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

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010

		Group		Bank	
	Note	**30.09.10 RM'000**	**31.03.10 RM'000**	**30.09.10 RM'000**	**31.03.10 RM'000**
ASSETS					
Cash and short-term funds		792,947	832,988	703,114	744,175
Securities purchased under resale agreements		19,252	16,992	-	-
Deposits and placements with banks and other financial institutions		694	735	-	-
Derivative financial assets		78	-	-	-
Financial assets held-for-trading	8	20,604	32,933	18,082	32,880
Financial investments available-for-sale	9	54,776	45,424	52,574	43,224
Financial investments held-to-maturity	10	100	15,052	100	15,050
Loans, advances and financing	11	448,296	392,944	448,266	392,911
Other assets	12	1,985,408	743,598	1,641,145	432,573
Statutory deposit with Bank Negara Malaysia		559	-	559	-
Deferred tax assets		-	2,021	-	1,707
Investments in subsidiaries		-	-	88,231	88,231
Investments in associated companies		2,548	2,471	100	100
Property and equipment		30,565	31,764	28,266	29,140
Intangible assets		13,782	13,544	2,521	2,281
TOTAL ASSETS		3,369,609	2,130,466	2,982,958	1,782,272
LIABILITIES AND EQUITY					
Deposits and placements of banks and other financial institutions	13	613,981	609,129	613,981	609,129
Derivative financial liabilities		78	467	-	467
Deposits from customers	14	13,606	13,917	13,606	13,917
Term funding		24,640	15,146	-	-
Debt capital		135,000	135,000	135,000	135,000
Deferred tax liabilities		508	-	508	-
Other liabilities	15	2,048,296	802,831	1,725,903	506,737
Total Liabilities		2,836,109	1,576,490	2,488,998	1,265,250
Share capital		200,000	200,000	200,000	200,000
Reserves		333,500	353,976	293,960	317,022
Equity attributable to equity holder of the Bank		533,500	553,976	493,960	517,022
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		3,369,609	2,130,466	2,982,958	1,782,272

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

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010 (CONTD.)

		Group		**Bank**	
	Note	**30.09.10 RM'000**	**31.03.10 RM'000**	**30.09.10 RM'000**	**31.03.10 RM'000**
OFF BALANCE SHEET EXPOSURES	27(e)	424,854	643,545	415,384	643,545
NET ASSETS PER ORDINARY SHARE (RM)		2.67	2.77	2.47	2.59
CAPITAL ADEQUACY	27(a)				
Before deducting proposed dividends					
Core Capital Ratio		24.69%	23.98%	31.00%	28.29%
Risk-Weighted Capital Ratio		30.34%	29.37%	32.89%	30.07%
After deducting proposed dividends					
Core Capital Ratio		24.69%	21.73%	31.00%	25.51%
Risk-Weighted Capital Ratio		30.34%	27.13%	32.89%	27.30%

The Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2010.

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

UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2010

		Individual Quarter		Cumulative Quarter	
Group	**Note**	**30.09.10 RM'000**	**30.09.09 RM'000**	**30.09.10 RM'000**	**30.09.09 RM'000**
Revenue		94,077	79,520	174,103	184,584
Interest income	16	9,760	11,098	20,452	21,767
Interest expense	17	(5,643)	(5,108)	(12,469)	(13,827)
Net interest income		4,117	5,990	7,983	7,940
Net income from Islamic banking business		7,261	3,238	12,742	76,675
Other operating income	18	77,056	65,184	140,909	86,142
Share in results of associated companies		57	37	76	114
Net income		88,491	74,449	161,710	170,871
Other operating expenses	19	(63,527)	(53,977)	(117,631)	(109,456)
Operating Profit		24,964	20,472	44,079	61,415
Allowances for impairment on loans and financing	20	(288)	(122)	(816)	(559)
Impairment writeback/(loss) on:					
Financial investment		574	(3,869)	(1,000)	(7,589)
Doubtful sundry receivables- net		(332)	751	268	1,005
Writeback of provision for commitments		2,232	-	2,233	-
Profit before taxation		27,150	17,232	44,764	54,272
Taxation		(7,673)	(3,489)	(12,364)	(23,783)
Profit for the period		19,477	13,743	32,400	30,489
Attributable to :					
Equity holder of the Bank		19,477	13,743	32,400	30,489
EARNINGS PER SHARE (SEN)					
Basic		9.74	6.87	16.20	15.24
Fully diluted		9.74	6.87	16.20	15.24

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2010.

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

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2010

		Individual Quarter		Cumulative Quarter	
Group	**Note**	**30.09.10 RM'000**	**30.09.09 RM'000**	**30.09.10 RM'000**	**30.09.09 RM'000**
Profit for the period		19,477	13,743	32,400	30,489
Other comprehensive (loss)/income:					
Exchange differences on translation of foreign operations		1,118	1,223	580	3,074
Net loss on financial investments available-for-sale		3,093	12,851	118	7,938
Income tax relating to the components of other comprehensive income		(2,176)	(2,849)	(64)	(2,849)
Other comprehensive income for the period, net of tax		2,035	11,225	634	8,163
Total comprehensive income for the period		21,512	24,968	33,034	38,652
Total comprehensive income for the period attributable to:					
Equity holders of the Bank		21,512	24,968	33,034	38,652

The Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2010.

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 2010

		Individual Quarter		Cumulative Quarter	
Bank	**Note**	**30.09.10 RM'000**	**30.09.09 RM'000**	**30.09.10 RM'000**	**30.09.09 RM'000**
Revenue		84,657	63,382	151,115	198,972
Interest income	16	8,879	9,633	18,601	18,922
Interest expense	17	(5,408)	(4,053)	(11,752)	(11,929)
Net interest income		3,471	5,580	6,849	6,993
Net income from Islamic banking business		7,261	3,238	12,742	76,675
Other operating income	18	68,517	50,511	119,772	103,375
Net income		79,249	59,329	139,363	187,043
Other operating expenses	19	(54,589)	(43,403)	(97,905)	(88,787)
Operating Profit		24,660	15,926	41,458	98,256
Allowances for impairment on loans and financing	20	(288)	(122)	(816)	(559)
Impairment writeback/(loss) on:					
Financial investment		574	(3,869)	(1,000)	(7,589)
Doubtful sundry receivables- net		(703)	(55)	(135)	(260)
Writeback of provision for commitments		2,232	-	2,233	-
Profit before taxation		26,475	11,880	41,740	89,848
Taxation		(7,377)	(2,471)	(11,346)	(21,963)
Net profit attributable to equity holder of the Bank		19,098	9,409	30,394	67,885
EARNINGS PER SHARE (SEN)					
Basic		9.55	4.70	15.20	33.94
Fully diluted		9.55	4.70	15.20	33.94

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2010.

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

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2010

		Individual Quarter		Cumulative Quarter	
Bank	**Note**	**30.09.10 RM'000**	**30.09.09 RM'000**	**30.09.10 RM'000**	**30.09.09 RM'000**
Profit for the period		19,098	9,409	30,394	67,885
Other comprehensive (loss)/income:					
Exchange differences on translation of foreign operations		-	301	-	984
Net loss on financial investments available-for-sale		3,093	12,851	118	7,938
Income tax relating to the components of other comprehensive income		(2,176)	(2,849)	(64)	(2,849)
Other comprehensive income for the period, net of tax		917	10,303	54	6,073
Total comprehensive income for the period		20,015	19,712	30,448	73,958
Total comprehensive income for the period attributable to:					
Equity holders of the Bank		20,015	19,712	30,448	73,958

The Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2010.

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

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2010

	<------Attributable to equity holder of the Bank------>							
		Non-distributable					Distributable	
Group	**Share capital RM'000**	**Capital reserve 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**	**Total shareholder's equity RM'000**
At 1 April 2009	200,000	2,815	200,000	22,023	(5,557)	24,898	80,241	524,420
Profit for the period	-	-	-	-	-	-	30,489	30,489
Other comprehensive income	-	-	-	-	5,089	3,074	-	8,163
Total comprehensive income for the period	-	-	-	-	5,089	3,074	30,489	38,652
Effects arising from pooling of interest method	-	-	-	(14,367)	-	-	-	(14,367)
At 30 September 2009	200,000	2,815	200,000	7,656	(468)	27,972	110,730	548,705
At 1 April 2010	200,000	2,815	200,000	7,656	3,200	24,172	116,133	553,976
Effect of adoption of FRS139	-	-	-	-	(74)	-	(3,436)	(3,510)
As restated	200,000	2,815	200,000	7,656	3,126	24,172	112,697	550,466
Profit for the period	-	-	-	-	-	-	32,400	32,400
Other comprehensive income	-	-	-	-	54	580	-	634
Total comprehensive income for the period	-	-	-	-	54	580	32,400	33,034
Ordinary dividends paid	-	-	-	-	-	-	(50,000)	(50,000)
At 30 September 2010	200,000	2,815	200,000	7,656	3,180	24,752	95,097	533,500

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2010.

