09 RM'000	30.09.08 RM'000	30.09.09 RM'000	30.09.08 RM'000
Short-term funds and deposits with financial institutions	2,891	12,842	5,951	29,019
Securities held-for-trading	2	2,324	2	11,436
Securities available-for-sale	555	1,234	1,110	4,277
Securities held-to-maturity	-	-	-	-
Loans and advances				
- Interest income other than recoveries from NPLs	4,821	10,459	9,132	27,179
- Recoveries from NPLs	-	-	-	218
Others	60	34	144	134
Gross interest income	8,329	26,893	16,339	72,263
Amortisation of premiums less accretion of discounts	1,304	1,316	2,583	2,995
Interest suspended	-	-	-	(819)
Total after net interest suspension	9,633	28,209	18,922	74,439

## 17. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	30.09.09 RM'000	30.09.08 RM'000	30.09.09 RM'000	30.09.08 RM'000
Deposits from customers	493	-	3,539	6,958
Deposit of banks and other financial institutions	2,686	8,147	6,276	20,438
Securities sold under repurchase agreements	-	(1)	-	(1)
Subordinated deposits and term loans	-	32	-	393
Securities sold not yet repurchased	-	-	-	-
Redeemable unsecured bonds	1,616	9,071	3,215	18,124
Others	313	448	797	1,418
	<u>5,108</u>	<u>17,697</u>	<u>13,827</u>	<u>47,330</u>

  

Bank	Individual Quarter		Cumulative Quarter	
	30.09.09 RM'000	30.09.08 RM'000	30.09.09 RM'000	30.09.08 RM'000
Deposits from customers	175	-	2,131	6,958
Deposit of banks and other financial institutions	2,260	8,147	6,276	20,438
Securities sold under repurchase agreements	-	(1)	-	(1)
Subordinated deposits and term loans	-	-	-	244
Securities sold not yet repurchased	-	-	-	-
Redeemable unsecured bonds	1,616	9,071	3,215	18,124
Others	2	220	307	1,001
	<u>4,053</u>	<u>17,437</u>	<u>11,929</u>	<u>46,764</u>

## 18. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.09.09 RM'000	30.09.08 RM'000	30.09.09 RM'000	30.09.08 RM'000
Fee income:				
Fees on loans and advances	6,586	3,100	10,650	6,054
Corporate advisory fees	4,451	9,842	11,158	18,703
Guarantee fees	271	404	620	833
Underwriting commissions	516	2,195	1,105	5,643
Portfolio management fees	(103)	(402)	(205)	(1,168)
Unit trust management fees	1,740	1,815	3,291	3,446
Brokerage fees and commissions	28,882	15,813	61,493	36,606
Other fee income	12,388	6,577	17,821	13,803
	<u>54,731</u>	<u>39,344</u>	<u>105,933</u>	<u>83,920</u>
Investment and trading income:				
Net gain/(loss) from sale of securities held-for-trading	1,451	(1,266)	4,012	(13,664)
Net (loss)/gain from sale of securities available-for-sale	(980)	4	(966)	(46)
Net gain on redemption of securities held-to-maturity	-	-	-	250
Loss on disposal of subsidiaries / transfer of offshore banking subsidiary	-	-	(45,121)	(48,515)
(Loss)/gain on revaluation of derivatives	(2,723)	(2,055)	2,957	(5,151)
Gross dividend income from:				
Securities held-for-trading	209	427	243	1,337
Securities available-for-sale	632	-	632	-
Securities held-to-maturity	662	435	687	460
(Loss)/gain on revaluation of securities held-for-trading	(184)	(13,952)	47	(8,937)
Foreign exchange loss	(341)	(2,148)	(1,267)	(3,598)
	<u>(1,274)</u>	<u>(18,555)</u>	<u>(38,776)</u>	<u>(77,864)</u>
Other income:				
(Loss)/gain on disposal of property and equipment - net	(5)	30	15	453
Rental income	598	678	948	929
Other non-operating income	106	4	320	11
Service transfer pricing income	11,028	19,000	17,702	35,098
	<u>11,727</u>	<u>19,712</u>	<u>18,985</u>	<u>36,491</u>
	<u>65,184</u>	<u>40,501</u>	<u>86,142</u>	<u>42,547</u>

**18. OTHER OPERATING INCOME (CONTD.)**

Bank	Individual Quarter		Cumulative Quarter	
	30.09.09 RM'000	30.09.08 RM'000	30.09.09 RM'000	30.09.08 RM'000
Fee income:				
Fees on loans and advances	6,586	3,100	10,650	6,054
Corporate advisory fees	4,054	9,435	10,665	18,190
Guarantee fees	271	404	620	833
Underwriting commissions	516	2,156	666	5,604
Brokerage fees and commissions	17,507	11,097	40,074	26,313
Other fee income	13,660	5,794	17,953	12,197
	<u>42,594</u>	<u>31,986</u>	<u>80,628</u>	<u>69,191</u>
Investment and trading income:				
Net gain/(loss) from sale of securities held-for-trading	1,490	(1,264)	4,190	(13,654)
Net (loss)/gain from sale of securities available-for-sale	(980)	4	(966)	(46)
Net gain on redemption of securities held-to-maturity	-	-	-	250
(Loss)/gain on revaluation of derivatives	(2,712)	(2,051)	2,968	(5,147)
Gross dividend income from:				
Unquoted subsidiary companies	-	-	-	540
Securities held-for-trading	209	427	243	1,323
Securities available-for-sale	632	-	632	-
Securities held-to-maturity	662	435	687	460
(Loss)/gain on revaluation of securities held-for-trading	(185)	(13,963)	48	(8,948)
Foreign exchange loss	(539)	(2,191)	(1,642)	(3,623)
	<u>(1,423)</u>	<u>(18,603)</u>	<u>6,160</u>	<u>(28,845)</u>
Other income:				
(Loss)/gain on disposal of property and equipment - net	(5)	30	14	453
Rental income	598	678	948	929
Other non-operating income	65	-	264	-
Service transfer pricing income	8,682	19,024	15,361	35,207
	<u>9,340</u>	<u>19,732</u>	<u>16,587</u>	<u>36,589</u>
	<u>50,511</u>	<u>33,115</u>	<u>103,375</u>	<u>76,935</u>

## 19. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	30.09.09 RM'000	30.09.08 RM'000	30.09.09 RM'000	30.09.08 RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	25,860	38,349	51,954	74,350
- Others	6,977	11,769	13,641	24,007
	<u>32,837</u>	<u>50,118</u>	<u>65,595</u>	<u>98,357</u>
Establishment costs				
- Depreciation of property and equipment	1,370	2,001	2,719	3,928
- Amortisation of computer software	102	489	192	834
- Computerisation costs	4,579	3,686	7,812	8,012
- Rental	3,707	4,385	7,206	8,549
- Others	1,178	1,617	2,101	3,010
	<u>10,936</u>	<u>12,178</u>	<u>20,030</u>	<u>24,333</u>
Marketing and communication expenses				
- Sales commission	2,675	968	6,427	2,316
- Advertising	293	1,027	389	2,643
- Travel and entertainment	801	1,463	1,833	3,075
- Others	1,434	1,556	3,041	3,139
	<u>5,203</u>	<u>5,014</u>	<u>11,690</u>	<u>11,173</u>
Administration and general expenses				
- Professional fees	425	650	1,308	1,479
- Others	1,405	2,899	5,327	5,520
	<u>1,830</u>	<u>3,549</u>	<u>6,635</u>	<u>6,999</u>
Others				
- Service transfer pricing expenses	3,171	86	5,506	175
	<u>53,977</u>	<u>70,945</u>	<u>109,456</u>	<u>141,037</u>

**19. OTHER OPERATING EXPENSES (CONTD.)**

<b>Bank</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30.09.09</b>	<b>30.09.08</b>	<b>30.09.09</b>	<b>30.09.08</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personnel/Staff costs				
- Salaries, allowances and bonuses	22,722	34,390	45,613	65,099
- Others	5,393	10,515	10,896	20,231
	<u>28,115</u>	<u>44,905</u>	<u>56,509</u>	<u>85,330</u>
Establishment costs				
- Depreciation of property and equipment	1,063	1,700	2,104	3,335
- Amortisation of computer software	101	488	190	832
- Computerisation costs	2,281	2,045	3,512	4,833
- Rental	2,698	3,393	5,175	6,620
- Others	875	1,299	1,495	2,355
	<u>7,018</u>	<u>8,925</u>	<u>12,476</u>	<u>17,975</u>
Marketing and communication expenses				
- Sales commission	2,103	225	5,023	975
- Advertising	280	1,019	357	2,615
- Travel and entertainment	589	1,239	1,364	2,567
- Others	1,095	1,209	2,332	2,393
	<u>4,067</u>	<u>3,692</u>	<u>9,076</u>	<u>8,550</u>
Administration and general expenses				
- Professional fees	354	552	1,135	1,311
- Others	996	2,700	4,551	5,506
	<u>1,350</u>	<u>3,252</u>	<u>5,686</u>	<u>6,817</u>
Others				
- Service transfer pricing expenses	2,853	-	5,040	-
	<u>43,403</u>	<u>60,774</u>	<u>88,787</u>	<u>118,672</u>



