

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

**UNAUDITED BALANCE SHEETS
AS AT 31 DECEMBER 2009**

	Note	Group		Bank	
		31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
ASSETS					
Cash and short-term funds		1,249,962	907,107	1,168,601	777,190
Securities purchased under resale agreements		23,259	16,807	-	-
Deposits and placements with banks and other financial institutions		767	1,270	-	-
Securities held-for-trading	8	4,911	10,984	4,841	10,752
Securities available-for-sale	9	56,317	48,771	54,117	46,571
Securities held-to-maturity	10	115,797	113,419	115,795	113,417
Derivative financial assets		-	5,800	-	5,800
Loans, advances and financing	11	347,230	253,708	347,230	253,708
Other assets	12	685,734	461,398	339,000	329,648
Investments in subsidiaries		-	-	88,231	88,231
Investments in associated companies		2,431	2,291	100	100
Prepaid land lease payments		2,550	2,595	2,550	2,595
Property and equipment		29,602	38,612	26,733	35,163
Deferred tax assets		294	1,485	-	-
Intangible assets		13,465	54,241	2,202	6,537
		<u>2,532,319</u>	<u>1,918,488</u>	<u>2,149,400</u>	<u>1,669,712</u>
Assets of disposal group/Asset classified as held for sale		-	103,082	-	48,807
TOTAL ASSETS		<u>2,532,319</u>	<u>2,021,570</u>	<u>2,149,400</u>	<u>1,718,519</u>
LIABILITIES AND EQUITY					
Deposits from customers	13	113,787	185,616	113,787	185,616
Deposits and placements of banks and other financial institutions	14	896,869	566,479	896,869	566,479
Derivative financial liabilities		1,337	22,279	1,337	22,279
Other liabilities	15	825,014	562,165	487,749	362,156
Term loans		4,886	-	-	-
Redeemable unsecured subordinated bonds		135,000	135,000	135,000	135,000
		<u>1,976,893</u>	<u>1,471,539</u>	<u>1,634,742</u>	<u>1,271,530</u>
Liabilities directly associated with assets classified as held for sale		-	25,611	-	-
Total Liabilities		<u>1,976,893</u>	<u>1,497,150</u>	<u>1,634,742</u>	<u>1,271,530</u>
Share capital		200,000	200,000	200,000	200,000
Reserves		355,426	324,420	314,658	246,989
Equity attributable to equity holder of the Bank		<u>555,426</u>	<u>524,420</u>	<u>514,658</u>	<u>446,989</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		<u>2,532,319</u>	<u>2,021,570</u>	<u>2,149,400</u>	<u>1,718,519</u>

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

UNAUDITED BALANCE SHEETS
AS AT 31 DECEMBER 2009 (CONTD.)

	Note	Group		Bank	
		31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
COMMITMENTS AND CONTINGENCIES	26	784,262	699,699	784,262	699,699
NET ASSETS PER ORDINARY SHARE (RM)		2.78	2.62	2.57	2.23
CAPITAL ADEQUACY	29				
Core Capital Ratio		22.68%	27.14%	26.78%	28.13%
Risk-Weighted Capital Ratio		27.75%	34.16%	28.46%	28.13%

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

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

**UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2009**

Group	Note	Individual Quarter		Cumulative Quarter	
		31.12.09 RM'000	31.12.08 RM'000	31.12.09 RM'000	31.12.08 RM'000
Revenue		83,627	60,693	268,416	185,960
Interest income	16	11,929	23,527	33,696	100,788
Interest expense	17	(7,010)	(14,845)	(20,837)	(62,175)
Net interest income		4,919	8,682	12,859	38,613
Net income/(expense) from Islamic banking business		2,454	1,410	79,129	5,701
Other operating income	18	69,244	35,756	155,591	79,471
Net income		76,617	45,848	247,579	123,785
Other operating expenses	19	(54,233)	(64,828)	(163,894)	(205,865)
Operating Profit/(Loss)		22,384	(18,980)	83,685	(82,080)
(Allowance)/Writeback of allowance for losses on loans and financing	20	(282)	(1,011)	(841)	14
Impairment loss on:					
Securities		(2,013)	-	(9,602)	(43)
Allowance for doubtful sundry receivables - net		(3,899)	(364)	(2,894)	(193)
Provision for commitments		(5,000)	-	(5,000)	-
Profit/(Loss) before share in results of associated companies		11,190	(20,355)	65,348	(82,302)
Share in results of associated companies		27	(4)	141	39
Profit/(Loss) before taxation		11,217	(20,359)	65,489	(82,263)
Taxation		(3,042)	5,717	(26,825)	2,052
Profit/(Loss) for the period from continuing operations		8,175	(14,642)	38,664	(80,211)
Profit for the period from discontinued operations		-	7,235	-	18,296
Profit/(Loss) for the period		8,175	(7,407)	38,664	(61,915)
Attributable to :					
Equity holder of the Bank		8,175	(7,407)	38,664	(61,915)
EARNINGS PER SHARE (SEN)					
Basic		4.09	(3.70)	19.33	(30.96)
Fully diluted		4.09	(3.70)	19.33	(30.96)

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

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

**UNAUDITED CONSOLIDATED INCOME STATEMENTS (CONTD.)
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2009**

Bank	Note	Individual Quarter		Cumulative Quarter	
		31.12.09 RM'000	31.12.08 RM'000	31.12.09 RM'000	31.12.08 RM'000
Revenue		76,048	51,907	275,020	207,572
Interest income	16	10,442	22,439	29,364	96,878
Interest expense	17	(6,056)	(14,668)	(17,985)	(61,432)
Net interest income		4,386	7,771	11,379	35,446
Net income/(expense) from Islamic banking business		2,454	1,410	79,129	5,701
Other operating income	18	63,152	28,058	166,527	104,993
Net income		69,992	37,239	257,035	146,140
Other operating expenses	19	(47,124)	(56,420)	(135,911)	(175,092)
Operating Profit		22,868	(19,181)	121,124	(28,952)
(Allowance)/Writeback of allowance for losses on loans and financing	20	(282)	(1,011)	(841)	14
Impairment loss on: Securities		(2,013)	-	(9,602)	(43)
(Allowance)/Writeback of allowance for doubtful sundry receivables- net		(3,451)	(68)	(3,711)	247
Provision for commitments		(5,000)	-	(5,000)	-
Profit/(Loss) before taxation		12,122	(20,260)	101,970	(28,734)
Taxation		(3,149)	5,426	(25,112)	1,947
Net profit attributable to equity holder of the Bank		8,973	(14,834)	76,858	(26,787)
EARNINGS PER SHARE (SEN)					
Basic		4.49	(7.42)	38.43	(13.39)
Fully diluted		4.49	(7.42)	38.43	(13.39)