AmInvestment 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 2010

	<-------------------------------Attributable to equity holder of the Bank------------------------------------>						
		Non-distributable				Distributable	
Bank	**Share capital 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**	**Total shareholder's equity RM'000**
At 1 April 2009	200,000	200,000	14,367	(5,609)	6,840	31,391	446,989
Profit for the period	-	-	-	-	-	67,885	67,885
Other comprehensive income	-	-	-	5,089	984	-	6,073
Total comprehensive income for the period	-	-	-	5,089	984	67,885	73,958
Effects arising from pooling of interest method	-	-	(14,367)	-	-	-	(14,367)
At 30 September 2009	200,000	200,000	-	(520)	7,824	99,276	506,580
At 1 April 2010	200,000	200,000	-	3,148	-	113,874	517,022
Effect of adoption of FRS139	-	-	-	(74)	-	(3,436)	(3,510)
As restated	200,000	200,000	-	3,074	-	110,438	513,512
Profit for the period	-	-	-	-	-	30,394	30,394
Other comprehensive income	-	-	-	54	-	-	54
Total comprehensive income for the period	-	-	-	54	-	30,394	30,448
Ordinary dividends paid	-	-	-	-	-	(50,000)	(50,000)
At 30 September 2010	200,000	200,000	-	3,128	-	90,832	493,960

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2010.

AmInvestment 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 2010

	Group		Bank	
	30.09.10 RM'000	30.09.09 RM'000	30.09.10 RM'000	30.09.09 RM'000
Profit before taxation	44,764	54,272	41,740	89,848
Adjustments for non-operating and non cash items	(2,363)	44,492	(3,180)	311
Operating profit before working capital changes	42,401	98,764	38,560	90,159
Decrease/(increase) in operating assets	(1,284,193)	(482,873)	(1,258,600)	(277,527)
(Decrease)/increase in operating liabilities	1,243,256	448,932	1,216,969	249,391
Cash generated from/(used in) operations	1,464	64,823	(3,071)	62,023
Taxation paid	(10,173)	(23,725)	(13,434)	(15,804)
Net cash generated from/(used in) operating activities	(8,709)	41,098	(16,505)	46,219
Net cash (used in)/generated from investing activities	6,450	(59,823)	6,707	20,504
Net cash used in financing activities	(40,506)	54,082	(50,000)	-
	(34,056)	(5,741)	(43,293)	20,504
Net increase/(decrease) in cash and cash equivalents	(42,765)	35,357	(59,798)	66,723
Cash and cash equivalents at beginning of period	589,075	656,015	575,065	632,710
Cash and cash equivalents at end of period	546,310	691,372	515,267	699,433

Note 1 : 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	
	30.09.10 RM'000	30.09.09 RM'000	30.09.10 RM'000	30.09.09 RM'000
Cash and short-term funds	792,947	1,023,089	703,114	921,693
Less: Cash and bank balances and deposit held in trust	(246,637)	(331,717)	(187,847)	(222,260)
	546,310	691,372	515,267	699,433

The Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2010.

EXPLANATORY NOTES :

1. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and Financial Reporting Standards ("FRS") 134, Interim Financial Reporting, issued by Malaysian Accounting Standards Board ("MASB"). The financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the Annual Financial Statements of the Group and the Bank for the year ended 31 March 2010.

The condensed consolidated interim financial statements incorporate those activities relating to Islamic banking which have been undertaken by the Group and the Bank. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under Shariah principles.

The accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 March 2010 except for the adoption of the following FRSs, amendments to FRSs, IC Interpretations and Technical Releases:

FRS 7, Financial Instruments : Disclosure
FRS 8, Operating Segments
FRS 101, Presentation of Financial Statements (revised)
FRS 123, Borrowing Costs (revised)
FRS 139, Financial Instruments: Recognition and Measurement
Amendments to FRS 1, First-time Adoption of Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 132, Financial Instruments : Presentation and FRS 101, Presentation of Financial Statements
- Puttable Financial Instruments and Obligations Arising on Liquidation
- Separation of Compound Instruments

Amendments to FRS 132, Financial Instruments: Presentation – Classification of Rights Issues
Amendments to FRS 139, Financial Instruments: Recognition and Measurement, FRS 7, Financial Instruments:
Disclosures and IC Interpretation 9, Reassessment of Embedded Derivatives
- Reclassification of Financial Assets
- Puttable Financial Instruments and Obligations Arising on Liquidation

Amendments to FRS 139, Financial Instruments: Recognition and Measurement
- Collective Assessment of Impairment for Banking Institutions

Improvements to FRSs (2009)
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
TR i – 3, Presentation of Financial Statements of Islamic Financial Institutions

The effects of adopting FRS 7, FRS 8, FRS 101, and the Amendments to FRS 117, which did not have any significant effect on the financial performance or position of the Group and the Bank and did not impact earnings per ordinary share, are discussed below:

FRS 7, Financial Instruments: Disclosures
Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132, Financial instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk, market risk and sensitivity analysis to market risk.

The Group and the Bank have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The adoption of FRS 7 did not impact the financial position or results of the Group and the Bank.

1. BASIS OF PREPARATION (CONTD.)

FRS 8, Operating Segments
FRS 8 requires an entity to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments disclosure in the financial statements. The application of FRS 8 did not have any impact to the financial statements of the Group and the Bank.

FRS 101, Presentation of Financial Statements
FRS 101 requires the Group and the Bank to present all owner changes in equity and all non-owner changes to be presented in either a single statement of comprehensive income or in two separate statements of income and comprehensive income. FRS 101 also requires the income tax effect of each component of comprehensive income be disclosed. FRS 101 requires retrospective restatement of comparative statement of financial position as at the beginning of the earliest comparative period. The Group and the Bank have opted for the two statements approach. The adoption of FRS 101 did not impact the financial position or results of the Group and the Bank as the changes introduced are presentational in nature.

FRS 117, Leases
The amendments to FRS 117 require leasehold land which are in substance finance leases to be classified as Property, Plant and Equipment or Investment Property as appropriate. The Group and the Bank have reassessed and determined that all leasehold land of the Group and the Bank which in substance are finance leases and has reclassified the leasehold land to Property, Plant and Equipment and Investment Property accordingly. The change in accounting policy has been applied retrospectively in accordance with the transitional provisions of the amendment. The reclassification does not affect earnings per ordinary share for the current and prior periods.

The principal effects of the changes in accounting policies arising from the adoption of FRS 139 and its related amendments and IC Interpretations are disclosed in Note 29.

The adoption of the other FRSs, amendments to FRSs, IC Interpretations and Technical Release did not have any material financial impact on the financial statements of the Group and the Bank.

At the date of authorisation of these condensed consolidated interim financial statements, the following revised FRSs, new IC Interpretations and Amendments to certain FRSs and IC Interpretations have been issued by the MASB but are not yet effective for, and have not been applied by the Group and the Bank:

FRSs, IC Interpretations and amendments effective for annual periods beginning on or after 1 July 2010
FRS 1, First-time Adoption of Financial Reporting Standards (revised)
FRS 3, Business Combinations (revised)
FRS 127, Consolidated and Separate Financial Statements (revised)
Amendments to FRS 2, Share-based Payment
Amendments to FRS 5, Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS138, Intangible Assets
Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives
IC Interpretation 12, Service Concession Arrangements
IC Interpretation I5, Agreements for the Construction of Real Estate
IC Interpretation 16, Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17, Distributions of Non-cash Assets to Owners

Technical Release effective for annual periods ending on or after 31 December 2010
TR 3, Guidance on Disclosures of Transition to IFRSs

1. BASIS OF PREPARATION (CONTD.)

FRSs, IC Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

Amendments to FRS 1, First-time Adoption of Financial Reporting Standards
- Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Additional Exemptions for First-time Adopters

Amendments to FRS 2, Share-based Payment – Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7, Financial Instruments: Disclosure – Improving Disclosures about Financial Instruments
IC Interpretation 4, Determining whether an Arrangement contains a Lease
IC Interpretation 18, Transfers of Assets from Customers
TR i – 4, Shariah Compliant Sale Contracts

2. AUDIT QUALIFICATION

There were no audit qualification in the audited annual financial statements for the year ended 31 March 2010.

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.

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 2010.

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. FINANCIAL ASSETS HELD-FOR-TRADING

	Group		Bank	
	30.09.10	**31.03.10**	**30.09.10**	**31.03.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At Fair Value				
Securities Quoted:				
In Malaysia:				
Shares	16,012	31,081	16,012	31,081
Trust units	2,070	1,799	2,070	1,799
Outside Malaysia:				
Shares	2,522	53	-	-
Total securities held-for-trading	20,604	32,933	18,082	32,880

9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group		Bank	
	30.09.10	**31.03.10**	**30.09.10**	**31.03.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At Fair Value				
Money Market Securities:				
Negotiable instruments of deposits	15,542	15,360	15,542	15,360
Securities Quoted in Malaysia:				
Shares	2	4,072	-	4,072
Unquoted Securities Of Companies Incorporated in Malaysia:				
Shares	16,585	2,200	14,385	-
Unquoted Private Debt Securities Of Companies Incorporated				
Outside Malaysia:				
Islamic corporate bonds	-	9,562	-	9,562
Corporate bonds	23,647	24,448	23,647	24,448
	23,647	34,010	23,647	34,010
Total	55,776	55,642	53,574	53,442
Accumulated impairment losses	(1,000)	(10,218)	(1,000)	(10,218)
Total securities available-for-sale	54,776	45,424	52,574	43,224