**20. ALLOWANCE/(WRITEBACK OF ALLOWANCE) FOR LOSSES ON LOANS AND FINANCING**

Group	Individual Quarter		Cumulative Quarter	
	30.09.09 RM'000	30.09.08 RM'000	30.09.09 RM'000	30.09.08 RM'000
Allowance for bad and doubtful debts and financing:				
Specific allowance - net	(194)	(101)	(370)	(270)
<i>Allowance during the period</i>	-	59	-	59
<i>Amount written back in respect         of recoveries and reversals</i>	(194)	(160)	(370)	(329)
General allowance	322	172	939	1,526
Bad debts and financing				
Written off	-	-	-	-
Recovered	(6)	(1)	(10)	(2,281)
	122	70	559	(1,025)
<b>Bank</b>				
Allowance for bad and doubtful debts and financing:				
Specific allowance- net	(194)	(101)	(370)	(270)
<i>Allowance during the period</i>	-	59	-	59
<i>Amount written back in respect         of recoveries and reversals</i>	(194)	(160)	(370)	(329)
General allowance	322	172	939	1,526
Bad debts and financing				
Written off	-	-	-	-
Recovered	(6)	(1)	(10)	(2,281)
	122	70	559	(1,025)

## 21. SEGMENTAL INFORMATION

### BY BUSINESS SEGMENT

	Individual Quarter		Cumulative Quarter	
	30.09.09 RM'000	30.09.08 RM'000	30.09.09 RM'000	30.09.08 RM'000
<b>Continuing Operations</b>				
Investment banking				
Revenue	84,238	61,729	225,930	149,945
Profit before taxation	16,882	(6,262)	98,781	3,489
Offshore banking				
Revenue	-	(12,564)	-	(14,561)
Loss before taxation	-	(13,656)	-	(17,603)
Real estate management				
Revenue	5	11	11	22
Profit before taxation	(2)	10	(2)	15
Investment consultancy and advisory				
Revenue	1,186	1,835	2,381	3,672
Profit/(loss) before taxation	206	474	345	(117)
Others				
Revenue	124	1,051	181	1,119
Profit before taxation	110	52	155	112
<hr/>				
Total before consolidation adjustments				
Revenue	85,553	52,062	228,503	140,197
Profit/(loss) before taxation	17,196	(19,382)	99,279	(14,104)
Consolidation adjustments				
Revenue	(6,033)	17,640	(43,919)	(16,098)
Profit before taxation	36	35	(45,007)	(48,968)
<hr/>				
Total after consolidation adjustments				
Revenue	79,520	69,702	184,584	124,099
Profit/(loss) before taxation	17,232	(19,347)	54,272	(63,072)
<hr/>				
<b>Discontinued Operations</b>				
Unit trust management				
Revenue	-	10,495	-	20,708
Profit before taxation	-	7,134	-	14,253
Asset management				
Revenue	-	7,434	-	16,014
Profit before taxation	-	818	-	3,217
Total				
Revenue	-	17,929	-	36,722
Profit before taxation	-	7,952	-	17,470
<hr/>				

## 21. SEGMENTAL INFORMATION (CONTD.)

Included in the above is Islamic banking business profit before taxation of RM69.4 million for the Group and the Bank for the period ended 30 September 2009 (RM4.4 million for the Group and the Bank for the period ended 30 September 2008).

The Group's activities are principally conducted in Malaysia except for AmFrasers International Pte. Ltd. and its subsidiary companies, activities of which are principally conducted in Singapore, which contributed to a profit before tax of RM7.8 million for the period ended 30 September 2009 (loss of RM 7.3 million for the period ended 30 September 2008).

## 22. VALUATIONS OF PROPERTY AND EQUIPMENT

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

## 23. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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

## 24. CHANGES IN THE COMPOSITION OF THE GROUP AND THE BANK

On 1 April 2009, the Bank acquired 100% equity interest in AmResearch Sdn Bhd ("AMR") and AmFutures Sdn Bhd ("AMF") from AmSecurities Holdings Sdn Bhd pursuant to the reorganisation by AMMB Holdings Berhad of the Group's business operations after the privatisation of AmInvestment Group Berhad. The shareholding interest in these subsidiaries are acquired at their book values.

The balance sheets are as follows:

	<b>As at 31 Mar 2009 AMR RM'000</b>	<b>As at 31 Mar 2009 AMF RM'000</b>
<b>ASSETS</b>		
Cash and short-term funds	3,956	73,910
Securities purchased under resale agreements	-	16,807
Securities available-for-sale	-	2,200
Other assets	25	11,399
Property and equipment	170	361
Intangible assets	12	6
	<u>4,163</u>	<u>104,683</u>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
Other liabilities	1,489	85,334
Total liabilities	<u>1,489</u>	<u>85,334</u>
Share capital	500	15,000
Reserves	2,174	4,349
Shareholder's equity	<u>2,674</u>	<u>19,349</u>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<u>4,163</u>	<u>104,683</u>

## 24. CHANGES IN THE COMPOSITION OF THE GROUP AND THE BANK (CONT'D.)

On 1 April 2009, the Bank divested the 100% equity interest in AmlInvestment Management Sdn Bhd ("AIM") and AmlInvestment Services Berhad ("AIS") at book values to AmlInvestment Group Berhad.

The balance sheets are as follows:

	As at 31 Mar 2009 AIM RM'000	As at 31 Mar 2009 AIS RM'000
<b>ASSETS</b>		
Cash and short-term funds	22,133	57,983
Other assets	5,619	15,896
Property and equipment	1,041	418
Intangible assets	230	742
<b>TOTAL ASSETS</b>	<u>29,023</u>	<u>75,039</u>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>		
Other liabilities	<u>16,984</u>	<u>29,592</u>
Share capital	2,000	5,539
Reserves	10,039	39,908
Shareholder's equity	<u>12,039</u>	<u>45,447</u>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<u>29,023</u>	<u>75,039</u>

In previous financial year, on 12 April 2008, the Bank completed the business transfer of assets and liabilities relating to the Bank's 100% shareholding interest in Labuan offshore banking subsidiary of AmInternational (L) Ltd ("AMIL") at book value to AmBank.

The balance sheets for the transfer is as follows:

	Unaudited As at 12 April 2008 AMIL RM'000
<b>ASSETS</b>	
Cash and short-term funds	535,393
Securities available-for-sale	897
Securities held-to-maturity	40,954
Loans, advances and financing	32,146
Other assets	1,294
Property and equipment	510
Intangible assets	2
<b>TOTAL ASSETS</b>	<u>611,196</u>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>	
Deposits from customers	503,510
Deposits and placements of banks and other financial institutions	24,115
Other liabilities	2,036
Total liabilities	<u>529,661</u>
Share capital	33,020
Reserves	48,515
Shareholder's equity	<u>81,535</u>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<u>611,196</u>

## 25. BORROWINGS

The maturity structure of deposits and placements of customers and financial institutions and debt securities are as follows:

	Group		Bank																					
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000																				
(i) Deposits from customers																								
Due within six months	100,000	185,616	100,000	185,616																				
Six months to one year	-	-	-	-																				
One year to three years	14,120	-	14,120	-																				
Three years to five years	-	-	-	-																				
Total	<u>114,120</u>	<u>185,616</u>	<u>114,120</u>	<u>185,616</u>																				
(ii) Deposits and placements of banks and other financial institutions																								
Due within six months	584,964	566,479	584,964	566,479																				
Six months to one year	52,361	-	52,361	-																				
One year to three years	-	-	-	-																				
Three years to five years	-	-	-	-																				
Total	<u>637,325</u>	<u>566,479</u>	<u>637,325</u>	<u>566,479</u>																				
<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="5" style="text-align: left; padding-left: 20px;"><i>Recap :</i></td> </tr> <tr> <td style="padding-left: 20px;"><i>Interbank lendings</i></td> <td style="text-align: right;">968,500</td> <td style="text-align: right;">863,032</td> <td style="text-align: right;">888,359</td> <td style="text-align: right;">758,946</td> </tr> <tr> <td style="padding-left: 20px;"><i>Interbank borrowings</i></td> <td style="text-align: right;">(637,325)</td> <td style="text-align: right;">(566,479)</td> <td style="text-align: right;">(637,325)</td> <td style="text-align: right;">(566,479)</td> </tr> <tr> <td style="padding-left: 20px;"><b><i>Net interbank (borrowings)/ lendings</i></b></td> <td style="text-align: right;"><u>331,175</u></td> <td style="text-align: right;"><u>296,553</u></td> <td style="text-align: right;"><u>251,034</u></td> <td style="text-align: right;"><u>192,467</u></td> </tr> </table>					<i>Recap :</i>					<i>Interbank lendings</i>	968,500	863,032	888,359	758,946	<i>Interbank borrowings</i>	(637,325)	(566,479)	(637,325)	(566,479)	<b><i>Net interbank (borrowings)/ lendings</i></b>	<u>331,175</u>	<u>296,553</u>	<u>251,034</u>	<u>192,467</u>
<i>Recap :</i>																								
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<b><i>Net interbank (borrowings)/ lendings</i></b>	<u>331,175</u>	<u>296,553</u>	<u>251,034</u>	<u>192,467</u>																				
(iii) Term loans																								
Due within one year																								
Secured	54,082	-	-	-																				
(iv) Redeemable unsecured subordinated bonds																								
More than one year	135,000	135,000	135,000	135,000																				

## 26. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and 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 asset.

As at 30 September 2009, the commitments and contingencies outstanding are as follows:

Group	30.09.09			31.03.09		
	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
<b>Derivative Financial Instruments</b>						
Equity related contracts:						
Options	98,702	3,208	802	127,290	-	-
Futures	34,693	-	-	8,262	-	-
	<u>133,395</u>	<u>3,208</u>	<u>802</u>	<u>135,552</u>	<u>-</u>	<u>-</u>
<b>Commitments</b>						
Irrevocable commitments to extend credit maturing :						
within one year	153,930	-	-	100,147	-	-
more than one year	1,329	221	165	1,328	664	485
	<u>155,259</u>	<u>221</u>	<u>165</u>	<u>101,475</u>	<u>664</u>	<u>485</u>
<b>Contingent Liabilities</b>						
Guarantees given on behalf of customers	461,945	461,945	448,541	462,672	462,672	462,672
Underwriting liabilities	580	-	-	-	-	-
	<u>462,525</u>	<u>461,945</u>	<u>448,541</u>	<u>462,672</u>	<u>462,672</u>	<u>462,672</u>
	<u>751,179</u>	<u>465,374</u>	<u>449,508</u>	<u>699,699</u>	<u>463,336</u>	<u>463,157</u>

**26. COMMITMENTS AND CONTINGENCIES (CONT'D)**

Bank	30.09.09			31.03.09		
	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
<b>Derivative Financial Instruments</b>						
Equity related contracts:						
Options	98,702	3,208	802	127,290	-	-
Futures	34,693	-	-	8,262	-	-
	<u>133,395</u>	<u>3,208</u>	<u>802</u>	<u>135,552</u>	<u>-</u>	<u>-</u>
<b>Commitments</b>						
Irrevocable commitments to extend credit maturing:						
within one year	153,930	-	-	100,147	-	-
more than one year	1,329	221	165	1,328	664	485
	<u>155,259</u>	<u>221</u>	<u>165</u>	<u>101,475</u>	<u>664</u>	<u>485</u>
<b>Contingent Liabilities</b>						
Guarantees given on behalf of customers	461,945	461,945	448,541	462,672	462,672	462,672
Underwriting liabilities	580	-	-	-	-	-
	<u>462,525</u>	<u>461,945</u>	<u>448,541</u>	<u>462,672</u>	<u>462,672</u>	<u>462,672</u>
	<u>751,179</u>	<u>465,374</u>	<u>449,508</u>	<u>699,699</u>	<u>463,336</u>	<u>463,157</u>

## **26. COMMITMENTS AND CONTINGENCIES (CONTD.)**

The credit equivalent amount is arrived at using the credit conversion factor as per Bank Negara Malaysia guidelines.

- (a) The Bank has given guarantees in favour of Labuan International Financial Exchange ("LFX") in respect of USD 5 million each for AmInternational to act as a Listing Sponsor and as a Trading Agent of the LFX.
- (b) A suit dated 12 December 2005 was filed by Meridian Asset Management Sdn Bhd ("Meridian") against AmTrustee Berhad ("AmTrustee") ("Meridian's Suit"), an associated company of the Bank in respect of a claim amounting to RM27,606,169.95 for alleged loss and damage together with interests and costs arising from AmTrustee's provision of custodian services to Meridian.

Malaysian Assurance Alliance Bhd ("MAA") has claimed its portion of the abovementioned alleged loss, being general damages and special damages of RM19,640,178.83, together with interest and costs. AmTrustee was served on 24 March 2006 with a Writ and Statement of Claim dated 25 January 2006 by solicitors acting for MAA ("MAA Suit"). MAA had appointed Meridian as an external fund manager for certain of its insurance funds, and part of these funds were deposited by Meridian with AmTrustee.

AmTrustee has been served on 5 October 2006 with an application to add the Bank as 2nd Defendant to the Meridian Suit. The claim in the application by Meridian against the Bank is to increase the amount claimed for alleged loss and damage from RM 27,606,169.95 to RM36,967,166.84 together with interest and costs arising from the provision of custodian services by AmTrustee to Meridian.

The application was fixed for hearing before the Registrar on 17 October 2008, and the Registrar dismissed the Application with cost. Meridian filed an appeal to the Judge in Chambers against the Registrar's Order and the same was heard by the Judge on 8 January 2009 and was fixed for decision on 23 March 2009 wherein the High Court Judge allowed Meridian's Appeal in part, in that the Court dismissed Meridian's application to add AmInvestment Bank as a Party to Meridian's Suit and allowed Meridian to increase its claim against AmTrustee from RM27,606,169.65 to RM36,967,166.84.

No Appeal was lodged to the Court of Appeal by Meridian against the High Court's decision in dismissing its application to add AmInvestment Bank as a Party to its Suit.

With the High Court decision dated 23 March 2009, in dismissing Meridian's application to add AmInvestment Bank as a Party to its Suit, and with no Appeal lodged to the Court of Appeal, there is no litigation pending today against AmInvestment Bank by Meridian.

It is to be noted that both the Meridian and MAA suit against AmTrustee were ordered on 16 September 2008 to be tried together at the same time pursuant to Order 4 Rule 1 of the Rules of the High Court 1980. Case Management of this case with that of the other is fixed on 15 December 2009.

AmTrustee has also been served on 3 August 2009 with a copy of a Third Party Notice dated 24 July 2009 by solicitors acting for Meridian.

The Third Party Notice is taken against AmTrustee by Meridian on a suit filed by Kumpulan Wang Persaraan (DiPerbadankan) ("KWAP") against Meridian in 2007, at the Kuala Lumpur High Court via suit number D5-22-1457-2007 ("KWAP Suit"). The facts of this case revolves around the same facts as that of the above Meridian Suit and MAA Suit. The High Court suit by KWAP is for an alleged breach by Meridian of an Investment Management Agreement executed between KWAP and Meridian in 2001 ("the Agreement") for a sum of RM 7,254,050.42 general damages for breach of the Agreement and breach of trust together with interests and costs ("KWAP's claim").

On the basis of KWAP's claim, Meridian is seeking against AmTrustee via the Third Party Notice for AmTrustee to indemnify Meridian in respect of KWAP's claim. KWAP's Suit is fixed for Mention on 10 November 2009.

Neither material financial nor operational impact is expected on the Group as a result of the addition of the 2nd defendant.