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

**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2009**

Group	←-----Attributable to equity holder of the Bank----->								Total shareholder's equity RM'000
	Non-distributable						Distributable		
	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	
At 1 April 2008	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	-	-	-	-	-	(64,331)	-	-	(64,331)
Exchange fluctuation adjustments	-	-	-	-	-	-	2,418	-	2,418
Net (expense)/income recognised directly in equity	-	-	-	-	-	(64,331)	2,418	-	(61,913)
Loss for the period	-	-	-	-	-	-	-	(61,915)	(61,915)
Total recognised (expense)/income for the period	-	-	-	-	-	(64,331)	2,418	(61,915)	(123,828)
Effects arising from pooling of interest method	-	-	-	-	2,434	-	-	(2,434)	-
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)
At 31 December 2008	200,000	2,815	-	200,000	21,589	(40,815)	26,271	64,937	474,797
At 1 April 2009	200,000	2,815	-	200,000	22,023	(5,557)	24,900	80,239	524,420
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	-	3,998	-	-	3,998
Exchange fluctuation adjustments	-	-	-	-	-	-	2,711	-	2,711
Net income recognised directly in equity	-	-	-	-	-	3,998	2,711	-	6,709
Profit for the period	-	-	-	-	-	-	-	38,664	38,664
Total recognised income for the period	-	-	-	-	-	3,998	2,711	38,664	45,373
Effects arising from pooling of interest method	-	-	-	-	(14,367)	-	-	-	(14,367)
At 31 December 2009	200,000	2,815	-	200,000	7,656	(1,559)	27,611	118,903	555,426

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 31 DECEMBER 2009**

	←-----Attributable to equity holder of the Bank-----→							Total shareholder's equity RM'000
	Non-distributable				Distributable			
Bank	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	
At 1 April 2008	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	-	-	-	-	(64,331)	-	-	(64,331)
Exchange fluctuation adjustments	-	-	-	-	-	(1,024)	-	(1,024)
Net expense recognised directly in equity	-	-	-	-	(64,331)	(1,024)	-	(65,355)
Loss for the period	-	-	-	-	-	-	(26,787)	(26,787)
Total recognised expense for the period	-	-	-	-	(64,331)	(1,024)	(26,787)	(92,142)
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)
At 31 December 2008	200,000	-	200,000	14,367	(40,867)	7,854	3,855	385,209
At 1 April 2009	200,000	-	200,000	14,367	(5,609)	6,840	31,391	446,989
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	3,998	-	-	3,998
Exchange fluctuation adjustments	-	-	-	-	-	1,180	-	1,180
Net income recognised directly in equity	-	-	-	-	3,998	1,180	-	5,178
Profit for the period	-	-	-	-	-	-	76,858	76,858
Total recognised income for the period	-	-	-	-	3,998	1,180	76,858	82,036
Effects arising from pooling of interest method	-	-	-	(14,367)	-	-	-	(14,367)
At 31 December 2009	200,000	-	200,000	-	(1,611)	8,020	108,249	514,658

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 31 DECEMBER 2009**

	Group		Bank	
	31.12.09 RM'000	31.12.08 RM'000	31.12.09 RM'000	31.12.08 RM'000
Profit/(Loss) before taxation from:				
Continuing operations	65,489	(82,263)	101,970	(28,734)
Discontinued operations	-	27,504	-	-
Adjustments for non-operating and non cash items	54,857	93,251	10,023	28,448
Operating profit before working capital changes	120,346	38,492	111,993	(286)
(Increase)/Decrease in operating assets	(243,610)	1,115,265	(140,590)	1,023,554
Increase in operating liabilities	526,855	188,436	367,165	387,470
Cash generated from operations	403,591	1,342,193	338,568	1,410,738
Taxation paid	(28,021)	(22,595)	(19,811)	(12,446)
Net cash generated from operating activities	375,570	1,319,598	318,757	1,398,292
Net cash (used in)/generated from investing activities	(60,254)	(1,439,181)	20,198	(905,128)
Net cash generated from/(used in) financing activities	4,886	(1,940,784)	-	(1,933,784)
	(55,368)	(3,379,965)	20,198	(2,838,912)
Net decrease/(increase) in cash and cash equivalents	320,202	(2,060,367)	338,955	(1,440,620)
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	976,217	871,498	971,665	870,159

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 31 December 2009 were as follows:

	Unaudited As at 1 April 2009 RM'000
Net assets disposed:	
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:

	Group		Bank	
	31.12.09	31.12.08	31.12.09	31.12.08
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	1,249,962	1,154,648	1,168,601	989,638
Less: Cash and bank balances and deposit held in trust	(273,745)	(283,150)	(196,936)	(119,479)
	<u>976,217</u>	<u>871,498</u>	<u>971,665</u>	<u>870,159</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 31 December 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	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
At Fair Value				
Securities Quoted:				
In Malaysia:				
Shares	3,127	7,871	3,127	7,871
Trust units	1,714	1,450	1,714	1,450
Outside Malaysia:				
Shares	70	1,663	-	1,431
Total securities held-for-trading	4,911	10,984	4,841	10,752

9. SECURITIES AVAILABLE-FOR-SALE

	Group		Bank	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
At Fair Value				
Money Market Securities:				
Negotiable instruments of deposits	15,369	15,129	15,369	15,129
Securities Quoted in Malaysia:				
Shares	16,613	4,861	16,613	4,861
Unquoted Securities Of Companies Incorporated in Malaysia:				
Shares	2,200	2,200	-	-
Unquoted Private Debt Securities Of Companies Incorporated				
Outside Malaysia:				
Islamic corporate bonds	9,630	-	9,630	-
Corporate bonds	22,108	26,581	22,108	26,581
	31,738	26,581	31,738	26,581
Total	65,920	48,771	63,720	46,571
Accumulated impairment losses	(9,603)	-	(9,603)	-
Total securities available-for-sale	56,317	48,771	54,117	46,571

10. SECURITIES HELD-TO-MATURITY

	Group		Bank	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
At Amortised Cost:				
Money Market Securities:				
Negotiable Instrument of Deposit	99,394	96,614	99,394	96,614
Quoted Securities:				
In Malaysia:				
Shares	2	2	-	-
Unit trust	1,000	1,000	1,000	1,000
	1,002	1,002	1,000	1,000
Unquoted Securities Of Companies				
Incorporated:				
In Malaysia:				
Shares	12,788	12,788	12,788	12,788
Corporate bonds	100	100	100	100
Outside Malaysia:				
Shares	2,513	4,313	2,513	4,313
	15,401	17,201	15,401	17,201
Total	115,797	114,817	115,795	114,815
Accumulated impairment losses	-	(1,398)	-	(1,398)
Total securities held-to-maturity	115,797	113,419	115,795	113,417

11. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
Term loans and revolving credits				
Customers	317,820	220,924	317,820	220,924
Related companies	30,813	31,130	30,813	31,130
Staff loans	9,939	12,141	9,939	12,141
Gross loans, advances and financing	<u>358,572</u>	<u>264,195</u>	<u>358,572</u>	<u>264,195</u>
Less:				
Allowance for bad and doubtful debts and financing:				
General	5,286	3,862	5,286	3,862
Specific	6,056	6,625	6,056	6,625
	<u>11,342</u>	<u>10,487</u>	<u>11,342</u>	<u>10,487</u>
Net loans, advances and financing	<u>347,230</u>	<u>253,708</u>	<u>347,230</u>	<u>253,708</u>

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

	Group		Bank	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
Working capital	30,813	31,130	30,813	31,130
Purchase of securities	314,815	220,423	314,815	220,423
Other purpose	2,505	-	2,505	-
Residential landed properties	7,725	9,870	7,725	9,870
Personal use	500	501	500	501
Purchase of transport vehicles	2,214	2,271	2,214	2,271
Gross loans, advances and financing	<u>358,572</u>	<u>264,195</u>	<u>358,572</u>	<u>264,195</u>

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

	Group		Bank	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
Domestic :				
Other non-bank financial institutions	30,813	31,130	30,813	31,130
Business enterprises:				
Small medium enterprises	2,153	-	2,153	-
Others	27,282	30,882	27,282	30,882
Individuals	295,968	200,066	295,968	200,066
Foreign entities	2,356	2,117	2,356	2,117
	<u>358,572</u>	<u>264,195</u>	<u>358,572</u>	<u>264,195</u>

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

	Group		Bank	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
Variable rate				
Cost-plus	167,638	76,813	167,638	76,813
Other variable rates	30,813	31,130	30,813	31,130
	<u>198,451</u>	<u>107,943</u>	<u>198,451</u>	<u>107,943</u>
Fixed rate				
Housing loans	7,725	9,870	7,725	9,870
Hire purchase receivables	2,214	2,271	2,214	2,271
Other fixed rates	150,182	144,111	150,182	144,111
	<u>160,121</u>	<u>156,252</u>	<u>160,121</u>	<u>156,252</u>
	<u>358,572</u>	<u>264,195</u>	<u>358,572</u>	<u>264,195</u>

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

	Group		Bank	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 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	(568)	(595)	(568)	(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	<u>6,165</u>	<u>6,733</u>	<u>6,165</u>	<u>6,733</u>
Specific allowance	<u>(6,056)</u>	<u>(6,625)</u>	<u>(6,056)</u>	<u>(6,625)</u>
Non-performing loans, advances and financing - net	<u>109</u>	<u>108</u>	<u>109</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	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
Purchase of securities	<u>6,165</u>	<u>6,733</u>	<u>6,165</u>	<u>6,733</u>

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

	Group		Bank	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
General allowance				
Balance at beginning of period/year	3,862	69,179	3,862	68,689
Reversal of allowance during the period/year	1,424	3,272	1,424	3,272
Amount vested to AmBank/AmIslamic Bank	-	(68,895)	-	(68,895)
Exchange fluctuation adjustments	-	306	-	796
Balance at end of period/year	<u>5,286</u>	<u>3,862</u>	<u>5,286</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>
Specific allowance				
Balance at beginning of period/year	<u>6,625</u>	<u>160,266</u>	<u>6,625</u>	<u>160,250</u>
Allowance during the period/year	-	124	-	124
Amount written back in respect of recoveries and reversals	<u>(569)</u>	<u>(616)</u>	<u>(569)</u>	<u>(616)</u>
Net charge to income statements	<u>(569)</u>	<u>(492)</u>	<u>(569)</u>	<u>(492)</u>
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>6,056</u>	<u>6,625</u>	<u>6,056</u>	<u>6,625</u>

12. OTHER ASSETS

	Group		Bank	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
Trade receivables, net of allowance for doubtful debts	551,735	316,471	219,449	171,452
Other receivables, deposits and prepayments, net of allowance for doubtful debts	119,317	144,378	113,352	125,778
Interest/Dividends receivable	2,126	1,343	2,084	19,678
Amount due from brokers	9,017	13,923	-	5,739
Amount due from:				
Ultimate holding company	-	1,019	-	1,019
Subsidiary companies	-	-	210	1,177
Related companies	2,855	4,115	3,221	4,121
Assets acquired in exchange of debts, net of impairment loss	684	684	684	684
	<u>685,734</u>	<u>481,933</u>	<u>339,000</u>	<u>329,648</u>
Asset reclassified as held for sale	-	(20,535)	-	-
	<u>685,734</u>	<u>461,398</u>	<u>339,000</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	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
Term/Investment deposits	-	-	-	-
Negotiable instruments of deposits	113,787	114,309	113,787	114,309
Other deposits	-	71,307	-	71,307
	<u>113,787</u>	<u>185,616</u>	<u>113,787</u>	<u>185,616</u>

The deposits are sourced from the following types of customers:

	Group		Bank	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
Business enterprises	13,787	85,616	13,787	85,616
Individuals	-	-	-	-
Government	100,000	100,000	100,000	100,000
Others	-	-	-	-
	<u>113,787</u>	<u>185,616</u>	<u>113,787</u>	<u>185,616</u>

14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
Licensed banks:				
Subsidiary	-	-	-	-
Related	896,869	566,479	896,869	566,479
Others	-	-	-	-
	<u>896,869</u>	<u>566,479</u>	<u>896,869</u>	<u>566,479</u>

15. OTHER LIABILITIES

	Group		Bank	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
Trade payables	712,254	468,454	383,418	271,097
Other payables and accruals	77,207	94,825	69,205	67,093
Provision for commitments	5,000	-	5,000	-
Amount due to Ultimate holding company	-	-	-	-
Amount due to subsidiaries	-	-	140	-
Amount due to related companies	29,080	17,282	28,236	17,291
Taxation payable	(277)	(340)	-	-
Zakat payable	38	38	38	38
Bank Overdraft	-	786	-	-
Deferred tax liabilities	1,712	6,731	1,712	6,637
	<u>825,014</u>	<u>587,776</u>	<u>487,749</u>	<u>362,156</u>
Liabilities directly associated with assets classified as held for sale	-	(25,611)	-	-
	<u>825,014</u>	<u>562,165</u>	<u>487,749</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:

	Group		Bank	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
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	
	31.12.09 RM'000	31.12.08 RM'000	31.12.09 RM'000	31.12.08 RM'000
Short-term funds and deposits with financial institutions	4,655	6,011	13,014	37,236
Securities held-for-trading	-	782	2	12,218
Securities available-for-sale	533	2,124	1,643	6,401
Securities held-to-maturity	-	-	-	-
Loans and advances				
- Interest income other than recoveries from NPLs	5,069	11,834	14,201	39,013
- Recoveries from NPLs	-	-	-	218
Others	360	210	941	960
Gross interest income	10,617	20,961	29,801	96,046
Amortisation of premiums less accretion of discounts	1,312	2,566	3,895	5,561
Interest suspended	-	-	-	(819)
Total after net interest suspension	11,929	23,527	33,696	100,788
Bank	Individual Quarter		Cumulative Quarter	
	31.12.09 RM'000	31.12.08 RM'000	31.12.09 RM'000	31.12.08 RM'000
Short-term funds and deposits with financial institutions	3,480	5,095	9,431	34,114
Securities held-for-trading	-	782	2	12,218
Securities available-for-sale	533	2,124	1,643	6,401
Securities held-to-maturity	-	-	-	-
Loans and advances				
- Interest income other than recoveries from NPLs	5,069	11,835	14,201	39,014
- Recoveries from NPLs	-	-	-	218
Others	48	37	192	171
Gross interest income	9,130	19,873	25,469	92,136
Amortisation of premiums less accretion of discounts	1,312	2,566	3,895	5,561
Interest suspended	-	-	-	(819)
Total after net interest suspension	10,442	22,439	29,364	96,878

17. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	31.12.09 RM'000	31.12.08 RM'000	31.12.09 RM'000	31.12.08 RM'000
Deposits from customers	1,800	1,557	5,339	8,515
Deposit of banks and other financial institutions	3,376	11,598	9,652	32,036
Securities sold under repurchase agreements	-	-	-	(1)
Subordinated deposits and term loans	-	-	-	393
Securities sold not yet repurchased	-	-	-	-
Redeemable unsecured bonds	1,616	1,616	4,831	19,740
Others	218	74	1,015	1,492
	<u>7,010</u>	<u>14,845</u>	<u>20,837</u>	<u>62,175</u>

Bank	Individual Quarter		Cumulative Quarter	
	31.12.09 RM'000	31.12.08 RM'000	31.12.09 RM'000	31.12.08 RM'000
Deposits from customers	1,063	1,557	3,194	8,515
Deposit of banks and other financial institutions	3,376	11,598	9,652	32,036
Securities sold under repurchase agreements	-	-	-	(1)
Subordinated deposits and term loans	-	-	-	244
Securities sold not yet repurchased	-	-	-	-
Redeemable unsecured bonds	1,616	1,616	4,831	19,740
Others	1	(103)	308	898
	<u>6,056</u>	<u>14,668</u>	<u>17,985</u>	<u>61,432</u>

18. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.12.09 RM'000	31.12.08 RM'000	31.12.09 RM'000	31.12.08 RM'000
Fee income:				
Fees on loans and advances	10,210	2,511	20,860	8,565
Corporate advisory fees	6,593	4,493	17,751	23,196
Guarantee fees	308	421	928	1,254
Underwriting commissions	6,875	26	7,980	5,669
Unit trust management fees	1,865	1,720	5,156	5,166
Brokerage fees and commissions	21,288	15,499	82,781	52,105
Other fee income	12,344	4,929	30,165	18,732
	<u>59,483</u>	<u>29,599</u>	<u>165,621</u>	<u>114,687</u>
Investment and trading income:				
Net gain/(loss) from sale of securities held-for-trading	1,952	(5,001)	5,964	(18,665)
Net gain/(loss) from sale of securities available-for-sale	130	78	(836)	32
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	(1,777)	(8,847)	1,180	(13,998)
Gross dividend income from:				
Securities held-for-trading	119	78	362	1,415
Securities available-for-sale	-	-	632	-
Securities held-to-maturity	221	218	908	678
Gain/(loss) on revaluation of securities held-for-trading	42	6	89	(8,931)
Foreign exchange gain/(loss)	1,109	(90)	(158)	(3,688)
	<u>1,796</u>	<u>(13,558)</u>	<u>(36,980)</u>	<u>(91,422)</u>
Other income:				
Gain on disposal of property and equipment - net	188	77	203	530
Rental income	604	356	1,552	1,285
Other non-operating income	347	4	667	15
Service transfer pricing income	6,826	19,278	24,528	54,376
	<u>7,965</u>	<u>19,715</u>	<u>26,950</u>	<u>56,206</u>
	<u>69,244</u>	<u>35,756</u>	<u>155,591</u>	<u>79,471</u>

18. OTHER OPERATING INCOME (CONTD.)

Bank	Individual Quarter		Cumulative Quarter	
	31.12.09	31.12.08	31.12.09	31.12.08
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Fees on loans and advances	10,210	2,511	20,860	8,565
Corporate advisory fees	6,593	3,957	17,258	22,147
Guarantee fees	308	421	928	1,254
Underwriting commissions	6,097	-	6,763	5,604
Brokerage fees and commissions	14,392	10,048	54,466	36,361
Other fee income	12,863	4,253	30,816	16,450
	<u>50,463</u>	<u>21,190</u>	<u>131,091</u>	<u>90,381</u>
Investment and trading income:				
Net gain/(loss) from sale of securities held-for-trading	1,944	(5,001)	6,134	(18,655)
Net gain/(loss) from sale of securities available-for-sale	130	78	(836)	32
Net gain on redemption of securities held-to-maturity	-	-	-	250
(Loss)/gain on revaluation of derivatives	(1,775)	(8,845)	1,193	(13,992)
Gross dividend income from:				
Unquoted subsidiary companies	63	600	63	1,140
Securities held-for-trading	119	78	362	1,401
Securities available-for-sale	-	-	632	-
Securities held-to-maturity	221	218	908	678
Gain/(loss) on revaluation of securities held-for-trading	41	16	89	(8,932)
Foreign exchange gain/(loss)	988	(4)	(654)	(3,627)
	<u>1,731</u>	<u>(12,860)</u>	<u>7,891</u>	<u>(41,705)</u>
Other income:				
Gain on disposal of property and equipment - net	187	76	201	529
Rental income	604	356	1,552	1,285
Other non-operating income	333	-	597	-
Service transfer pricing income	9,834	19,296	25,195	54,503
	<u>10,958</u>	<u>19,728</u>	<u>27,545</u>	<u>56,317</u>
	<u>63,152</u>	<u>28,058</u>	<u>166,527</u>	<u>104,993</u>

19. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	31.12.09 RM'000	31.12.08 RM'000	31.12.09 RM'000	31.12.08 RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	27,290	36,300	79,244	110,650
- Others	9,272	7,412	22,913	31,419
	<u>36,562</u>	<u>43,712</u>	<u>102,157</u>	<u>142,069</u>
Establishment costs				
- Depreciation of property and equipment	1,363	1,962	4,082	5,890
- Amortisation of computer software	144	358	336	1,192
- Computerisation costs	3,977	4,898	11,789	12,910
- Rental	3,692	4,424	10,898	12,973
- Others	1,203	1,513	3,304	4,523
	<u>10,379</u>	<u>13,155</u>	<u>30,409</u>	<u>37,488</u>
Marketing and communication expenses				
- Sales commission	1,824	981	8,251	3,297
- Advertising	392	530	781	3,173
- Travel and entertainment	1,019	1,541	2,852	4,616
- Others	1,585	1,531	4,626	4,670
	<u>4,820</u>	<u>4,583</u>	<u>16,510</u>	<u>15,756</u>
Administration and general expenses				
- Professional fees	556	(57)	1,864	1,422
- Others	1,638	3,362	7,170	8,882
	<u>2,194</u>	<u>3,305</u>	<u>9,034</u>	<u>10,304</u>
Others				
- Service transfer pricing expenses	278	73	5,784	248
	<u>54,233</u>	<u>64,828</u>	<u>163,894</u>	<u>205,865</u>