10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group		Bank	
	30.09.10	**31.03.10**	**30.09.10**	**31.03.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At Amortised Cost:				
Quoted Securities:				
In Malaysia:				
Shares	-	2	-	-
Unquoted Securities Of Companies Incorporated:				
In Malaysia:				
Shares	-	12,788	-	12,788
Corporate bonds	100	100	100	100
Outside Malaysia:				
Shares	-	2,162	-	2,162
	100	15,050	100	15,050
Total securities held-to-maturity	100	15,052	100	15,050

11. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	30.09.10 RM'000	**31.03.10 RM'000**	**30.09.10 RM'000**	**31.03.10 RM'000**
Term loans and revolving credits				
Customers	452,139	363,982	452,138	363,982
Related companies	-	31,210	-	31,210
Staff loans	8,865	9,551	8,836	9,518
Gross loans, advances and financing	461,004	404,743	460,974	404,710
Less:				
Allowance for impairment on loans and financing:				
Collective allowance	7,676	-	7,676	-
Individual allowance	5,032	-	5,032	-
General allowance	-	5,982	-	5,982
Specific allowance	-	5,817	-	5,817
	12,708	11,799	12,708	11,799
Net loans, advances and financing	448,296	392,944	448,266	392,911

(a) The maturity structure of loans, advances and financing is as follows:

	Group		Bank	
	30.09.10 RM'000	**31.03.10 RM'000**	**30.09.10 RM'000**	**31.03.10 RM'000**
Maturing within one year	451,900	395,225	451,891	395,217
One to three years	585	414	564	391
Three to five years	796	984	796	982
Over five years	7,723	8,120	7,723	8,120
	461,004	404,743	460,974	404,710

(b) Loans, advances and financing analysed by sectors are as follows:

	Group		Bank	
	30.09.10 RM'000	**31.03.10 RM'000**	**30.09.10 RM'000**	**31.03.10 RM'000**
Agriculture	2,000	-	2,000	-
Manufacturing	1,802	1,802	1,802	1,802
Finance, real estate, insurance and business activities	2,528	60,897	2,528	60,897
Education and health	1,351	1,301	1,351	1,301
Investment holdings	50,995	951	50,995	951
Household, of which:				
Purchase of residential properties	6,276	7,316	6,276	7,316
Purchase of transport vehicles	2,589	2,235	2,560	2,202
Others	384,940	326,801	384,940	326,801
Others	8,523	3,440	8,522	3,440
	461,004	404,743	460,974	404,710

11. LOANS, ADVANCES AND FINANCING (CONTD.)

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

	Group		Bank	
	30.09.10 RM'000	**31.03.10 RM'000**	**30.09.10 RM'000**	**31.03.10 RM'000**
Individuals	390,614	332,472	390,584	332,439
Domestic :				
Other non-bank financial institutions	-	31,209	-	31,209
Business enterprises:				
Small medium enterprises	3,186	2,404	3,186	2,404
Other domestic business enterprise	64,597	36,304	64,597	36,304
Foreign entities	2,607	2,354	2,607	2,354
	461,004	404,743	460,974	404,710

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

	Group		Bank	
	30.09.10 RM'000	**31.03.10 RM'000**	**30.09.10 RM'000**	**31.03.10 RM'000**
Variable rate				
Cost-plus	226,654	181,500	226,654	181,500
Other variable rates	-	31,209	-	31,209
	226,654	212,709	226,654	212,709
Fixed rate				
Housing loans	6,276	7,316	6,276	7,316
Hire purchase receivables	2,590	2,235	2,560	2,202
Other fixed rates	225,484	182,483	225,484	182,483
	234,350	192,034	234,320	192,001
	461,004	404,743	460,974	404,710

(e) Loans, advances and financing analysed by geographical distribution are as follows:

	Group		Bank	
	30.09.10 RM'000	**31.03.10 RM'000**	**30.09.10 RM'000**	**31.03.10 RM'000**
Domestic	457,776	400,190	457,746	400,157
Offshore	3,228	4,553	3,228	4,553
	461,004	404,743	460,974	404,710

11. LOANS, ADVANCES AND FINANCING (CONTD.)

(f) Movements in impaired loans, advances and financing are as follows:

	Group		Bank	
	30.09.10 RM'000	31.03.10 RM'000	30.09.10 RM'000	31.03.10 RM'000
Balance at beginning of period/year	5,995	6,733	5,995	6,733
Effect of adopting of FRS 139	844	-	844	-
Balance at beginning of period/year (restated)	6,839	6,733	6,839	6,733
Impaired during the period/year	4	70	4	70
Reclassification to non-impaired loans, advances and financing	(23)	-	(23)	-
Recoveries	(254)	(808)	(254)	(808)
Amount written off	(519)	-	(519)	-
Balance at end of period/year	6,047	5,995	6,047	5,995
Ratios of impaired loans, advances and financing to total loans, advances and financing	1.31%	1.48%	1.31%	1.48%

(g) Impaired loans, advances and financing analysed by sectors are as follows:

	Group		Bank	
	30.09.10 RM'000	31.03.10 RM'000	30.09.10 RM'000	31.03.10 RM'000
Household, of which:				
Purchase of residential properties	94	69	94	69
Others	1,258	1,831	1,258	1,831
Others	4,695	4,095	4,695	4,095
	6,047	5,995	6,047	5,995

(h) Impaired loans, advances and financing analysed by geographical distribution are as follows:

	Group		Bank	
	30.09.10 RM'000	31.03.10 RM'000	30.09.10 RM'000	31.03.10 RM'000
Domestic	6,047	5,995	6,047	5,995

11. LOANS, ADVANCES AND FINANCING (CONTD.)

(i) Movements in allowances for impaired loans and financing are as follows:

	Group		Bank	
	30.09.10 RM'000	**31.03.10 RM'000**	**30.09.10 RM'000**	**31.03.10 RM'000**
Collective allowance				
Balance at beginning of period/year	-	-	-	-
Effect of adopting FRS 139	6,624	-	6,624	-
Balance at beginning of year (restated)	6,624	-	6,624	-
Allowance made during the period/year	1,063	-	1,063	-
Amount written off	(11)	-	(11)	-
Balance at end of period/year	7,676	-	7,676	-
% of total loans, advances and financing less individual allowance	1.68%	-	1.68%	-
Individual allowance				
Balance at beginning of period/year	-	-	-	-
Effect of adopting FRS 139	5,817	-	5,817	-
Balance at beginning of year (restated)	5,817	-	5,817	-
Net charge to income statements	(277)	-	(277)	-
Amount written off	(508)	-	(508)	-
Balance at end of period/year	5,032	-	5,032	-

	Group		Bank	
	30.09.10 RM'000	**31.03.10 RM'000**	**30.09.10 RM'000**	**31.03.10 RM'000**
General allowance				
Balance at beginning of period/year	5,982	3,862	5,982	3,862
Effect of adopting FRS 139	(5,982)	-	(5,982)	-
Balance at beginning of year (restated)	-	3,862	-	3,862
Allowance during the period/year	-	2,120	-	2,120
Balance at end of period/year	-	5,982	-	5,982
% of total loans, advances and financing less specific allowances	-	1.50%	-	1.50%
Specific allowance				
Balance at beginning of period/year	5,817	6,625	5,817	6,625
Effect of adopting FRS 139	(5,817)	-	(5,817)	-
Balance at beginning of year (restated)	-	6,625	-	6,625
Amount written back in respect of recoveries and reversals	-	(808)	-	(808)
Balance at end of period/year	-	5,817	-	5,817

12. OTHER ASSETS

	Group		Bank	
	30.09.10	**31.03.10**	**30.09.10**	**31.03.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables, net of allowance for doubtful debts	1,822,489	599,808	1,487,858	296,342
Other receivables, deposits and prepayments, net of allowance for doubtful debts	154,500	135,942	146,572	130,173
Interest/Dividends receivable	1,168	1,168	1,120	1,126
Amount due from brokers	2,704	1,987	469	-
Amount due from:				
Ultimate holding company	104	482	104	482
Subsidiary companies	-	-	287	74
Related companies	3,858	3,626	4,150	3,791
Assets acquired in exchange of debts, net of impairment loss	585	585	585	585
	1,985,408	743,598	1,641,145	432,573

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

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

13. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30.09.10 RM'000	31.03.10 RM'000	30.09.10 RM'000	31.03.10 RM'000
Licensed banks:				
Related	613,981	609,129	613,981	609,129

14. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30.09.10 RM'000	31.03.10 RM'000	30.09.10 RM'000	31.03.10 RM'000
Negotiable instruments of deposits	13,606	13,917	13,606	13,917

The deposits are sourced from the following types of customers:

	Group		Bank	
	30.09.10 RM'000	31.03.10 RM'000	30.09.10 RM'000	31.03.10 RM'000
Business enterprises	13,606	13,917	13,606	13,917

15. OTHER LIABILITIES

	Group		Bank	
	30.09.10 RM'000	31.03.10 RM'000	30.09.10 RM'000	31.03.10 RM'000
Trade payables	1,948,060	684,962	1,635,149	397,031
Other payables and accruals	86,768	97,793	78,533	89,117
Provision for commitments	7,767	5,001	7,767	5,001
Amount due to subsidiaries	-	-	49	396
Amount due to related companies	4,497	15,377	4,367	15,154
Taxation payable	294	(340)	-	-
Zakat payable	38	38	38	38
	2,048,296	802,831	1,725,903	506,737