## 27. DERIVATIVE FINANCIAL INSTRUMENTS

As at 30 September 2009, derivative financial instruments outstanding are as follows:

### The Group and The Bank

Items	Principal Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	>1 - 5 years RM'000	>5 years RM'000	Margin requirement
Equity related contracts:								
Options	98,702	-	-	98,702	-	-	-	-
Futures	34,693	34,693						
Total	133,395	34,693	-	98,702	-	-	-	-

### 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 focussed on interest rate derivatives 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 futures, interest rate swaps and forward rate agreements. Forward rate agreements are contracts for the payment of the difference between a specified interest rate and a reference rate on a notional deposit at a future settlement date. There is no exchange of principal. An interest rate futures 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 at a future settlement date. Interest rate swap transactions generally involve the exchange of fixed and floating interest payment obligations without the exchange of the underlying principal amounts.

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 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.

## **27. DERIVATIVE FINANCIAL INSTRUMENTS (CONTD.)**

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

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

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

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

The contractual amounts of these contracts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Value at risk method is used to measure the market risk from these contracts. Value at risk, is a statistical measure that estimates the potential changes in portfolio value that may occur brought about by potential changes in market rates over a defined period at a 99% confidence level under normal market condition.

### **Credit risk**

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

(i) Fair value hedge

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

(ii) Cash flow hedge

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

## 28. INTEREST RATE RISK SENSITIVITY

The following table shows 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.

Group	←-----Non-trading book-----→						Non- interest sensitive	Trading Book	Total	Effective interest rate
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years				
30.09.09	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>ASSETS</b>										
Cash and short-term funds	867,512	-	-	-	-	-	155,577	-	1,023,089	1.92
Securities purchased under resale agreements	35,889	-	-	-	-	-	-	-	35,889	1.20
Deposits and placements with banks and other financial institutions	460	11	760	-	-	-	-	-	1,231	1.24
Securities held-for-trading	-	-	-	-	-	-	-	39,888	39,888	-
Securities available-for-sale	-	-	-	-	17,200	22,383	19,795	-	59,378	9.49
Securities held-to-maturity	-	-	98,455	-	-	-	16,404	-	114,859	2.16
Loans, advances and financing:										
- performing	60,958	180,884	22,588	45,881	2,281	7,287	156	-	320,035	7.18
- non-performing *	-	-	-	-	-	-	(4,693)	-	(4,693)	-
Other non-interest sensitive balances	-	-	-	-	-	-	902,066	-	902,066	-
<b>TOTAL ASSETS</b>	<b>964,819</b>	<b>180,895</b>	<b>121,803</b>	<b>45,881</b>	<b>19,481</b>	<b>29,670</b>	<b>1,089,305</b>	<b>39,888</b>	<b>2,491,742</b>	
<b>LIABILITIES AND EQUITY</b>										
Deposits from customers	-	-	-	100,000	14,120	-	-	-	114,120	0.80
Deposits and placements of banks and other financial institutions	214,964	150,000	220,000	-	52,361	-	-	-	637,325	2.16
Term loans	54,082	-	-	-	-	-	-	-	54,082	1.00
Redeemable unsecured subordinated bonds	-	-	-	-	-	135,000	-	-	135,000	4.75
Other non-interest sensitive balances	-	-	-	-	-	-	1,002,510	-	1,002,510	-
Total Liabilities	269,046	150,000	220,000	100,000	66,481	135,000	1,002,510	-	1,943,037	
Share capital	-	-	-	-	-	-	200,000	-	200,000	
Reserves	-	-	-	-	-	-	348,705	-	348,705	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>269,046</b>	<b>150,000</b>	<b>220,000</b>	<b>100,000</b>	<b>66,481</b>	<b>135,000</b>	<b>1,551,215</b>	<b>-</b>	<b>2,491,742</b>	

Group	<-----Non-trading book ----->						Non- interest sensitive	Trading Book	Total	Effective interest rate %
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years				
30.09.09	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
On-balance sheet interest rate gap sensitivity	695,773	30,895	(98,197)	(54,119)	(47,000)	(105,330)	(461,910)	39,888	-	
Off-balance sheet interest rate gap sensitivity	-	-	-	-	-	-	-	-	-	
<b>Total interest rate gap sensitivity</b>	<b>695,773</b>	<b>30,895</b>	<b>(98,197)</b>	<b>(54,119)</b>	<b>(47,000)</b>	<b>(105,330)</b>	<b>(461,910)</b>	<b>39,888</b>	<b>-</b>	
<b>Cumulative interest rate gap sensitivity</b>	<b>695,773</b>	<b>726,668</b>	<b>628,471</b>	<b>574,352</b>	<b>527,352</b>	<b>422,022</b>	<b>(39,888)</b>	<b>-</b>		

\* This is arrived at after deducting the general allowance and specific allowance from gross non-performing loans outstanding.

Group	←-----Non-trading book-----→						Non-interest sensitive	Trading Book	Total	Effective interest rate
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years				
31.3.09	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>ASSETS</b>										
Cash and short-term funds	834,673	-	-	-	-	-	72,434	-	907,107	1.83
Securities purchased under resale agreements	16,807	-	-	-	-	-	-	-	16,807	1.20
Deposits and placements with banks and other financial institutions	460	11	799	-	-	-	-	-	1,270	2.16
Securities held-for-trading	-	-	-	-	-	-	232	10,752	10,984	-
Securities available-for-sale	-	-	-	-	23,605	18,105	7,061	-	48,771	6.03
Securities held-to-maturity	-	-	-	96,614	-	-	16,805	-	113,419	4.46
Loans, advances and financing:										
- performing	47,758	185,652	6,732	5,228	2,839	9,072	181	-	257,462	6.07
- non-performing *	-	-	-	-	-	-	(3,754)	-	(3,754)	-
Derivative financial assets	-	-	-	-	-	-	5,800	-	5,800	-
Assets reclassified as held for sale	61,068	-	-	-	-	-	42,014	-	103,082	-
Other non-interest sensitive balances	-	-	-	-	-	-	560,622	-	560,622	-
<b>TOTAL ASSETS</b>	<b>960,766</b>	<b>185,663</b>	<b>7,531</b>	<b>101,842</b>	<b>26,444</b>	<b>27,177</b>	<b>701,395</b>	<b>10,752</b>	<b>2,021,570</b>	
<b>LIABILITIES AND EQUITY</b>										
Deposits from customers	71,307	-	-	100,000	14,309	-	-	-	185,616	3.43
Deposits and placements of banks and other financial institutions	145,180	220,000	150,000	-	51,049	-	250	-	566,479	3.14
Derivative financial liabilities	-	-	-	-	-	-	22,279	-	22,279	-
Recourse obligations on loans sold to Cagamas Berhad	-	-	-	-	-	-	-	-	-	4.33
Term loans	-	-	-	-	-	-	-	-	-	5.45
Redeemable unsecured subordinated bonds	-	-	-	-	-	135,000	-	-	135,000	6.10

Group	←-----Non-trading book -----→						Non-interest sensitive	Trading Book	Total	Effective interest rate
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years				
<b>31.3.09</b>										
Liabilities directly associated to assets reclassified as held for sale	-	-	-	-	-	-	25,611	-	25,611	-
Other non-interest sensitive balances	-	-	-	-	-	-	562,165	-	562,165	-
<b>Total Liabilities</b>	<b>216,487</b>	<b>220,000</b>	<b>150,000</b>	<b>100,000</b>	<b>65,358</b>	<b>135,000</b>	<b>610,305</b>	<b>-</b>	<b>1,497,150</b>	
Share capital	-	-	-	-	-	-	200,000	-	200,000	-
Reserves	-	-	-	-	-	-	324,420	-	324,420	-
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>216,487</b>	<b>220,000</b>	<b>150,000</b>	<b>100,000</b>	<b>65,358</b>	<b>135,000</b>	<b>1,134,725</b>	<b>-</b>	<b>2,021,570</b>	
On-balance sheet interest rate gap sensitivity	744,279	(34,337)	(142,469)	1,842	(38,914)	(107,823)	(433,330)	10,752	-	
Off-balance sheet interest rate gap sensitivity	-	-	-	-	-	-	-	-	-	
<b>Total interest rate gap sensitivity</b>	<b>744,279</b>	<b>(34,337)</b>	<b>(142,469)</b>	<b>1,842</b>	<b>(38,914)</b>	<b>(107,823)</b>	<b>(433,330)</b>	<b>10,752</b>	<b>-</b>	
<b>Cumulative interest rate gap sensitivity</b>	<b>744,279</b>	<b>709,942</b>	<b>567,473</b>	<b>569,315</b>	<b>530,401</b>	<b>422,578</b>	<b>(10,752)</b>	<b>-</b>		

\* This is arrived at after deducting the general allowance and specific allowance from gross non-performing loans outstanding.