19. OTHER OPERATING EXPENSES (CONTD.)

Bank	Individual Quarter		Cumulative Quarter	
	31.12.09	31.12.08	31.12.09	31.12.08
	RM'000	RM'000	RM'000	RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	23,509	34,145	69,122	99,244
- Others	7,533	6,202	18,429	26,433
	<u>31,042</u>	<u>40,347</u>	<u>87,551</u>	<u>125,677</u>
Establishment costs				
- Depreciation of property and equipment	1,067	1,657	3,171	4,992
- Amortisation of computer software	142	357	332	1,189
- Computerisation costs	1,697	3,244	5,209	8,077
- Rental	2,653	3,420	7,828	10,040
- Others	906	1,219	2,401	3,574
	<u>6,465</u>	<u>9,897</u>	<u>18,941</u>	<u>27,872</u>
Marketing and communication expenses				
- Sales commission	1,419	346	6,442	1,321
- Advertising	380	520	737	3,135
- Travel and entertainment	787	1,339	2,151	3,906
- Others	1,190	1,160	3,522	3,553
	<u>3,776</u>	<u>3,365</u>	<u>12,852</u>	<u>11,915</u>
Administration and general expenses				
- Professional fees	531	(216)	1,666	1,095
- Others	1,114	3,027	5,665	8,533
	<u>1,645</u>	<u>2,811</u>	<u>7,331</u>	<u>9,628</u>
Others				
- Service transfer pricing expenses	4,196	-	9,236	-
	<u>47,124</u>	<u>56,420</u>	<u>135,911</u>	<u>175,092</u>

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

Group	Individual Quarter		Cumulative Quarter	
	31.12.09	31.12.08	31.12.09	31.12.08
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts and financing:				
Specific allowance - net	(199)	(72)	(569)	(342)
<i>Allowance during the period</i>	-	65	-	124
<i>Amount written back in respect</i> <i>of recoveries and reversals</i>	(199)	(137)	(569)	(466)
General allowance	485	1,094	1,424	2,620
Bad debts and financing				
Written off	-	-	-	-
Recovered	(4)	(11)	(14)	(2,292)
	<u>282</u>	<u>1,011</u>	<u>841</u>	<u>(14)</u>

Bank	Individual Quarter		Cumulative Quarter	
	31.12.09	31.12.08	31.12.09	31.12.08
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts and financing:				
Specific allowance- net	(199)	(72)	(569)	(342)
<i>Allowance during the period</i>	-	65	-	124
<i>Amount written back in respect</i> <i>of recoveries and reversals</i>	(199)	(137)	(569)	(466)
General allowance	485	1,094	1,424	2,620
Bad debts and financing				
Written off	-	-	-	-
Recovered	(4)	(11)	(14)	(2,292)
	<u>282</u>	<u>1,011</u>	<u>841</u>	<u>(14)</u>

21. SEGMENTAL INFORMATION

BY BUSINESS SEGMENT

	Individual Quarter		Cumulative Quarter	
	31.12.09 RM'000	31.12.08 RM'000	31.12.09 RM'000	31.12.08 RM'000
Continuing Operations				
Investment banking				
Revenue	85,932	36,402	311,862	186,347
Profit before taxation	11,056	(23,729)	109,837	(20,240)
Offshore banking				
Revenue	-	3,863	-	(10,698)
Loss before taxation	-	3,231	-	(14,372)
Real estate management				
Revenue	5	8	16	30
Profit before taxation	5	9	3	24
Investment consultancy and advisory				
Revenue	1,187	1,636	3,568	5,308
Profit/(loss) before taxation	(316)	396	29	279
Others				
Revenue	56	663	237	1,782
Profit before taxation	9	88	164	200
Total before consolidation adjustments				
Revenue	87,180	42,572	315,683	182,769
Profit/(loss) before taxation	10,754	(20,005)	110,033	(34,109)
Consolidation adjustments				
Revenue	(3,553)	18,121	(47,267)	3,191
Profit before taxation	463	(354)	(44,544)	(48,154)
Total after consolidation adjustments				
Revenue	83,627	60,693	268,416	185,960
Profit/(loss) before taxation	11,217	(20,359)	65,489	(82,263)
Discontinued Operations				
Unit trust management				
Revenue	-	10,887	-	31,595
Profit before taxation	-	6,601	-	20,854
Asset management				
Revenue	-	7,839	-	23,853
Profit before taxation	-	3,433	-	6,650
Total				
Revenue	-	18,726	-	55,448
Profit before taxation	-	10,034	-	27,504

21. SEGMENTAL INFORMATION (CONTD.)

Included in the above is Islamic banking business profit before taxation of RM71.3 million for the Group and the Bank for the period ended 31 December 2009 (RM5.0 million for the Group and the Bank for the period ended 31 December 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 RM6.7 million for the period ended 31 December 2009 (loss of RM 8.3 million for the period ended 31 December 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:

	As at 31 Mar 2009 AMR RM'000	As at 31 Mar 2009 AMF RM'000
ASSETS		
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>
LIABILITIES AND SHAREHOLDER'S EQUITY		
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>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	<u>4,163</u>	<u>104,683</u>

As the Bank and the subsidiaries above are entities under common control, the transaction has been accounted for via the pooling of interest method ("Merger"). Under the pooling of interest method, the results of both subsidiaries above, together with the assets and liabilities are included in the financial statements of the Group as if the merger had been effected prior to and throughout the current financial year/period. As the merger was effected on 1 April 2009, the comparative figures for this financial period had been restated.