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

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

16. INTEREST INCOME

	Individual Quarter		Cumulative Quarter	
Group	**30.09.10 RM'000**	**30.09.09 RM'000**	**30.09.10 RM'000**	**30.09.09 RM'000**
Short-term funds and deposits with financial institutions	1,887	4,100	5,316	8,359
Financial assets held-for-trading	-	2	-	2
Financial investments available-for-sale	411	555	708	1,110
Loans and advances				
- Interest income other than recoveries from impaired loans	6,819	4,821	13,120	9,132
Others	338	316	681	581
Gross interest income	9,455	9,794	19,825	19,184
Accretion of discounts less amortisation of premiums	305	1,304	627	2,583
	9,760	11,098	20,452	21,767

	Individual Quarter		Cumulative Quarter	
Bank	**30.09.10 RM'000**	**30.09.09 RM'000**	**30.09.10 RM'000**	**30.09.09 RM'000**
Short-term funds and deposits with financial institutions	1,284	2,891	4,034	5,951
Financial assets held-for-trading	-	2	-	2
Financial investments available-for-sale	411	555	708	1,110
Loans and advances				
- Interest income other than recoveries from impaired loans	6,818	4,821	13,119	9,132
Others	61	60	113	144
Gross interest income	8,574	8,329	17,974	16,339
Accretion of discounts less amortisation of premiums	305	1,304	627	2,583
	8,879	9,633	18,601	18,922

17. INTEREST EXPENSE

	Individual Quarter		Cumulative Quarter	
Group	**30.09.10**	**30.09.09**	**30.09.10**	**30.09.09**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits from customers	222	919	619	3,539
Deposit of banks and other financial institutions	3,658	2,260	8,271	6,276
Redeemable unsecured bonds	1,616	1,616	3,215	3,215
Others	147	313	364	797
	5,643	5,108	12,469	13,827

	Individual Quarter		Cumulative Quarter	
Bank	**30.09.10**	**30.09.09**	**30.09.10**	**30.09.09**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits from customers	134	175	267	2,131
Deposit of banks and other financial institutions	3,658	2,260	8,270	6,276
Redeemable unsecured bonds	1,616	1,616	3,215	3,215
Others	-	2	-	307
	5,408	4,053	11,752	11,929

18. OTHER OPERATING INCOME

Group	Individual Quarter 30.09.10 RM'000	Individual Quarter 30.09.09 RM'000	Cumulative Quarter 30.09.10 RM'000	Cumulative Quarter 30.09.09 RM'000
Fee income:				
Fees on loans and securities	21,378	5,960	25,205	9,698
Corporate advisory fees	8,081	4,451	17,429	11,158
Guarantee fees	127	271	390	620
Underwriting commissions	1,120	516	4,182	1,105
Portfolio management fees	123	35	2,043	59
Unit trust management fees	2,206	1,740	4,151	3,291
Brokerage fees and commissions	24,332	28,922	46,509	61,533
Other fee income	6,404	12,836	13,629	18,469
	63,771	54,731	113,538	105,933
Investment and trading income:				
Net gain from sale of financial assets held-for-trading	1,008	1,451	430	4,012
Net gain/(loss) from sale of financial investments available-for-sale	490	(980)	2,475	(966)
Loss on disposal of subsidiaries	-	-	-	(45,121)
(Loss)/gain on revaluation of derivatives	(551)	(2,723)	655	2,957
Gross dividend income from:				
Financial assets held-for-trading	167	209	264	243
Financial investments available-for-sale	691	632	691	632
Financial investments held-to-maturity	(691)	662	-	687
Gain/(loss) on revaluation of financial assets held-for-trading	15	(184)	(996)	47
Foreign exchange loss	178	(582)	(720)	(1,703)
	1,307	(1,515)	2,799	(39,212)
Other income:				
Non-trading foreign exchange gain	281	241	381	436
Gain/(loss) on disposal of property and equipment - net	3	(5)	3	15
Rental income	580	598	1,108	948
Other non-operating income	242	106	502	320
Service transfer pricing income	10,872	11,028	22,578	17,702
	11,978	11,968	24,572	19,421
	77,056	65,184	140,909	86,142

18. OTHER OPERATING INCOME (CONTD.)

	Individual Quarter		Cumulative Quarter	
Bank	**30.09.10**	**30.09.09**	**30.09.10**	**30.09.09**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fee income:				
Fees on loans and securities	21,378	5,960	25,205	9,698
Corporate advisory fees	7,952	4,054	13,813	10,665
Guarantee fees	127	271	390	620
Underwriting commissions	448	516	1,484	666
Portfolio management fees	123	138	2,043	264
Brokerage fees and commissions	16,664	17,547	31,457	40,114
Other fee income	7,882	14,107	16,276	18,600
	54,574	42,593	90,668	80,627
Investment and trading income:				
Net gain from sale of financial assets held-for-trading	1,035	1,490	490	4,190
Net gain/(loss) from sale of financial investments available-for-sale	490	(980)	2,475	(966)
(Loss)/gain on revaluation of derivatives	(551)	(2,712)	655	2,968
Gross dividend income from:				
Financial assets held-for-trading	167	209	264	243
Financial investments available-for-sale	691	632	691	632
Financial investments held-to-maturity	(691)	662	-	687
Gain/(loss) on revaluation of financial assets held-for-trading	49	(185)	(145)	48
Foreign exchange loss	178	(582)	(720)	(1,703)
	1,368	(1,466)	3,710	6,099
Other income:				
Non-trading foreign exchange gain	138	43	163	61
Gain/(loss) on disposal of property and equipment - net	3	(5)	3	14
Rental income	580	598	1,108	948
Other non-operating income	230	66	483	265
Service transfer pricing income	11,624	8,682	23,637	15,361
	12,575	9,384	25,394	16,649
	68,517	50,511	119,772	103,375

19. OTHER OPERATING EXPENSES

	Individual Quarter		Cumulative Quarter	
Group	**30.09.10**	**30.09.09**	**30.09.10**	**30.09.09**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Personnel/Staff costs				
- Salaries, allowances and bonuses	25,918	25,860	54,935	51,954
- Others	18,357	6,977	25,680	13,641
	44,275	32,837	80,615	65,595
Establishment costs				
- Depreciation of property and equipment	1,290	1,385	2,605	2,749
- Amortisation of computer software	153	102	312	192
- Computerisation costs	4,278	4,579	8,100	7,812
- Rental	3,294	3,707	6,604	7,206
- Others	1,369	1,163	2,548	2,071
	10,384	10,936	20,169	20,030
Marketing and communication expenses				
- Sales commission	816	2,675	1,590	6,427
- Advertising	498	293	923	389
- Travel and entertainment	970	801	1,950	1,833
- Others	1,482	1,434	2,627	3,041
	3,766	5,203	7,090	11,690
Administration and general expenses				
- Professional fees	181	425	413	1,308
- Others	1,760	1,405	3,294	5,327
	1,941	1,830	3,707	6,635
Others				
- Service transfer pricing expenses	3,161	3,171	6,050	5,506
	63,527	53,977	117,631	109,456

19. OTHER OPERATING EXPENSES (CONTD.)

Bank	**Individual Quarter**		**Cumulative Quarter**	
	30.09.10	**30.09.09**	**30.09.10**	**30.09.09**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Personnel/Staff costs				
- Salaries, allowances and bonuses	21,935	22,722	45,657	45,613
- Others	16,801	5,393	22,109	10,896
	38,736	28,115	67,766	56,509
Establishment costs				
- Depreciation of property and equipment	989	1,078	2,005	2,134
- Amortisation of computer software	151	101	309	190
- Computerisation costs	2,533	2,281	4,610	3,512
- Rental	2,520	2,698	5,049	5,175
- Others	992	860	1,870	1,465
	7,185	7,018	13,843	12,476
Marketing and communication expenses				
- Sales commission	216	2,103	416	5,023
- Advertising	474	280	876	357
- Travel and entertainment	750	589	1,501	1,364
- Others	1,143	1,095	1,976	2,332
	2,583	4,067	4,769	9,076
Administration and general expenses				
- Professional fees	91	353	242	1,134
- Others	1,257	997	2,295	4,552
	1,348	1,350	2,537	5,686
Others				
- Service transfer pricing expenses	4,737	2,853	8,990	5,040
	54,589	43,403	97,905	88,787

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

	Individual Quarter		Cumulative Quarter	
Group	**30.09.10**	**30.09.09**	**30.09.10**	**30.09.09**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Allowance for impaired loans and financing:				
Collective allowance	411	-	1,063	-
Individual allowance	(119)	-	(277)	-
General allowance	-	322	-	939
Specific allowance	-	(194)	-	(370)
Impaired loans and financing written off	-	-	36	-
Impaired loans and financing recovered	(4)	(6)	(6)	(10)
	288	122	816	559

	Individual Quarter		Cumulative Quarter	
Bank	**30.09.10**	**30.09.09**	**30.09.10**	**30.09.09**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Allowance for impaired loans and financing:				
Collective allowance	411	-	1,063	-
Individual allowance	(119)	-	(277)	-
General allowance	-	322	-	939
Specific allowance	-	(194)	-	(370)
Impaired loans and financing written off	-	-	36	-
Impaired loans and financing recovered	(4)	(6)	(6)	(10)
	288	122	816	559