Bank 30.09.09	←-----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 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000				
<b>ASSETS</b>										
Cash and short-term funds	770,093	-	-	-	-	-	151,600	-	921,693	1.92
Securities held-for-trading	-	-	-	-	-	-	-	39,719	39,719	-
Securities available-for-sale	-	-	-	-	17,200	22,383	17,595	-	57,178	9.85
Securities held-to-maturity	-	-	98,455	-	-	-	16,402	-	114,857	2.16
Loans, advances and financing:										
- performing	60,958	180,884	22,588	45,881	2,281	7,287	156	-	320,035	7.18
- non-performing *	-	-	-	-	-	-	(4,693)	-	(4,693)	-
Other non-interest sensitive balances	-	-	-	-	-	-	569,954	-	569,954	-
<b>TOTAL ASSETS</b>	<b>831,051</b>	<b>180,884</b>	<b>121,043</b>	<b>45,881</b>	<b>19,481</b>	<b>29,670</b>	<b>751,014</b>	<b>39,719</b>	<b>2,018,743</b>	
<b>LIABILITIES AND EQUITY</b>										
Deposits from customers	-	-	-	100,000	14,120	-	-	-	114,120	0.80
Deposits and placements of banks and other financial institutions	214,964	150,000	220,000	-	52,361	-	-	-	637,325	2.16
Redeemable unsecured subordinated bonds	-	-	-	-	-	135,000	-	-	135,000	4.75
Other non-interest sensitive balances	-	-	-	-	-	-	625,718	-	625,718	-
Total Liabilities	214,964	150,000	220,000	100,000	66,481	135,000	625,718	-	1,512,163	
Share capital	-	-	-	-	-	-	200,000	-	200,000	-
Reserves	-	-	-	-	-	-	306,580	-	306,580	-
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>214,964</b>	<b>150,000</b>	<b>220,000</b>	<b>100,000</b>	<b>66,481</b>	<b>135,000</b>	<b>1,132,298</b>	<b>-</b>	<b>2,018,743</b>	

Bank	←-----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 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000				
<b>30.09.09</b>										
On-balance sheet interest rate gap sensitivity	616,087	30,884	(98,957)	(54,119)	(47,000)	(105,330)	(381,284)	39,719	-	
Off-balance sheet interest rate gap sensitivity	-	-	-	-	-	-	-	-	-	
<b>Total interest rate gap sensitivity</b>	<b>616,087</b>	<b>30,884</b>	<b>(98,957)</b>	<b>(54,119)</b>	<b>(47,000)</b>	<b>(105,330)</b>	<b>(381,284)</b>	<b>39,719</b>	<b>-</b>	
<b>Cumulative interest rate gap sensitivity</b>	<b>616,087</b>	<b>646,971</b>	<b>548,014</b>	<b>493,895</b>	<b>446,895</b>	<b>341,565</b>	<b>(39,719)</b>	<b>-</b>		

\* This is arrived at after deducting the general allowance and specific allowance from gross non-performing loans outstanding.



Bank	←-----Non-trading book-----→						Non-interest sensitive	Trading Book	Total	Effective interest rate
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years				
31.3.09	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>ASSETS</b>										
Cash and short-term funds	715,892	-	-	-	-	-	61,298	-	777,190	1.83
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-	-	-
Securities held-for-trading	-	-	-	-	-	-	-	10,752	10,752	-
Securities available-for-sale	-	-	-	-	23,605	18,105	4,861	-	46,571	4.64
Securities held-to-maturity	-	-	-	96,614	-	-	16,803	-	113,417	3.80
Loans, advances and financing:										
- performing	47,758	185,652	6,732	5,228	2,839	9,072	181	-	257,462	7.18
- non-performing *	-	-	-	-	-	-	(3,754)	-	(3,754)	-
Derivative financial assets	-	-	-	-	-	-	5,800	-	5,800	-
Amount due from Originators	-	-	-	-	-	-	-	-	-	-
Asset reclassified as held for sale	-	-	-	-	-	-	48,807	-	48,807	-
Other non-interest sensitive balances	-	-	-	-	-	-	462,274	-	462,274	-
<b>TOTAL ASSETS</b>	<b>763,650</b>	<b>185,652</b>	<b>6,732</b>	<b>101,842</b>	<b>26,444</b>	<b>27,177</b>	<b>596,270</b>	<b>10,752</b>	<b>1,718,519</b>	
<b>LIABILITIES AND EQUITY</b>										
Deposits from customers	71,307	-	-	100,000	14,309	-	-	-	185,616	0.71
Deposits and placements of banks and other financial institutions	145,180	220,000	150,000	-	51,049	-	250	-	566,479	2.76
Derivative financial liabilities	-	-	-	-	-	-	22,279	-	22,279	-
Recourse obligation on loans sold to Cagamas Berhad	-	-	-	-	-	-	-	-	-	-
Term loan	-	-	-	-	-	-	-	-	-	-

Bank	←-----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 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000				
31.3.09										
Redeemable unsecured subordinated bonds	-	-	-	-	-	135,000	-	-	135,000	4.75
Other non-interest sensitive balances	-	-	-	-	-	-	362,156	-	362,156	-
<b>Total Liabilities</b>	<b>216,487</b>	<b>220,000</b>	<b>150,000</b>	<b>100,000</b>	<b>65,358</b>	<b>135,000</b>	<b>384,685</b>	<b>-</b>	<b>1,271,530</b>	
Share capital	-	-	-	-	-	-	200,000	-	200,000	-
Reserves	-	-	-	-	-	-	246,989	-	246,989	-
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>216,487</b>	<b>220,000</b>	<b>150,000</b>	<b>100,000</b>	<b>65,358</b>	<b>135,000</b>	<b>831,674</b>	<b>-</b>	<b>1,718,519</b>	
On-balance sheet interest rate gap sensitivity	547,163	(34,348)	(143,268)	1,842	(38,914)	(107,823)	(235,404)	10,752	-	
Off-balance sheet interest rate gap sensitivity	-	-	-	-	-	-	-	-	-	
<b>Total interest rate gap sensitivity</b>	<b>547,163</b>	<b>(34,348)</b>	<b>(143,268)</b>	<b>1,842</b>	<b>(38,914)</b>	<b>(107,823)</b>	<b>(235,404)</b>	<b>10,752</b>	<b>-</b>	
<b>Cumulative interest rate gap sensitivity</b>	<b>547,163</b>	<b>512,815</b>	<b>369,547</b>	<b>371,389</b>	<b>332,475</b>	<b>224,652</b>	<b>(10,752)</b>	<b>-</b>		

\* This is arrived at after deducting the general allowance and specific allowance from gross non-performing loans outstanding.

## 29. CAPITAL ADEQUACY RATIO

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

	Group		Bank	
	30.09.09	31.03.09	30.09.09	31.03.09
Core capital ratio	21.89%	27.14%	26.52%	28.13%
Risk-weighted capital ratio	26.69%	34.16%	28.07%	28.13%

The capital adequacy ratio of the Group refers to the consolidated capital base as a ratio of the consolidated risk-weighted assets of AmlInvestment Bank Berhad and its subsidiaries. The capital adequacy ratio of the Bank refers to the combined capital base as a ratio of the risk-weighted assets of AmlInvestment Bank Berhad for the financial year.

The capital adequacy ratios of AmlInvestment Bank are computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework (RWCAF-Basel II). AmlInvestment 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 8.0% for the risk-weighted capital ratio.

The comparative capital adequacy ratios for the 31 March 2009 have not been restated as they represent actual amounts reported for regulatory compliance purposes as of that date.