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
ASSETS		
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
TOTAL ASSETS	29,023	75,039
LIABILITIES AND SHAREHOLDER'S EQUITY		
Other liabilities	16,984	29,592
Share capital	2,000	5,539
Reserves	10,039	39,908
Shareholder's equity	12,039	45,447
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	29,023	75,039

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
ASSETS	
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
TOTAL ASSETS	611,196
LIABILITIES AND SHAREHOLDER'S EQUITY	
Deposits from customers	503,510
Deposits and placements of banks and other financial institutions	24,115
Other liabilities	2,036
Total liabilities	529,661
Share capital	33,020
Reserves	48,515
Shareholder's equity	81,535
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	611,196

25. BORROWINGS

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

	Group		Bank																					
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 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	13,787	-	13,787	-																				
Three years to five years	-	-	-	-																				
Total	<u>113,787</u>	<u>185,616</u>	<u>113,787</u>	<u>185,616</u>																				
(ii) Deposits and placements of banks and other financial institutions																								
Due within six months	844,833	566,479	844,833	566,479																				
Six months to one year	52,036	-	52,036	-																				
One year to three years	-	-	-	-																				
Three years to five years	-	-	-	-																				
Total	<u>896,869</u>	<u>566,479</u>	<u>896,869</u>	<u>566,479</u>																				
<table border="0" style="width: 100%;"> <tr> <td style="padding-left: 20px;"><i>Recap :</i></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;"><i>Interbank lendings</i></td> <td>1,203,232</td> <td>863,032</td> <td>1,144,206</td> <td>758,946</td> </tr> <tr> <td style="padding-left: 20px;"><i>Interbank borrowings</i></td> <td>(896,869)</td> <td>(566,479)</td> <td>(896,869)</td> <td>(566,479)</td> </tr> <tr> <td style="padding-left: 20px;"><i>Net interbank (borrowings)/ lendings</i></td> <td><u>306,363</u></td> <td><u>296,553</u></td> <td><u>247,337</u></td> <td><u>192,467</u></td> </tr> </table>					<i>Recap :</i>					<i>Interbank lendings</i>	1,203,232	863,032	1,144,206	758,946	<i>Interbank borrowings</i>	(896,869)	(566,479)	(896,869)	(566,479)	<i>Net interbank (borrowings)/ lendings</i>	<u>306,363</u>	<u>296,553</u>	<u>247,337</u>	<u>192,467</u>
<i>Recap :</i>																								
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<i>Interbank borrowings</i>	(896,869)	(566,479)	(896,869)	(566,479)																				
<i>Net interbank (borrowings)/ lendings</i>	<u>306,363</u>	<u>296,553</u>	<u>247,337</u>	<u>192,467</u>																				
(iii) Term loans																								
Due within one year																								
Secured	4,886	-	-	-																				
(iv) Redeemable unsecured subordinated bonds																								
More than one year	<u>135,000</u>	<u>135,000</u>	<u>135,000</u>	<u>135,000</u>																				

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 31 December 2009, the commitments and contingencies outstanding are as follows:

Group	31.12.09			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
Derivative Financial Instruments						
Equity related contracts:						
Options	97,647	1,562	156	127,290	-	-
Futures	1,777	-	-	8,262	-	-
	<u>99,424</u>	<u>1,562</u>	<u>156</u>	<u>135,552</u>	<u>-</u>	<u>-</u>
Commitments						
Irrevocable commitments to extend credit maturing :						
within one year	153,075	-	-	100,147	-	-
more than one year	881	441	372	1,328	664	485
	<u>153,956</u>	<u>441</u>	<u>372</u>	<u>101,475</u>	<u>664</u>	<u>485</u>
Contingent Liabilities						
Guarantees given on behalf of customers	439,597	439,597	426,192	462,672	462,672	462,672
Underwriting liabilities	91,285	-	91,285	-	-	-
	<u>530,882</u>	<u>439,597</u>	<u>517,477</u>	<u>462,672</u>	<u>462,672</u>	<u>462,672</u>
	<u>784,262</u>	<u>441,600</u>	<u>518,005</u>	<u>699,699</u>	<u>463,336</u>	<u>463,157</u>

26. COMMITMENTS AND CONTINGENCIES (CONT'D)

Bank	31.12.09			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
Derivative Financial Instruments						
Equity related contracts:						
Options	97,647	1,562	156	127,290	-	-
Futures	1,777	-	-	8,262	-	-
	<u>99,424</u>	<u>1,562</u>	<u>156</u>	<u>135,552</u>	<u>-</u>	<u>-</u>
Commitments						
Irrevocable commitments to extend credit maturing:						
within one year	153,075	-	-	100,147	-	-
more than one year	881	441	372	1,328	664	485
	<u>153,956</u>	<u>441</u>	<u>372</u>	<u>101,475</u>	<u>664</u>	<u>485</u>
Contingent Liabilities						
Guarantees given on behalf of customers	439,597	439,597	426,192	462,672	462,672	462,672
Underwriting liabilities	91,285	-	91,285	-	-	-
	<u>530,882</u>	<u>439,597</u>	<u>517,477</u>	<u>462,672</u>	<u>462,672</u>	<u>462,672</u>
	<u>784,262</u>	<u>441,600</u>	<u>518,005</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's 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's Suit 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 re-fixed on 8 February 2010.

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's 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 re-fixed for Mention on 8 February 2010.

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 31 December 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	97,647	-	-	97,647	-	-	-	-
Futures	1,777	1,777	-	-	-	-	-	-
Total	99,424	1,777	-	97,647	-	-	-	-

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				
31.12.09	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
ASSETS										
Cash and short-term funds	1,219,823	-	-	-	-	-	30,139	-	1,249,962	1.98
Securities purchased under resale agreements	23,259	-	-	-	-	-	-	-	23,259	1.20
Deposits and placements with banks and other financial institutions	-	767	-	-	-	-	-	-	767	1.48
Securities held-for-trading	-	-	-	-	-	-	-	4,911	4,911	-
Securities available-for-sale	-	-	-	-	15,396	22,108	18,813	-	56,317	9.82
Securities held-to-maturity	-	99,394	-	-	-	-	16,403	-	115,797	2.17
Loans, advances and financing:										
- performing	67,680	193,815	66,087	14,923	2,325	7,427	150	-	352,407	7.15
- non-performing *	-	-	-	-	-	-	(5,177)	-	(5,177)	
Other non-interest sensitive balances	-	-	-	-	-	-	734,076	-	734,076	-
TOTAL ASSETS	1,310,762	293,976	66,087	14,923	17,721	29,535	794,404	4,911	2,532,319	
LIABILITIES AND EQUITY										
Deposits from customers	-	100,000	-	-	13,787	-	-	-	113,787	-
Deposits and placements of banks and other financial institutions	444,833	250,000	150,000	52,036	-	-	-	-	896,869	2.14
Term loans	4,886	-	-	-	-	-	-	-	4,886	1.00
Redeemable unsecured subordinated bonds	-	-	-	-	-	135,000	-	-	135,000	4.75
Other non-interest sensitive balances	-	-	-	-	-	-	826,351	-	826,351	-
Total Liabilities	449,719	350,000	150,000	52,036	13,787	135,000	826,351	-	1,976,893	
Share capital	-	-	-	-	-	-	200,000	-	200,000	
Reserves	-	-	-	-	-	-	355,426	-	355,426	-
TOTAL LIABILITIES AND EQUITY	449,719	350,000	150,000	52,036	13,787	135,000	1,381,777	-	2,532,319	

Group	←-----Non-trading book----->						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000				
31.12.09										
On-balance sheet interest rate gap sensitivity	861,043	(56,024)	(83,913)	(37,113)	3,934	(105,465)	(587,373)	4,911	-	
Off-balance sheet interest rate gap sensitivity	-	-	-	-	-	-	-	-	-	
Total interest rate gap sensitivity	861,043	(56,024)	(83,913)	(37,113)	3,934	(105,465)	(587,373)	4,911	-	
Cumulative interest rate gap sensitivity	861,043	805,019	721,106	683,993	687,927	582,462	(4,911)	-		