21. BUSINESS SEGMENT ANALYSIS

30.09.10 **Group**	**Investment Banking** **RM'000**	**Commercial and Institutional Banking** **RM'000**	**Treasury & Market** **RM'000**	**Group Function and Others** **RM'000**	**Total** **RM'000**
Revenue	100,811	32,307	9,005	31,980	174,103
Income	100,379	32,133	9,005	20,193	161,710
Expenses	(67,715)	(16,750)	-	(33,166)	(117,631)
Profit/(loss) before provisions	32,664	15,383	9,005	(12,973)	44,079
Provisions	(904)	199	179	1,211	685
Profit/(loss) before taxation	31,760	15,582	9,184	(11,762)	44,764
Taxation and zakat	(7,606)	(3,970)	(2,256)	1,468	(12,364)
Net profit/(loss) for the year	24,154	11,612	6,928	(10,294)	32,400
Other information					
Cost to Income ratio	67.46%	52.13%	-	164.25%	72.74%
Gross loans	452,139	-	-	8,865	461,004
Net loans	439,587	-	-	8,709	448,296
Gross non-performing loans	6,047	-	-	-	6,047
Deposits	15,353	-	-	612,234	627,587

21. BUSINESS SEGMENT ANALYSIS

30.09.09 Group	**Investment Banking RM'000**	**Commercial and Institutional Banking RM'000**	**Treasury & Market RM'000**	**Group Function and Others RM'000**	**Total RM'000**
Revenue	143,447	32,434	29,739	(21,036)	184,584
Income	142,978	32,191	27,931	(32,229)	170,871
Expenses	(57,520)	(19,262)	512	(33,186)	(109,456)
Profit/(loss) before provisions	85,458	12,929	28,443	(65,415)	61,415
Provisions	(580)	513	(7,589)	513	(7,143)
Profit/(loss) before taxation	84,878	13,442	20,854	(64,902)	54,272
Taxation and zakat	(20,946)	(2,751)	(5,053)	4,967	(23,783)
Net profit/(loss) for the year	63,932	10,691	15,801	(59,935)	30,489
Other information					
Cost to Income ratio	40.23%	59.84%	-1.83%	-102.97%	64.06%
Gross loans	287,051	30,409	-	8,937	326,397
Net loans	275,774	29,953	-	9,615	315,342
Gross impaired loans and advances	6,363	-	-	-	6,363
Deposits	59,169	-	100,000	592,276	751,445

Included in the above is Islamic banking business profit before taxation of RM10.4 million for the Group and the Bank for the period ended 30 September 2010 (RM69.4 million for the Group and the Bank for the period ended 30 September 2009).

The Group's activities are principally conducted in Malaysia except for AmFrasers International Pte. Ltd. and its subsidiaries, activities of which are principally conducted in Singapore, which contributed to a profit before tax of RM2.0 million for the period ended 30 September 2010 (RM 7.8 million for the period ended 30 September 2009).

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. BORROWINGS

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

	Group		**Bank**	
	30.09.10 RM'000	**31.03.10 RM'000**	**30.09.10 RM'000**	**31.03.10 RM'000**
(i) Deposits from customers				
One year to three years	-	13,917	-	13,917
(ii) Deposits and placements of banks and other financial institutions				
Due within six months	613,981	609,129	613,981	609,129
Recap :				
Interbank lendings	753,015	778,621	690,762	716,986
Interbank borrowings	(613,981)	(609,129)	(613,981)	(609,129)
Net interbank (borrowings)/ lendings	139,034	169,492	76,781	107,857
(iii) Term loans				
Due within one year				
Secured	24,640	15,146	-	-
(iv) Redeemable unsecured subordinated bonds				
More than one year	135,000	135,000	135,000	135,000

25. COMMITMENTS AND CONTINGENCIES

As at 30 September 2010, the commitments and contingencies of the Group and the Bank are as follows:

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 above mentioned 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 had filed an application to dismiss Meridian's Suit on a point of law which was dismissed with costs on 17 January 2008. AmTrustee has since filed a Notice of Appeal to the Court of Appeal on 15 February 2008 and it was fixed for Hearing on 23 June 2010 . The Appeal was dismissed with cost.

AmTrustee has also filed a stay of proceedings application of the Meridian's Suit due to Meridian's counter claim in the MAA action amounting to duplicity/abuse of process on 22 February 2008 which was dismissed with costs on 26 June 2008. AmTrustee has since filed a Notice of Appeal to the Court of Appeal on 25 July 2008. No hearing date has been fixed as yet.

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

In the MAA Suit, AmTrustee has filed and served a Third Party Notice dated 6 November 2006 on Meridian seeking indemnification/contribution from Meridian for MAA’s claim. Exchange of pleadings has also been completed with Meridian.

It is to be noted that both the Meridian's Suit and MAA Suit 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.

AmTrustee has also been served on 2 September 2009 with a copy of a Third Party Notice dated 12 August 2009 by solicitors acting for Meridian.

25. COMMITMENTS AND CONTINGENCIES (CONTD.)

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 RM7,254,050.42 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.

AmTrustee has filed an Application to Strike Out the Third Party Notice.

On 23rd March 2010, the Court directed all parties in all the three suits to consider the process of resolving these matters via Mediation rather than a trial and to revert back to court with an update on 23rd April 2010 on the outcome of parties consideration of the proposed Mediation. On 23rd April 2010, parties informed court they are not agreeable to resolving these matters via Mediation. Therefore matters have now reverted back to the court to be tried via trial.

Trial dates have been fixed for both Meridian and MAA Suits from 24 January to 26 January 2011.

In the meantime, both Meridian and MAA Suits are fixed for Case Management on 12 November 2010.

AmTrustee's Application to Strike Out the Third Party Notice by Meridian in the KWAP Suit was fixed for Hearing on 27 September and is fixed for decision on 1 November 2010, whilst Case Management of this matter is fixed on 23rd November 2010.

Based on documents and evidence in their possession, the solicitors for AmTrustee are of the view that AmTrustee has a good defence in respect of the claim by Meridian and MAA and in any event, that AmTrustee will be entitled to an indemnity or contribution from Meridian in respect of the claim.

Neither material financial loss nor operational impact on the Group and the Bank is expected as a result of the Writs and Statements of Claim.

26. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

The Group	30.09.10 Contract/ Notional Amount RM'000	30.09.10 Positive Fair Value RM'000	30.09.10 Negative Fair Value RM'000	31.03.10 Contract/ Notional Amount RM'000	31.03.10 Positive Fair Value RM'000	31.03.10 Negative Fair Value RM'000
Trading derivative						
Foreign exchange related contracts:						
Currency forward - Less than one year	1,309	-	-	-	-	-
Equity related contracts:						
Futures - Less than one year	15,239	-	-	28,173	-	467
Contracts for differences - More than three years	8,161	78	78	-	-	-
The Bank						
Trading derivative						
Equity related contracts:						
Futures - Less than one year	15,239	-	-	28,173	-	467

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 derivative is one of the financial instruments engaged by the Group, both for client solutions generating revenue for future as well as to manage the Group's own market risk exposure. The Group's involvement in financial derivatives is currently focused on interest rate, equity and foreign exchange rate derivatives.

The principal foreign exchange rate contracts used are forward foreign exchange contracts, cross currency swaps and foreign exchange options. 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. A foreign exchange options is a financial derivatives that provides the buyer of the option with the right, but not obligation, to buy/sell a specified amount of one currency for another currency at a nominated strike rate during a certain period of time or on a specific date.

An Interest Rate Options ("IRO") is a financial derivative that provides the buyer of the option with the right, but not obligation, to buy/sell a specified underlying interest rate related asset e.g. the KLIBOR index at a nominated strike rate during a certain period of time or on a specific date. Basic IRO includes interest rate cap and interest rate floor.

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 or fixed income security 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.

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

26. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTD.)

Purpose of engaging in financial derivatives (Contd.)

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

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

Risk associated with financial derivatives

As derivatives are contracts that transfer risks, they expose the holder to the same 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 and equity-related derivatives 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 daily changes in market rates over a specified holding period at a specific confidence level under normal market condition.

General disclosure for derivatives and counterparty credit risk

Market related credit risk is present in market instruments (derivatives and forward contracts), and comprises counterparty risk (default at the end of contract) and pre-settlement risk (default at any time during the life of contract). Market related credit risk requires a different method in calculating the pre-settlement risk because actual and potential market movements impact the Group's exposure. The markets covered by this treatment for transactions entered by the Group include interest rates, foreign exchange, credit default swaps and equities.

For counterparty credit risk, the general approach is to calculate the exposure as the sum of the mark-to-market value of the exposure, plus the sum of the notional principal multiplied by the potential credit risk exposure ("PCRE") factor for the exposure.

- The mark-to-market is essentially the current replacement cost of the contract, and can be positive or negative. Where it is positive, i.e. in the money, the Group has credit exposure against the counterparty; if it is negative, i.e. out of the money, the value used in calculation is zero.
- The PCRE factors recognize that prices change over the remaining period to maturity, and that risk increases with time. The PCRE factors are mandated for regulatory capital purposes.

Exposure to the counterparty risk is governed by setting a credit limit to manage such exposure. This limit is governed under the Group Risk Appetite Framework approved by the Board.