## 29. CAPITAL ADEQUACY RATIO (CONTD.)

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

	Group		Bank	
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
Tier 1 capital				
Paid-up ordinary share capital	200,000	200,000	200,000	200,000
Paid-up non cumulative preference share capital	-	-	-	-
Share premium	-	-	-	-
Statutory reserve	200,000	200,000	200,000	200,000
Capital reserve	2,815	2,815	-	-
Exchange fluctuation reserve	25,883	24,899	7,824	6,840
Merger reserve	7,656	-	-	-
Unappropriated profit at end of year	110,728	80,240	99,276	31,391
Total	547,082	507,954	507,100	438,231
Less: Goodwill	(11,243)	(47,685)	-	-
Deferred tax liability/(asset) - net	1,806	8,601	1,712	8,507
Total tier 1 capital	537,645	468,870	508,812	446,738
Tier 2 capital				
Subordinated bonds	135,000	135,000	135,000	135,000
General allowance for bad and doubtful debts	5,452	4,330	5,275	4,330
Total tier 2 capital	140,452	139,330	140,275	139,330
Less: Excess tier 2 capital	-	-	-	-
Maximum allowable tier 2 capital	140,452	139,330	140,275	139,330
Total capital funds	678,097	608,200	649,087	586,068
Less: Investment in capital of related financial institution	(22,383)	(18,105)	(22,383)	(18,105)
Less: Investment in subsidiaries	-	-	(88,231)	(122,671)
Less: Other deduction	-	-	-	-
Capital base	655,714	590,095	538,473	445,292

29. CAPITAL ADEQUACY RATIO (CONTD.)

- (c) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category of the Group for the current financial period are as follows:

30.09.09  
Group

Exposure Class		Gross Exposures	Net Exposures	Risk Weighted Assets	Capital Requirements
1.	<b><u>Credit Risk</u></b>				
	<i>On-Balance Sheet Exposures</i>				
	Sovereigns/Central Banks	3,332	3,332	642	51
	Public Sector Entities	-	-	-	-
	Banks, Development Financial Institutions & MDBs,	906,616	906,616	215,436	17,235
	Insurance Cos, Securities Firms & Fund Managers	64	64	64	5
	Corporates	285,110	53,579	69,610	5,569
	Regulatory Retail	38,942	3,701	2,610	209
	Residential Mortgages	7,289	7,289	2,665	213
	Higher Risk Assets	18,701	18,701	28,052	2,244
	Other Assets	1,133,208	1,133,208	1,107,204	88,576
	Specialised Financing/Investment	-	-	-	-
	Equity Exposure	17,598	17,598	17,598	1,408
	Securitisation Exposures	-	-	-	-
	Defaulted Exposures	31,476	30,815	46,195	3,696
	<b>Total for On-Balance Sheet Exposures</b>	<b>2,442,336</b>	<b>2,174,902</b>	<b>1,490,076</b>	<b>119,206</b>
	<i>Off-Balance Sheet Exposures</i>				
	OTC Derivatives	3,208	3,208	802	64
	Credit Derivatives	-	-	-	-
	Off balance sheet exposures other than OTC derivatives or credit derivatives	462,166	462,166	448,706	35,897
	Defaulted Exposures	-	-	-	-
	<b>Total for Off-Balance Sheet Exposures</b>	<b>465,374</b>	<b>465,374</b>	<b>449,508</b>	<b>35,961</b>
	<b>Total On and Off-Balance Sheet Exposures</b>	<b>2,907,710</b>	<b>2,640,276</b>	<b>1,939,584</b>	<b>155,167</b>
2.	<b>Large Exposures Risk Requirement</b>	202	202	405	32
3.	<b><u>Market Risk</u></b>	Long Position	Short Position		
	Interest Rate Risk	-	34,693	867	69
	Foreign Currency Risk	28,010	22,944	28,010	2,241
	Equity Risk	178,478	-	129,254	10,340
	- General risk	39,888	-	39,888	3,191
	- Specific risk	138,590	-	89,366	7,149
	Foreign Risk	-	-	-	-
	Option Risk	-	580	798	64
	Total	206,488	58,217	158,929	12,714
4.	Operational Risk			357,611	28,609
5.	Total RWA and Capital Requirements			2,456,529	196,522

The Group do not have any issuances of Profit-Sharing Investment Account ("PSIA") used as a risk absorbent.

29. CAPITAL ADEQUACY RATIO (CONTD.)

- (c) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category of the Bank for the current financial period are as follows:

30.09.09

Bank

Exposure Class

		Gross Exposures	Net Exposures	Risk Weighted Assets	Capital Requirements
1.	<b><u>Credit Risk</u></b>				
	<i>On-Balance Sheet Exposures</i>				
	Sovereigns/Central Banks	3,332	3,332	642	51
	Public Sector Entities	-	-	-	-
	Banks, Development Financial Institutions & MDBs, Insurance Cos, Securities Firms & Fund Managers	803,998	803,998	194,912	15,593
	Corporates	64	64	64	5
	Regulatory Retail	249,221	17,690	33,721	2,698
	Residential Mortgages	38,942	3,701	2,610	209
	Higher Risk Assets	7,289	7,289	2,665	213
	Other Assets	16,501	16,501	24,752	1,980
	Specialised Financing/Investment Equity Exposure	712,855	712,855	686,861	54,949
	Securitisation Exposures	-	-	-	-
	Defaulted Exposures	31,476	30,815	46,195	3,696
	<b>Total for On-Balance Sheet Exposures</b>	<b>1,881,274</b>	<b>1,613,841</b>	<b>1,010,018</b>	<b>80,802</b>
	<i>Off-Balance Sheet Exposures</i>				
	OTC Derivatives	3,208	3,208	802	64
	Credit Derivatives	-	-	-	-
	Off balance sheet exposures other than OTC derivatives or credit derivatives	462,166	462,166	448,706	35,897
	Defaulted Exposures	-	-	-	-
	<b>Total for Off-Balance Sheet Exposures</b>	<b>465,374</b>	<b>465,374</b>	<b>449,508</b>	<b>35,961</b>
	<b>Total On and Off-Balance Sheet Exposures</b>	<b>2,346,648</b>	<b>2,079,215</b>	<b>1,459,526</b>	<b>116,763</b>
2.	<b>Large Exposures Risk Requirement</b>	202	202	405	32
3.	<b><u>Market Risk</u></b>	Long Position	Short Position		
	Interest Rate Risk	-	34,693	-	867
	Foreign Currency Risk	28,010	22,944	-	2,241
	Equity Risk	178,140	-	-	128,789
	- General risk	39,719	-	-	39,719
	- Specific risk	138,421	-	-	89,070
	Foreign Risk	-	-	-	-
	Option Risk	-	580	-	798
	Total	206,150	58,217	-	158,464
4.	Operational Risk			299,848	23,988
5.	Total RWA and Capital Requirements			1,918,243	153,460

The Bank do not have any issuances of Profit-Sharing Investment Account ("PSIA") used as a risk absorbent.

29. CAPITAL ADEQUACY RATIO (CONTD.)

(d) i) The breakdown of credit risk exposures by risk weights of the Group for the current financial period are as follows:

30.09.09

Group

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets	
	Sovereigns & Central Banks	PSEs	Banks, MDBs and FDIs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Specialised Financing /Investment	Securitisation			Equity
0%	125	-	-	-	-	-	-	-	15	-	-	-	140	-
20%	3,207	-	792,908	-	-	-	-	-	32,485	-	-	-	828,600	165,720
35%	-	-	-	-	-	-	6,529	-	-	-	-	-	6,529	2,285
50%	-	-	113,708	-	-	-	760	-	-	-	-	-	114,468	57,234
75%	-	-	-	-	-	3,701	-	-	-	-	-	-	3,701	2,775
100%	-	-	-	64	518,953	-	55	-	1,100,707	-	-	17,598	1,637,377	1,637,377
150%	-	-	-	-	30,414	346	-	18,701	-	-	-	-	49,461	74,193
Average Risk Weight													-	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>3,332</b>	<b>-</b>	<b>906,616</b>	<b>64</b>	<b>549,367</b>	<b>4,047</b>	<b>7,344</b>	<b>18,701</b>	<b>1,133,207</b>	<b>-</b>	<b>-</b>	<b>17,598</b>	<b>2,640,276</b>	<b>1,939,584</b>

ii) The breakdown of credit risk exposures by risk weights of the Bank for the current financial period are as follows:

30.09.09

Bank

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets	
	Sovereigns & Central Banks	PSEs	Banks, MDBs and FDIs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Specialised Financing /Investment	Securitisation			Equity
0%	125	-	-	-	-	-	-	-	6	-	-	-	131	-
20%	3,207	-	690,290	-	-	-	-	-	32,485	-	-	-	725,982	145,197
35%	-	-	-	-	-	-	6,529	-	-	-	-	-	6,529	2,285
50%	-	-	113,708	-	-	-	760	-	-	-	-	-	114,468	57,234
75%	-	-	-	-	-	3,701	-	-	-	-	-	-	3,701	2,775
100%	-	-	-	64	483,064	-	55	-	680,364	-	-	17,596	1,181,143	1,181,143
150%	-	-	-	-	30,414	346	-	16,501	-	-	-	-	47,261	70,892
Average Risk Weight													-	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>3,332</b>	<b>-</b>	<b>803,998</b>	<b>64</b>	<b>513,478</b>	<b>4,047</b>	<b>7,344</b>	<b>16,501</b>	<b>712,855</b>	<b>-</b>	<b>-</b>	<b>17,596</b>	<b>2,079,215</b>	<b>1,459,526</b>