* 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					RM'000
31.3.09	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS											
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	-	
TOTAL ASSETS	960,766	185,663	7,531	101,842	26,444	27,177	701,395	10,752	2,021,570		
LIABILITIES AND EQUITY											
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				
31.3.09	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Liabilities directly associated to assets reclassified as held for sale	-	-	-	-	-	-	25,611	-	25,611	-
Other non-interest sensitive balances	-	-	-	-	-	-	562,165	-	562,165	-
Total Liabilities	216,487	220,000	150,000	100,000	65,358	135,000	610,305	-	1,497,150	
Share capital	-	-	-	-	-	-	200,000	-	200,000	-
Reserves	-	-	-	-	-	-	324,420	-	324,420	-
TOTAL LIABILITIES AND EQUITY	216,487	220,000	150,000	100,000	65,358	135,000	1,134,725	-	2,021,570	
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	-	-	-	-	-	-	-	-	-	
Total interest rate gap sensitivity	744,279	(34,337)	(142,469)	1,842	(38,914)	(107,823)	(433,330)	10,752	-	
Cumulative interest rate gap sensitivity	744,279	709,942	567,473	569,315	530,401	422,578	(10,752)	-		

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

Bank 31.12.09	-----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				
ASSETS										
Cash and short-term funds	1,023,483	-	-	-	-	-	145,118	-	1,168,601	1.96
Securities held-for-trading	-	-	-	-	-	-	-	4,841	4,841	-
Securities available-for-sale	-	-	-	-	15,396	22,108	16,613	-	54,117	10.22
Securities held-to-maturity	-	-	99,394	-	-	-	16,401	-	115,795	2.17
Loans, advances and financing:										
- performing	67,680	193,815	66,088	14,923	2,325	7,427	149	-	352,407	7.15
- non-performing *	-	-	-	-	-	-	(5,177)	-	(5,177)	-
Other non-interest sensitive balances	-	-	-	-	-	-	458,816	-	458,816	-
TOTAL ASSETS	1,091,163	193,815	165,482	14,923	17,721	29,535	631,920	4,841	2,149,400	
LIABILITIES AND EQUITY										
Deposits from customers	-	100,000	-	-	13,787	-	-	-	113,787	-
Deposits and placements of banks and other financial institutions	444,833	250,000	150,000	52,036	-	-	-	-	896,869	2.14
Redeemable unsecured subordinated bonds	-	-	-	-	-	135,000	-	-	135,000	4.75
Other non-interest sensitive balances	-	-	-	-	-	-	489,086	-	489,086	-
Total Liabilities	444,833	350,000	150,000	52,036	13,787	135,000	489,086	-	1,634,742	
Share capital	-	-	-	-	-	-	200,000	-	200,000	-
Reserves	-	-	-	-	-	-	314,658	-	314,658	-
TOTAL LIABILITIES AND EQUITY	444,833	350,000	150,000	52,036	13,787	135,000	1,003,744	-	2,149,400	

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				
31.12.09										
On-balance sheet interest rate gap sensitivity	646,330	(156,185)	15,482	(37,113)	3,934	(105,465)	(371,824)	4,841	-	
Off-balance sheet interest rate gap sensitivity	-	-	-	-	-	-	-	-	-	
Total interest rate gap sensitivity	646,330	(156,185)	15,482	(37,113)	3,934	(105,465)	(371,824)	4,841	-	
Cumulative interest rate gap sensitivity	646,330	490,145	505,627	468,514	472,448	366,983	(4,841)	-		

* 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	%
ASSETS										
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	-
TOTAL ASSETS	763,650	185,652	6,732	101,842	26,444	27,177	596,270	10,752	1,718,519	
LIABILITIES AND EQUITY										
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	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										
Redeemable unsecured subordinated bonds	-	-	-	-	-	135,000	-	-	135,000	4.75
Other non-interest sensitive balances	-	-	-	-	-	-	362,156	-	362,156	-
Total Liabilities	216,487	220,000	150,000	100,000	65,358	135,000	384,685	-	1,271,530	
Share capital	-	-	-	-	-	-	200,000	-	200,000	-
Reserves	-	-	-	-	-	-	246,989	-	246,989	-
TOTAL LIABILITIES AND EQUITY	216,487	220,000	150,000	100,000	65,358	135,000	831,674	-	1,718,519	
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	-	-	-	-	-	-	-	-	-	
Total interest rate gap sensitivity	547,163	(34,348)	(143,268)	1,842	(38,914)	(107,823)	(235,404)	10,752	-	
Cumulative interest rate gap sensitivity	547,163	512,815	369,547	371,389	332,475	224,652	(10,752)	-		

* 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	
	31.12.09	31.03.09	31.12.09	31.03.09
Core capital ratio	22.68%	27.14%	26.78%	28.13%
Risk-weighted capital ratio	27.75%	34.16%	28.46%	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	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 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	7,378	4,330	7,378	4,330
Total tier 2 capital	142,378	139,330	142,378	139,330
Less: Excess tier 2 capital	-	-	-	-
Maximum allowable tier 2 capital	142,378	139,330	142,378	139,330
Total capital funds	680,023	608,200	651,190	586,068
Less: Investment in capital of related financial institution	(22,108)	(18,105)	(22,108)	(18,105)
Less: Investment in subsidiaries	-	-	(88,231)	(122,671)
Less: Other deduction	-	-	-	-
Capital base	657,915	590,095	540,851	445,292

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

	Group		Bank	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
Credit risk	1,794,505	1,373,712	1,388,029	1,270,849
Market risk	178,450	127,467	178,259	127,467
Operational risk	397,500	226,052	333,862	184,082
Large exposure risk requirements for single equity	-	405	-	405
	2,370,455	1,727,636	1,900,150	1,582,803

30. OPERATIONS OF ISLAMIC BANKING

BALANCE SHEETS AS AT 31 DECEMBER 2009

The state of affairs as at 31 December 2009 and the results for the period ended 31 December 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:

	Group		Bank	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
ASSETS				
Cash and short-term funds	131,838	43,783	131,838	43,783
Other receivables, deposits and prepayments	6,995	3,366	6,995	3,366
Property and equipment	95	95	95	95
Intangible assets	3	5	3	5
TOTAL ASSETS	138,931	47,249	138,931	47,249
LIABILITIES AND ISLAMIC BANKING FUNDS				
Deposits and placements of banks and other financial institutions	-	250	-	250
Other liabilities	48,494	10,042	48,494	10,042
Total Liabilities	48,494	10,292	48,494	10,292
ISLAMIC BANKING FUNDS				
Capital funds	30,000	30,000	30,000	30,000
Reserves	60,437	6,957	60,437	6,957
Islamic Banking Funds	90,437	36,957	90,437	36,957
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	138,931	47,249	138,931	47,249
COMMITMENTS AND CONTINGENCIES	137,664	160,012	137,664	160,012

**UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2009**

Group	Individual Quarter		Cumulative Quarter	
	31.12.09	31.12.08	31.12.09	31.12.08
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	204	106	456	398
Writeback of allowance for losses on financing	-	-	-	1,802
Total attributable income	204	106	456	2,200
Loss attributable to depositors	(659)	(1)	(1,549)	(647)
(Loss)/income attributable to the Group	(455)	105	(1,093)	1,553
Income derived from investment of Islamic Banking Funds	2,909	1,305	80,222	5,950
Total net income	2,454	1,410	79,129	7,503
Other operating expenses	(562)	(814)	(7,798)	(2,482)
Profit before taxation	1,892	596	71,331	5,021
Taxation	(492)	(396)	(17,850)	(1,257)
Profit after taxation	1,400	200	53,481	3,764

Bank	Individual Quarter		Cumulative Quarter	
	31.12.09	31.12.08	31.12.09	31.12.08
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	204	106	456	398
Writeback of allowance for losses on financing	-	-	-	1,802
Total attributable income	204	106	456	2,200
Loss attributable to depositors	(659)	(1)	(1,549)	(647)
(Loss)/income attributable to the Bank	(455)	105	(1,093)	1,553
Income derived from investment of Islamic Banking Funds	2,909	1,305	80,222	5,950
Total net income	2,454	1,410	79,129	7,503
Other operating expenses	(562)	(814)	(7,798)	(2,482)
Profit before taxation	1,892	596	71,331	5,021
Taxation	(492)	(396)	(17,850)	(1,257)
Profit after taxation	1,400	200	53,481	3,764

30a. FINANCING ACTIVITIES

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

	Group		Bank	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
Gross				
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	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
General Allowance				
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	-	-	-	-
Specific Allowance				
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	
	31.12.09 RM'000	31.03.09 RM'000	31.12.09 RM'000	31.03.09 RM'000
Other payables and accruals	8,335	1,673	8,335	1,673
Amount owing to head office	14,341	401	14,341	401
Taxation and zakat payable	25,806	7,968	25,806	7,968
Deferred taxation	12	-	12	-
	<u>48,494</u>	<u>10,042</u>	<u>48,494</u>	<u>10,042</u>

31. 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
The Group			
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
The Bank			
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
The Group			
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)
The Bank			
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)

31. 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
The Group			
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)
The Bank			
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 31.12.09		As at 31.03.09	
	RM'000		RM'000	
	Carrying amount	Fair values	Carrying amount	Fair values
The Group and the Bank				
Securities reclassified from securities held-for-trading to securities available-for-sale	4,600	3,893	7,477	4,861

32. PERFORMANCE REVIEW ON THE RESULTS OF THE BANK FOR THE QUARTER

The Bank is now focused on capital-market origination activities for large corporate clients in the domestic and offshore markets, particularly in corporate advisory, debt capital markets, structured finance, equity capital markets, underwriting, brokerage and futures trading. It also supports its regional investment-banking operations in Singapore, Indonesia and Brunei.

The Bank posted a pretax profit of RM12.1 million for the quarter as compared to a pretax loss of RM 20.3 million for the quarter ended 31 December 2008, mainly due to higher fee income and substantially lower loss on revaluation of derivatives as compared to the quarter ended 31 December 2008.

In the non-Islamic business sectors, the net interest income dived to RM4.4 million from RM7.8 million in the quarter ended 31 December 2008, other operating income increased to RM63.2 million from RM28.1 million in the quarter ended 31 December 2008 as a result of fee income at RM50.5 million as compared to RM21.2 million in the quarter ended 31 December 2008, investment and trading income surged to RM1.7 million as compared to a loss of RM12.9 million in the quarter ended 31 December 2008, offset by smaller other income of RM11 million as compared to RM19.7 million for the quarter ended 31 December 2008.

33. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP AND THE BANK FOR THE PERIOD

The transfer of assets to its commercial-banking and Islamic-banking sister companies has transformed the Bank into an investment-advisory house with minimal interest-bearing assets.

The Group reported pretax profit of RM65.5 million (pretax loss of RM83.7 million for the period ended 31 December 2008) and the Bank reported pretax profit of RM102 million (pretax loss of RM28.7 million for the period ended 31 December 2008), and in respect of the non-Islamic business, are attributed to:

- (i) Higher allowance for losses on loan and financing of RM0.8 million for the Group & the Bank (RM0.014 million write-back of allowance for the period ended 31 December 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 RM165.3 million and RM131.1 million as a result of higher brokerage fees and commissions (RM113.3 million and RM90.4 million earned for the period ended 31 December 2008) for the Group and the Bank, respectively.
- (iii) Lower net interest income of RM12.9 million and RM11.4 million (RM38.6 million and RM35.4 million for the period ended 31 December 2008) for the Group and the Bank, respectively due to lesser funds for placements and loan financing.
- (iv) Investment and trading (loss)/gain of (RM37) million and RM7.9 million (losses of RM91.4 million and RM41.7 million for the period ended 31 December 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 31 December 2009 and 31 December 2008 respectively, reflected at Group level.

Higher income from Islamic banking business of RM79.1 million for the Group and the Bank (RM5.7 million for the period ended 31 December 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 AmlInvestment 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.

34. CURRENT PERIOD PROSPECTS

The Bank's business model renders its earnings prone to volatility given its dependence on debt capital market ("DCM") and equity capital market ("ECM"). Moving ahead, the Bank will focus on maintaining its capital markets origination businesses and target growth in its advisory and stock-broking services.

The Bank frequently ranks among the top 5 investment banks vis-a-vis value and/or number of DCM deals arranged in recent years.

The Bank is also among the key players in Malaysian ECM activities having involved in several key mergers-and-acquisitions ("M&A") deals, including the privatisation of IOI Properties Bhd by IOI Corporation Bhd and Telekom Malaysia Berhad's take-over of VADS Berhad, as well as being active in equity underwriting.

The gradual recovery of the domestic economy is expected to lift market sentiments. This will have a positive impact on the Bank's brokerage income.

Although advisory fees and interest income were generally subdued, the Bank's pipeline of investment-banking deals has been gradually building up. Earnings volatility is likely to persist, as revenue from capital-market activities will stay as the Bank's key earnings driver.

The Dubai issue blowout will lead to higher demand for Islamic debt from emerging markets because investors will have to replace the ones from the Middle East.

Dubai sent shockwaves through global markets on November 25, 2009 when it requested a standstill on US\$26 billion of debts linked to Dubai World and its property units, Limitless and Nakheel, developer for three palm-shaped islands. A US\$10 billion lifeline from Abu Dhabi in December - the third this year - helped Dubai stave off default on a US\$4.1 billion Islamic bond from Nakheel and provided enough funds to service debts until April.