Other than credit limit setting, the Group's primary tool to mitigate counterparty credit risk by having collateral arrangement with the counterparty. Standard market documentation governs the amount of collateral required and the re-margining frequency between counterparties. Some of the standard market documentation has link between the amount of collateral required and external ratings, as well as minimum transfer amounts. This means that if the Group's or a counterparty's external rating were downgraded, the Group or the counterparty would likely to be required to place additional collateral. The amount required to be placed would depend upon the underlying instruments and the state of the markets, so would be different at each re-margining interval.

26. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTD.)

Liquidity risk of derivatives

Two types of liquidity risk are associated with derivatives: market liquidity risk and funding risk.

Market liquidity risk arises when a position cannot be sold or closed out quickly or risk be eliminated by entering into an offsetting position. In general, an over-the counter ("OTC") market tends to offer less liquidity than an exchange market due to the customized nature of some OTC contracts. OTC contracts include foreign exchange contracts, cross currency swaps, interest rate swaps and FX options while interest rate futures, equity futures and equity options are examples of exchange traded derivatives. The liquidity risk of a position can be estimated by the notional amount of contracts held and the market value of the contract position. Both the OTC and exchange markets have liquid and illiquid contracts.

Funding risk is the risk of derivative activities placing an adverse funding and cash flow pressure on the Group arising from the need to post collateral (i.e. like a margin call due to mark-to-market valuations) to compensate for an existing out of the money position (Note: if collateral isn't posted, the counterparty can close out their position and claim such mark-to-market loss from the Group. This would also result in the Group no longer being hedged).

Generally, the Group measures and monitors funding risk through the cash flow gap analysis according to specified time interval. The Group's access to deposits and funding markets is dependent on its credit rating. A downgrading in the credit rating could adversely affect its access to liquidity, as well as the competitive position, and could increase the cost of funding.

The primary objective of funding risk management is to ensure the availability of sufficient funds at a reasonable cost to honour all financial commitments as they fall due under normal market condition and on contingency basis.

Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are recognised at fair value upon inception in the balance sheet, and are subsequently remeasured at fair value. Fair values of exchange-traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including the discounted cash flows method and option pricing models. Financial derivatives are classified as assets when their fair values are positive and as liabilities when their fair values are negative.

The Group enters into derivative transactions for trading and for hedging purposes. For derivatives held-for-trading, fair value changes are recognised in the income statement. For derivative transactions that meet the specific criteria for hedge accounting, the Group applies either fair value, cash flow or net investment hedge accounting.

At the time a financial instrument is designated as a hedge, the Group formally documents the relationship between the hedging instrument and the hedged item, including the nature of the risk to be hedged, the risk management objective and strategy for undertaking the hedge and the method used to assess hedge effectiveness. Hedges are expected to be highly effective and are assessed on an ongoing basis to ensure that they remain highly effective throughout the hedge period. For actual effectiveness to be achieved, the changes in fair value or cash flows of the hedging instrument and the hedged item must offset each other in the range of 80% to 125%.

The Group discontinues hedge accounting if the hedging instrument expires, is sold, terminated or exercised or if the hedge no longer meets the criteria for hedge accounting or is revoked.

(i) Fair Value Hedge

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

26. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTD.)

Derivative Financial Instruments and Hedge Accounting (Contd.)

(ii) Cash Flow Hedge

Cash flow hedges are hedges of the exposure to variability in future cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit or loss. For qualifying cash flow hedges, the effective portion of the change in fair value of the hedging instrument is taken to equity as a cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are released to the income statement in the periods when the hedged forecast transactions affect the income statement. If the hedged forecast transactions result in the recognition of a non-financial asset or a non-financial liability, the gain and loss previously deferred in equity is transferred from equity and included in the initial measurement of the cost of the asset or liability.

(iii) Net Investment Hedge

Net investment hedges are hedges against the exposure to exchange rate fluctuations on the net assets of its foreign operations. The hedge is accounted for similarly to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are taken directly to the foreign currency translation reserve while those relating to the ineffective portion of the hedge are recognised in the income statement. On disposal of the foreign operation, the cumulative gains or losses recognised in equity will be transferred to the income statement.

27. CAPITAL ADEQUACY RATIO

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

	Group		Bank	
	30.09.10	**31.03.10**	**30.09.10**	**31.03.10**
Before deducting proposed dividends:				
Core capital ratio	24.69%	23.98%	31.00%	28.29%
Risk-weighted capital ratio	30.34%	29.37%	32.89%	30.07%
After deducting proposed dividend:				
Core capital ratio	24.69%	21.73%	31.00%	25.51%
Risk-weighted capital ratio	30.34%	27.13%	32.89%	27.30%

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

The capital adequacy ratios of AmInvestment Bank are computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework (RWCAF-Basel II). AmInvestment Bank has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.

The detailed disclosures on the risk-weighted assets, as set out in Notes 27 (c), (d), and (e) are presented in accordance with para 4.3 of Bank Negara Malaysia's Concept Paper-Risk-Weighted Capital Adequacy Framework (Basel II) and Capital Adequacy Framework of Islamic Banks (CAFIB)-Disclosure Requirements (Pillar 3), whereby such disclosures are effective for financial reports for periods beginning on or after 1 January 2008.

27. 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	
	30.09.10	**31.03.10**	**30.09.10**	**31.03.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Tier 1 capital				
Paid-up ordinary share capital	200,000	200,000	200,000	200,000
Statutory reserve	200,000	200,000	200,000	200,000
Capital reserve	2,815	2,815	-	-
Merger reserve	7,656	7,656	-	-
Exchange fluctuation reserve	24,172	24,172	-	-
Unappropriated profit at end of year	93,091	116,133	90,832	113,874
Total	527,734	550,776	490,832	513,874
Less: Goodwill	(11,243)	(11,243)	-	-
Deferred tax liability/(asset) - net	194	(4,870)	508	(4,556)
Total tier 1 capital	516,685	534,663	491,340	509,318
Tier 2 capital				
Subordinated bonds	135,000	135,000	135,000	135,000
Collective allowance#	6,839	-	6,839	-
General allowance for bad and doubtful debts	-	9,768	-	9,768
Total tier 2 capital	141,839	144,768	141,839	144,768
Total capital funds	658,524	679,431	633,179	654,086
Less: Investment in capital of related financial institution	(23,647)	(24,448)	(23,647)	(24,448)
Less: Investment in subsidiaries	-	-	(88,231)	(88,231)
Capital base	634,877	654,983	521,301	541,407

Excludes collective allowance on impaired loans restricted from Tier 2 capital of the Group and the Bank of RM837,000.

27. CAPITAL ADEQUACY RATIO (CONTD.)

(c) (i) 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:

30.09.10
Group

Exposure Class

		Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
1.	***Credit Risk***					
	On-Balance Sheet Exposures					
	Sovereigns/Central Banks		726	726	-	-
	Public Sector Entities		-	-	-	-
	Banks, Development Financial Institutions & MDBs,		614,714	614,714	127,606	10,208
	Insurance Cos, Securities Firms & Fund Managers		-	-	-	-
	Corporates		453,413	51,935	65,340	5,227
	Regulatory Retail		37,757	4,483	3,362	269
	Residential Mortgages		5,594	5,594	2,080	166
	Higher Risk Assets		15,787	15,787	23,680	1,894
	Other Assets		1,101,377	1,101,377	1,091,845	87,349
	Specialised Financing/Investment		-	-	-	-
	Equity Exposure		-	-	-	-
	Securitisation Exposures		-	-	-	-
	Defaulted Exposures		138	138	203	16
	Total for On-Balance Sheet Exposures		2,229,506	1,794,754	1,314,116	105,129
	Off-Balance Sheet Exposures					
	OTC Derivatives		-	-	-	-
	Credit Derivatives		-	-	-	-
	Off balance sheet exposures other than OTC derivatives or credit derivatives		222,740	222,740	209,315	16,745
	Defaulted Exposures		-	-	-	-
	Total for Off-Balance Sheet Exposures		222,740	222,740	209,315	16,745
	Total On and Off-Balance Sheet Exposures		2,452,246	2,017,494	1,523,431	121,874
2.	**Large Exposures Risk Requirement**		-	-	-	-
3.	***Market Risk***	Long Position	Short Position			
	Interest Rate Risk	-	-		-	-
	Foreign Currency Risk	84,581	1,135		84,581	6,766
	Equity Risk					
	- General risk	20,604	15,434		5,170	414
	- Specific risk	20,604	15,434		26,660	2,133
	Option Risk	10,450	-		14,369	1,150
	Total	136,239	32,003		130,780	10,463
4.	Operational Risk				438,101	35,048
5.	Total RWA and Capital Requirements				2,092,312	167,385