29. CAPITAL ADEQUACY RATIO (CONTD.)

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

30.09.09

Group

	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
<b>Credit-Related Exposures</b>				
Guarantees given on behalf of customers	461,945		461,945	448,541
Underwriting liabilities	580		-	-
Irrevocable commitments to extend credit maturing:				
- more than one year	442		221	165
Others	154,817		-	-
	<u>617,784</u>		<u>462,166</u>	<u>448,706</u>
<b>Derivative Financial Instruments</b>				
<b>Equity related contracts:</b>				
<b>Options</b>				
- One year or less	98,702	3,592	3,208	802
<b>Equity futures</b>				
- One year or less	34,693		-	-
	<u>133,395</u>	<u>3,592</u>	<u>3,208</u>	<u>802</u>
<b>Total</b>	<b>751,179</b>	<b>3,592</b>	<b>465,374</b>	<b>449,508</b>

<-----Note 29(c)----->

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

30.09.09

Bank

	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
<b>Credit-Related Exposures</b>				
Guarantees given on behalf of customers	461,945		461,945	448,541
Underwriting liabilities	580		0	0
Irrevocable commitments to extend credit maturing:				
- more than one year	442		221	165
Others	154,817		-	-
	<u>617,784</u>		<u>462,166</u>	<u>448,706</u>
<b>Derivative Financial Instruments</b>				
<b>Equity related contracts:</b>				
<b>Options</b>				
- One year or less	98,702	3,592	3,208	802
<b>Equity futures</b>				
- One year or less	34,693		-	-
	<u>133,395</u>	<u>3,592</u>	<u>3,208</u>	<u>802</u>
<b>Total</b>	<b>751,179</b>	<b>3,592</b>	<b>465,374</b>	<b>449,508</b>

<-----Note 29(c)----->



### 30. OPERATIONS OF ISLAMIC BANKING

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

The state of affairs as at 30 September 2009 and the results for the period ended 30 September 2009 of the Islamic banking business of the Group and the Bank and included in the financial statements after elimination of intercompany transactions and balances are summarised as follows:

	<b>Group</b>		<b>Bank</b>	
	<b>30.09.09</b>	<b>31.03.09</b>	<b>30.09.09</b>	<b>31.03.09</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>				
Cash and short-term funds	129,543	43,783	129,543	43,783
Other receivables, deposits and prepayments	4,733	3,366	4,733	3,366
Property and equipment	85	95	85	95
Intangible assets	4	5	4	5
<b>TOTAL ASSETS</b>	<b>134,365</b>	<b>47,249</b>	<b>134,365</b>	<b>47,249</b>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>				
Deposits and placements of banks and other financial institutions	-	250	-	250
Other liabilities	45,328	10,042	45,328	10,042
Total Liabilities	45,328	10,292	45,328	10,292
<b>ISLAMIC BANKING FUNDS</b>				
Capital funds	30,000	30,000	30,000	30,000
Reserves	59,037	6,957	59,037	6,957
Islamic Banking Funds	89,037	36,957	89,037	36,957
<b>TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS</b>	<b>134,365</b>	<b>47,249</b>	<b>134,365</b>	<b>47,249</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>160,012</b>	<b>160,012</b>	<b>160,012</b>	<b>160,012</b>

**UNAUDITED INCOME STATEMENTS  
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2009**

<b>Group</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30.09.09</b>	<b>30.09.08</b>	<b>30.09.09</b>	<b>30.09.08</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds and others	186	56	252	292
(Allowance)/writeback of allowance for losses on financing	-	(30)	-	1,802
Total attributable income	186	26	252	2,094
(Loss)/income attributable to depositors	(617)	9	(890)	(646)
(Loss)/income attributable to the Group	(431)	35	(638)	1,448
Income/(loss) derived from investment of Islamic Banking Funds	3,669	(425)	77,313	4,645
Total net income/(loss)	3,238	(390)	76,675	6,093
Other operating expenses	(595)	(852)	(7,236)	(1,668)
Profit/(loss) before taxation	2,643	(1,242)	69,439	4,425
Taxation	(585)	614	(17,358)	(861)
Profit/(loss) after taxation	2,058	(628)	52,081	3,564

<b>Bank</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30.09.09</b>	<b>30.09.08</b>	<b>30.09.09</b>	<b>30.09.08</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds and others	186	56	252	292
(Allowance)/writeback of allowance for losses on financing	-	(30)	-	1,802
Total attributable income	186	26	252	2,094
(Loss)/income attributable to depositors	(617)	9	(890)	(646)
(Loss)/income attributable to the Bank	(431)	35	(638)	1,448
Income/(loss) derived from investment of Islamic Banking Funds	3,669	(425)	77,313	4,645
Total net income/(loss)	3,238	(390)	76,675	6,093
Other operating expenses	(595)	(852)	(7,236)	(1,668)
Profit/(loss) before taxation	2,643	(1,242)	69,439	4,425
Taxation	(585)	614	(17,358)	(861)
Profit/(loss) after taxation	2,058	(628)	52,081	3,564

### 30a. FINANCING ACTIVITIES

Movements in non-performing financing, advances and other loans are as follows:

	Group		Bank	
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
<b>Gross</b>				
Balance at beginning of period/year	-	23,189	-	23,189
Amount vested to AmlIslamic Bank	-	(23,189)	-	(23,189)
Balance at end of period/year	-	-	-	-
Specific allowance	-	-	-	-
Net non-performing financing	-	-	-	-
Ratio of net non-performing financing to total financing - net	-	-	-	-

Movements in allowances for bad and doubtful financing are as follows:

	Group		Bank	
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
<b>General Allowance</b>				
Balance at beginning of period/year	-	287	-	287
Amount vested to AmlIslamic Bank	-	(287)	-	(287)
Balance at end of period/year	-	-	-	-
% of total financing less specific allowance	-	-	-	-
<b>Specific Allowance</b>				
Balance at beginning of period/year	-	23,189	-	23,189
Amount vested to AmlIslamic Bank	-	(23,189)	-	(23,189)
Balance at end of period/year	-	-	-	-

### 30b. OTHER LIABILITIES

	Group		Bank	
	30.09.09 RM'000	31.03.09 RM'000	30.09.09 RM'000	31.03.09 RM'000
Other payables and accruals	9,946	1,673	9,946	1,673
Amount owing to head office	10,056	401	10,056	401
Taxation and zakat payable	25,314	7,968	25,314	7,968
Deferred taxation	12	-	12	-
	45,328	10,042	45,328	10,042

**31. Credit Exposures Arising From Credit Transactions With Connected Parties**

	<b>30.09.09</b>	<b>30.09.08</b>
Outstanding credit exposure with connected parties (RM'000)	34,940	9,240
Percentage of outstanding credit exposure to connected parties as proportion of total credit exposures	4.41%	1.45%
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	-	-

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008.

Based on this guidelines, a connected party refers to the following:

- (i) Directors of the Bank and their close relatives;
- (ii) Controlling shareholder and their close relatives;
- (iii) Executive officer, being a member of management having authority and responsibility for planning and directing and/or controlling the activities of the Bank, and their close relatives;
- (iv) Officers who are responsible for or have the authority to appraise and/or approve credit transactions or review the status of existing credit transactions, either as a member of a committee or individually, and their close relatives;
- (v) Firms, partnerships, companies or any legal entities which control, or are controlled by any person listed in (i) to (iv) above, or in which they have an interest, as a director, partner, executive officer, agent or guarantor, and their subsidiaries or entities controlled by them;
- (vi) Any person for whom the persons listed in (i) to (iv) above is a guarantor; and
- (vii) Subsidiary of or an entity controlled by the Bank and its connected parties.

Credit transactions and exposure to connected parties as disclosed above includes the extension of credit facilities and/or off-balance sheet credit exposure such as guarantees, trade-related facilities and loan commitments. It also includes holding of equities and private debt securities issued by the connected parties.

The credit transactions with connected parties above are all transacted on an arm's length basis and on terms and conditions no more favourable than those entered into with other counterparties with similar circumstances and credit worthiness. Due care has been taken to ensure that the credit worthiness of the connected party is not less than that normally required of other persons.