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

27. CAPITAL ADEQUACY RATIO (CONTD.)

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

31.03.10
Group

Exposure Class

		Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
1.	***Credit Risk***					
	On-Balance Sheet Exposures					
	Sovereigns/Central Banks	89		89	-	-
	Public Sector Entities	-		-	-	-
	Banks, Development Financial Institutions & MDBs, Insurance Cos, Securities Firms & Fund Managers	674,086		674,086	139,425	11,154
	Corporates	347,712		39,827	57,882	4,631
	Regulatory Retail	39,145		5,477	4,108	329
	Residential Mortgages	6,680		6,680	2,459	197
	Higher Risk Assets	17,350		17,350	26,025	2,082
	Other Assets	969,083		969,083	947,687	75,815
	Specialised Financing/Investment					
	Equity Exposure	4,074		4,074	4,074	326
	Securitisation Exposures	-		-	-	-
	Defaulted Exposures	32,523		31,272	46,909	3,753
	Total for On-Balance Sheet Exposures	2,090,742		1,747,938	1,228,569	98,287
	Off-Balance Sheet Exposures					
	OTC Derivatives	-		-	-	-
	Credit Derivatives	-		-	-	-
	Off balance sheet exposures other than OTC derivatives or credit derivatives	437,736		437,736	424,309	33,945
	Defaulted Exposures	-		-	-	-
	Total for Off-Balance Sheet Exposures	437,736		437,736	424,309	33,945
	Total On and Off-Balance Sheet Exposures	2,528,478		2,185,674	1,652,878	132,232
2.	**Large Exposures Risk Requirement**	-		-	-	-
3.	***Market Risk***	Long Position	Short Position			
	Interest Rate Risk	201	201		12	1
	Foreign Currency Risk	38,482	-		38,482	3,079
	Equity Risk					
	- General risk	61,106	-		61,106	4,888
	- Specific risk	61,106	-		40,016	3,201
	Option Risk	6,615	-		9,096	728
	Total	167,510	201		148,712	11,897
4.	Operational Risk				428,455	34,276
5.	Total RWA and Capital Requirements				2,230,045	178,405

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

27. CAPITAL ADEQUACY RATIO (CONTD.)

(c) (ii) 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:

30.09.10
Bank

Exposure Class

		Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
1.	***Credit Risk***					
	On-Balance Sheet Exposures					
	Sovereigns/Central Banks	726		726	-	-
	Public Sector Entities	-		-	-	-
	Banks, Development Financial Institutions & MDBs,	524,196		524,196	109,502	8,760
	Insurance Cos, Securities Firms & Fund Managers	-		-	-	-
	Corporates	412,454		10,977	24,381	1,950
	Regulatory Retail	37,728		4,454	3,340	267
	Residential Mortgages	5,594		5,594	2,080	166
	Higher Risk Assets	13,585		13,585	20,378	1,630
	Other Assets	741,020		741,020	731,496	58,521
	Specialised Financing/Investment	-		-	-	-
	Equity Exposure	-		-	-	-
	Securitisation Exposures	-		-	-	-
	Defaulted Exposures	138		138	203	16
	Total for On-Balance Sheet Exposures	1,735,441		1,300,690	891,380	71,310
	Off-Balance Sheet Exposures					
	OTC Derivatives	-		-	-	-
	Credit Derivatives	-		-	-	-
	Off balance sheet exposures other than OTC derivatives or credit derivatives	222,740		222,740	209,315	16,745
	Defaulted Exposures	-		-	-	-
	Total for Off-Balance Sheet Exposures	222,740		222,740	209,315	16,745
	Total On and Off-Balance Sheet Exposures	1,958,181		1,523,430	1,100,695	88,055
2.	**Large Exposures Risk Requirement**	-		-	-	-
3.	***Market Risk***	Long Position	Short Position			
	Interest Rate Risk	-	-		-	-
	Foreign Currency Risk	84,581	1,135		84,581	6,766
	Equity Risk					
	- General risk	18,082	15,434		2,648	212
	- Specific risk	18,082	15,434		22,246	1,780
	Option Risk	10,450	-		14,369	1,150
	Total	131,195	32,003		123,844	9,908
4.	Operational Risk				360,517	28,841
5.	Total RWA and Capital Requirements				1,585,056	126,804

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

27. CAPITAL ADEQUACY RATIO (CONTD.)

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

31.03.10
Bank

Exposure Class

		Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
1.	***Credit Risk***					
	On-Balance Sheet Exposures					
	Sovereigns/Central Banks		89	89	-	-
	Public Sector Entities		-	-	-	-
	Banks, Development Financial Institutions & MDBs, Insurance Cos, Securities Firms & Fund Managers		585,147	585,147	121,638	9,731
	Corporates		330,719	22,835	40,890	3,271
	Regulatory Retail		39,145	5,478	4,108	329
	Residential Mortgages		6,680	6,680	2,459	197
	Higher Risk Assets		15,150	15,150	22,725	1,818
	Other Assets		641,477	641,477	620,089	49,607
	Specialised Financing/Investment		-	-	-	-
	Equity Exposure		4,072	4,072	4,072	326
	Securitisation Exposures		-	-	-	-
	Defaulted Exposures		32,523	31,272	46,909	3,753
	Total for On-Balance Sheet Exposures		1,655,002	1,312,200	862,890	69,032
	Off-Balance Sheet Exposures					
	OTC Derivatives		-	-	-	-
	Credit Derivatives		-	-	-	-
	Off balance sheet exposures other than OTC derivatives or credit derivatives		437,736	437,736	424,309	33,945
	Defaulted Exposures		-	-	-	-
	Total for Off-Balance Sheet Exposures		437,736	437,736	424,309	33,945
	Total On and Off-Balance Sheet Exposures		2,092,738	1,749,936	1,287,199	102,977
2.	**Large Exposures Risk Requirement**		-	-	-	-
3.	***Market Risk***	Long Position	Short Position			
	Interest Rate Risk	201	201		12	1
	Foreign Currency Risk	38,482	-		38,482	3,079
	Equity Risk					
	- General risk	61,052	-		61,052	4,884
	- Specific risk	61,052	-		39,922	3,194
	Option Risk	6,615	-		9,096	728
	Total	167,402	201		148,564	11,886
4.	Operational Risk				364,560	29,165
5.	Total RWA and Capital Requirements				1,800,323	144,028

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

27. 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:

30.09.10
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	Residental Mortgages	Higher Risk Assets	Other Assets	Specialised Financing /Investment	Securitisation	Equity		
0%	726	-	-	-	-	-	-	-	13	-	-	-	739	-
20%	-	-	599,171	-	-	-	-	-	11,900	-	-	-	611,071	122,214
35%	-	-	-	-	-	-	4,777	-	-	-	-	-	4,777	1,672
50%	-	-	15,543	-	-	-	817	-	-	-	-	-	16,360	8,180
75%	-	-	-	-	-	4,563	-	-	-	-	-	-	4,563	3,422
100%	-	-	-	-	274,595	-	8	-	1,089,464	-	-	-	1,364,067	1,364,068
150%	-	-	-	-	130	-	-	15,787	-	-	-	-	15,917	23,875
Average Risk Weight													-	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	726	-	614,714	-	274,725	4,563	5,602	15,787	1,101,377	-	-	-	2,017,494	1,523,431

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

30.09.10
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	Residental Mortgages	Higher Risk Assets	Other Assets	Specialised Financing /Investment	Securitisation	Equity		
0%	726	-	-	-	-	-	-	-	4	-	-	-	730	-
20%	-	-	508,654	-	-	-	-	-	11,900	-	-	-	520,554	104,111
35%	-	-	-	-	-	-	4,777	-	-	-	-	-	4,777	1,672
50%	-	-	15,543	-	-	-	817	-	-	-	-	-	16,360	8,180
75%	-	-	-	-	-	4,533	-	-	-	-	-	-	4,533	3,400
100%	-	-	-	-	233,637	-	8	-	729,115	-	-	-	962,760	962,760
150%	-	-	-	-	130	-	-	13,585	-	-	-	-	13,715	20,572
Average Risk Weight											-		-	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	726	-	524,197	-	233,767	4,533	5,602	13,585	741,019	-	-	-	1,523,429	1,100,695

27. CAPITAL ADEQUACY RATIO (CONTD.)

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

31.03.10
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%	89	-	-	-	-	-	-	-	14	-	-	-	103	-
20%	-	-	658,726	-	-	-	-	-	26,729	-	-	-	685,455	137,091
35%	-	-	-	-	-	-	5,874	-	-	-	-	-	5,874	2,056
50%	-	-	15,360	-	-	-	806	-	-	-	-	-	16,166	8,083
75%	-	-	-	-	-	5,566	-	-	-	-	-	-	5,566	4,175
100%	-	-	-	-	468,172	-	-	-	942,340	-	-	4,074	1,414,586	1,414,586
150%	-	-	-	-	40,516	58	-	17,350	-	-	-	-	57,924	86,887
Average Risk Weight											-		-	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	89	-	674,086	-	508,688	5,624	6,680	17,350	969,083	-	-	4,074	2,185,674	1,652,878

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

31.03.10
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%	89	-	-	-	-	-	-	-	5	-	-	-	94	-
20%	-	-	569,787	-	-	-	-	-	26,729	-	-	-	596,516	119,303
35%	-	-	-	-	-	-	5,874	-	-	-	-	-	5,874	2,056
50%	-	-	15,360	-	-	-	806	-	-	-	-	-	16,166	8,083
75%	-	-	-	-	-	5,566	-	-	-	-	-	-	5,566	4,175
100%	-	-	-	-	451,181	-	-	-	614,743	-	-	4,072	1,069,996	1,069,996
150%	-	-	-	-	40,516	58	-	15,150	-	-	-	-	55,724	83,586
Average Risk Weight											-		-	-
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	89	-	585,147	-	491,697	5,624	6,680	15,150	641,477	-	-	4,072	1,749,936	1,287,199