### 32. RECLASSIFICATION

#### BNM Circular on Reclassification of Securities under Specific Circumstances

The Group and the Bank adopted Bank Negara Malaysia's Circular on the Reclassification of Securities under Specific Circumstances which allow banking institutions to reclassify securities in held-for-trading category under the Revised Guidelines of Financial Reporting for Licensed Institutions (BNM/GP8). The provisions in the 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.

A reclassification of securities held-for-trading to securities available-for-sale was made during the second quarter of 2009.

(i) Effects on Balance Sheet as at 30 September 2008:

Description of change	(Decrease)/Increase BNM Guidelines on reclassification		
	Before reclass		After reclass
	RM'000	RM'000	RM'000
<b>The Group</b>			
Securities held-for-trading	135,605	(121,195)	14,410
Securities available-for-sale	111,144	121,195	232,339
Available-for-sale reserve	(3,275)	(9,997)	(13,272)
Unappropriated profits	64,727	8,900	73,627
<b>The Bank</b>			
Securities held-for-trading	134,815	(121,195)	13,620
Securities available-for-sale	111,144	121,195	232,339
Available-for-sale reserve	(3,327)	(9,997)	(13,324)
Unappropriated profits	9,789	8,900	18,689

(ii) Effects on Income Statements for the quarter ended 30 September 2008:

Description of change	Increase/(Decrease) BNM Guidelines on reclassification		
	Before reclass		After reclass
	RM'000	RM'000	RM'000
<b>The Group</b>			
Revenue	54,301	9,925	64,226
Other operating income	25,584	9,925	35,509
Taxation	(1,252)	(1,025)	(2,277)
Loss after taxation attributable to equity holders of the Company	(23,968)	8,900	(15,068)
<b>The Bank</b>			
Revenue	32,015	9,925	41,940
Other operating income	4,166	9,925	14,091
Taxation	765	(1,025)	(260)
Loss after taxation attributable to equity holders of the Company	(26,529)	8,900	(17,629)

### 32. RECLASSIFICATION (CONT'D)

(iii) Effects on Income Statements for the period ended 30 September 2008:

Description of change	Increase/(Decrease) BNM Guidelines on reclassification		
	Before reclass		After reclass
	RM'000	RM'000	RM'000
<b>The Group</b>			
Revenue	107,272	9,925	117,197
Other operating income	26,819	9,925	36,744
Taxation	(7,447)	(1,025)	(8,472)
Loss after taxation attributable to equity holders of the Company	(64,558)	8,900	(55,658)
<b>The Bank</b>			
Revenue	110,533	9,925	120,458
Other operating income	31,803	9,925	41,728
Taxation	(2,454)	(1,025)	(3,479)
Profit after taxation attributable to equity holders of the Company	(20,853)	8,900	(11,953)

(iv) The carrying amounts and fair values of all securities reclassified from securities held-for-trading to securities available-for-sale:

	As at 30.09.09 RM'000		As at 31.03.09 RM'000	
	Carrying amount	Fair values	Carrying amount	Fair values
<b>The Group and the Bank</b>				
Securities reclassified from securities held-for-trading to securities available-for-sale	4,600	3,583	7,477	4,861

### **33. PERFORMANCE REVIEW ON THE RESULTS OF THE BANK FOR THE QUARTER**

Post-restructuring, the Bank operates with a leaner balance sheet, having in the last financial year transferred its treasury and large corporate lending activities to AmBank and AmIslamic Bank Berhad and reduced its capital base.

The Bank posted a pretax profit of RM11.9 million for the quarter as compared to a pretax loss of RM 17.4 million for the quarter ended 30 September 2008, mainly due to higher fee income and substantially lower unrealised loss on securities held-for-trading as compared to the quarter ended 30 September 2008.

In the non-Islamic business sectors, the net interest income dived to RM5.6 million from RM10.8 million in the quarter ended 30 September 2008, other operating income increased to RM50.2 million from RM33.1 million in the quarter ended 30 September 2008 as a result of fee income at RM42.6 million as compared to RM32.0 million in the quarter ended 30 September 2008, investment and trading loss reduced to RM1.4 million as compared to RM18.6 million in the quarter ended 30 September 2008, offset by smaller other income of RM9.3 million as compared to RM19.7 million for the quarter ended 30 September 2008.

### **34. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP AND THE BANK FOR THE PERIOD**

After the Group's strategic reorganisation during the last financial year and this financial period, the bulk of the Bank's assets and liabilities had been transferred to AmBank, alongside a substantial portion of its lending activities and treasury operations.

The Group reported pretax profit of RM54.3 million (pretax loss of RM63.1 million for the period ended 30 September 2008) and the Bank reported pretax profit of RM89.8 million (pretax loss of RM8.5 million for the period ended 30 September 2008), and in respect of the non-Islamic business, are attributed to:

- (i) Higher allowance for losses on loan and financing of RM0.6 million for the Group & the Bank (RM1.025 million write-back of allowance for the period ended 30 September 2008 for the Group and the Bank) due to increase in retail customers because of higher stockbroking and private banking turnover.
- (ii) Higher fee income of RM105.9 million and RM80.6 million as a result of higher brokerage fees and commissions (RM83.9million and RM69.2 million earned for the period ended 30 September 2008) for the Group and the Bank, respectively.
- (iii) Lower net interest income of RM7.9 million and RM7.0 million (RM29.9 million and RM27.7 million for the period ended 30 September 2008) for the Group and the Bank, respectively due to lesser funds for placements and loan financing.
- (iv) Investment and trading (loss)/gain of (RM38.8) million and RM6.2 million (losses of RM77.9 million and RM28.8 million for the period ended 30 September 2008), for the Group and the Bank, respectively, as a result of loss on disposal of subsidiaries of RM45.1 million and RM48.5 million for September 2009 and September 2008 respectively, reflected at Group level.

Higher income from Islamic banking business of RM76.7 million for the Group and the Bank (RM6.1 million for the period ended 30 September 2008 for the Group and the Bank) arising from exceptionally steep increase in trading gains.

Shareholder's equity stood at RM0.5 billion (RM0.5 billion as at 31 March 2009) for the Group and RM0.5 billion (RM0.4 billion as at 31 March 2009) for the Bank.

In the opinion of the directors, the results of operations of the Group and the Bank for the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature except for the Group's loss on transfer of subsidiaries to AmInvestment Group Berhad as mentioned in notes 18 and 24.

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

### **35. CURRENT PERIOD PROSPECTS**

The investment banking industry may pick up by the year-end judging from the more active capital market, thus resulting in better performances. Growth areas for investment banking include merger and acquisition advisory, primary bond market, stockbroking, fund management and equity market deals. Investment banking business seemed to have stabilised or the rate of decline had moderated, but very much depends on whether the stock market holds up well.

The current level of activity in the stock market looks good for capital market activities. The recovery of the capital markets, especially equities, would encourage more corporate exercises that would augur well for investment banking. Banks were likely to report stronger bottom lines in the coming quarters as mark-to-market revaluation losses from securities were expected to reverse in tandem with the recovery in the various asset markets.

Non-interest income are now starting to turn around as confidence improves. We are seeing some growth in fee income with deals in the pipeline starting to increase. Non-interest income will recover and stage solid growth in the next quarter and beyond.

Corporate advisory work had started picking up in tandem with the stock market. Valuations of companies had improved, which would encourage corporate activities like mergers and acquisitions, privatisation and new public offerings and boost advisory fees. It appears to be a good time for companies to raise fresh capital via private placement and rights issue exercises as economical and equity conditions have improved and investors have become less risk-averse. Market sentiment and investor appetite has increased significantly over the last six months, there is growing belief that the worst of the financial crisis is now behind us. There will probably be an increase in the number of cash call exercises as economies worldwide continue to recover.

The structured warrant market in Malaysia, which has huge potential for growth, has attracted a lot of attention lately. Call warrants had seen more activity of late. As the structured warrant market tracks sentiment of the underlying asset, call warrants listed on Bursa Malaysia have seen increased activity along with the current overall bullish stock markets. The Securities Commission and Bursa Malaysia recently revised the regulations for the issuance and listing of structured warrants. The new guidelines which allow put warrants to be issued in addition to call warrants, took effect in August 2009. We launched Malaysia's first put warrant (on Hong Kong exchanges and clearing) in the same week that the change in regulations allowed us to do so. We also have been quick to issue via direct listing which gives us more flexibility than the traditional placement method.

Our Bank was also involved in the Cagamas bond listing exercise. Some offshore funds were given the mandate to only invest in listed bonds.