27. CAPITAL ADEQUACY RATIO (CONTD.)

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

30.09.10
Group

	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
Credit-Related Exposures				
Guarantees given on behalf of customers	222,660		222,660	209,256
Underwriting liabilities	10,450		-	-
Irrevocable commitments to extend credit maturing:				
- within one year	163,951		-	-
- more than one year	3,084		80	60
	400,145		222,740	209,316
Derivative Financial Instruments				
Foreign exchange related contracts:				
Forward exchange contracts				
- One year or less	1,309		-	-
Equity related contracts:				
Equity futures				
- One year or less	15,239		-	-
Contracts for differences				
- Over five years	8,161	**78**		
	24,709	78	-	-
Total	**424,854**	**78**	**222,740**	**209,316**
		Note 26	<---------------Note 27(c)---------------->	

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

30.09.10
Bank

	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
Credit-Related Exposures				
Guarantees given on behalf of customers	222,660		222,660	209,256
Underwriting liabilities	10,450		-	-
Irrevocable commitments to extend credit maturing:				
- within one year	163,951		-	-
- more than one year	3,084		80	60
	400,145		222,740	209,316
Derivative Financial Instruments				
Equity related contracts:				
Equity futures				
- One year or less	15,239		-	-
Total	**415,384**	**-**	**222,740**	**209,316**
		Note 26	<---------------Note 27(c)---------------->	

27. CAPITAL ADEQUACY RATIO (CONTD.)

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

2010
Group

	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
Credit-Related Exposures				
Guarantees given on behalf of customers	437,648		437,648	424,243
Obligations under underwriting agreements	6,615		-	-
Irrevocable commitments to extend credit maturing:				
- within one year	166,459		-	-
- more than one year	4,444		88	66
	615,166		437,736	424,309
Derivative Financial Instruments				
Equity related contracts:				
Equity futures				
- One year or less	28,173		-	-
	28,173	-	-	-
Other Treasury-related Exposures				
Forward purchase commitments	206		-	-
Total	**643,545**	**-**	**437,736**	**424,309**
		Note 26	<---------------Note 27(c)----------------->	

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

2010
Bank

	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
Credit-Related Exposures				
Guarantees given on behalf of customers	437,648		437,648	424,243
Obligations under underwriting agreements	6,615		-	-
Irrevocable commitments to extend credit maturing:				
- within one year	166,459		-	-
- more than one year	4,444		88	66
	615,166		437,736	424,309
Derivative Financial Instruments				
Equity related contracts:				
Equity futures				
- One year or less	28,173		-	-
	28,173	-	-	-
Other Treasury-related Exposures				
Forward purchase commitments	206		-	-
Total	**643,545**	**-**	**437,736**	**424,309**
		Note 26	<---------------Note 27(c)----------------->	

28. OPERATIONS OF ISLAMIC BANKING

BALANCE SHEETS
AS AT 30 SEPTEMBER 2010

The state of affairs as at 30 September 2010 and the results for the period ended 30 September 2010 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	
	30.09.10 RM'000	31.03.10 RM'000	30.09.10 RM'000	31.03.10 RM'000
ASSETS				
Cash and short-term funds	133,535	123,734	133,535	123,734
Other receivables, deposits and prepayments	15,375	10,959	15,375	10,959
Property and equipment	89	90	89	90
Deferred tax assets	57	-	57	-
Intangible assets	4	3	4	3
TOTAL ASSETS	149,060	134,786	149,060	134,786
LIABILITIES AND ISLAMIC BANKING FUNDS				
Other liabilities	42,643	36,127	42,643	36,127
ISLAMIC BANKING FUNDS				
Capital funds	30,000	30,000	30,000	30,000
Reserves	76,417	68,659	76,417	68,659
Islamic Banking Funds	106,417	98,659	106,417	98,659
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	149,060	134,786	149,060	134,786
COMMITMENTS AND CONTINGENCIES	137,895	137,895	137,895	137,895

28. OPERATIONS OF ISLAMIC BANKING (CONTD.)

UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2010

Group	**Individual Quarter**		**Cumulative Quarter**	
	30.09.10 RM'000	**30.09.09 RM'000**	**30.09.10 RM'000**	**30.09.09 RM'000**
Income derived from investment of depositors' funds and others	263	186	433	252
Impairment loss on doubtful sundry receivables, net	(710)	-	(710)	-
Total attributable (loss)/income	(447)	186	(277)	252
Loss attributable to depositors	(2)	(617)	(4)	(890)
Loss attributable to the Group	(449)	(431)	(281)	(638)
Income derived from investment of Islamic Banking Funds	6,999	3,669	12,313	77,313
Total net income	6,550	3,238	12,032	76,675
Other operating expenses	(864)	(595)	(1,670)	(7,236)
Profit before taxation	5,686	2,643	10,362	69,439
Taxation	(1,388)	(585)	(2,604)	(17,358)
Profit after taxation	4,298	2,058	7,758	52,081

Bank	**Individual Quarter**		**Cumulative Quarter**	
	30.09.10 RM'000	**30.09.09 RM'000**	**30.09.10 RM'000**	**30.09.09 RM'000**
Income derived from investment of depositors' funds and others	263	186	433	252
Impairment loss on doubtful sundry receivables, net	(710)	-	(710)	-
Total attributable income	(447)	186	(277)	252
Loss attributable to depositors	(2)	(617)	(4)	(890)
Income/(loss) attributable to the Bank	(449)	(431)	(281)	(638)
Income derived from investment of Islamic Banking Funds	6,999	3,669	12,313	77,313
Total net income	6,550	3,238	12,032	76,675
Other operating expenses	(864)	(595)	(1,670)	(7,236)
Profit before taxation	5,686	2,643	10,362	69,439
Taxation	(1,388)	(585)	(2,604)	(17,358)
Profit after taxation	4,298	2,058	7,758	52,081

28. OPERATIONS OF ISLAMIC BANKING (CONTD.)

28a. OTHER LIABILITIES

	Group		Bank	
	30.09.10 RM'000	31.03.10 RM'000	30.09.10 RM'000	31.03.10 RM'000
Other payables and accruals	9,359	8,208	9,359	8,208
Amount owing from head office	2,091	(613)	2,091	(613)
Taxation and zakat payable	31,193	28,524	31,193	28,524
Deferred taxation	-	8	-	8
	42,643	36,127	42,643	36,127

29. Credit Exposures Arising From Credit Transactions With Connected Parties

	30.09.10	**30.09.09**
Outstanding credit exposure with connected parties (RM'000)	1,216	34,940
Percentage of outstanding credit exposure to connected parties as proportion of total credit exposures	0.18%	4.41%
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.

30. CHANGE IN ACCOUNTING POLICIES

The adoption of new and revised FRSs during the financial period have resulted in changes to the following accounting policies:

(i) FRS 139, Financial Instruments: Recognition and Measurement
(ii) IC Interpretation 9, Reassessment of Embedded Derivatives
(iii) Amendments to FRS 139, Financial Instruments: Recognition and Measurement, FRS 7, Financial Instruments: Disclosures and IC Interpretation 9, Reassessment of Embedded Derivatives
  - Reclassification of Financial Assets
  - Puttable Financial Instruments and Obligations Arising on Liquidation

(iv) Amendments to FRS 139, Financial Instruments: Recognition and Measurement
  - Collective Assessment of Impairment for Banking Institutions

FRS 139 establishes the principles for the recognition, derecognition and measurement of an entity's financial instruments and for hedge accounting. However, since the adoption of BNM's revised BNM/GP8 – Guidelines on Financial Reporting for Licensed Institutions on 1 January 2005, certain principles in connection with the recognition, derecognition and measurement of financial instruments, including derivative instruments, and hedge accounting which are similar to those prescribed by FRS 139 have already been adopted by the Group and the Bank. Therefore, the adoption of the full FRS 139 on 1 April 2010 resulted in changes in the following areas:

(i) Impairment of Loans, Advances and Financing

The adoption of FRS 139 changes the accounting policy relating to the assessment for impairment of financial assets, particularly loans, advances and financing. The existing accounting policies on the assessment of impairment of other financial assets of the Group and the Bank are generally in line with those of FRS 139. Prior to the adoption of FRS 139, allowances for impaired loans, advances and financing (previously referred to as non-performing loans) were computed in conformity with the BNM/GP3 Guidelines on Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts. On adoption of FRS 139, the Group and the Bank assess, at the end of each reporting period, whether there is any objective evidence that a loan or group of loans is impaired. The loan or group of loans is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the loan (an incurred 'loss event') and that the loss event has an impact on the estimated future cash flows of the loan or group of loans that can be reliably estimated.

The Group and the Bank first assess individually whether objective evidence of impairment exists individually for loans which are individually significant, and collectively for loans which are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed loan, the loan is included in a group of loans with similar credit risk characteristics for purposes of calculating an estimated collective loss. Future cash flows on a group of financial assets that are collectively assessed for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the loan's carrying amount and the present value of the estimated future cash flows. The carrying amount of the loan is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss.

The Group and the Bank are currently reporting under BNM’s transitional arrangement as prescribed in its guidelines on Classification and Impairment Provisions for Loans/Financing issued on 8 January 2010 and as allowed by the MASB in its Amendments to FRS 139 issued on the same date. Pursuant to this transitional arrangement, banking institutions are required to maintain collective assessment impairment allowances of at least 1.5% of total outstanding loans/financing, net of individual impairment allowance.

The changes in accounting policies above have been accounted for prospectively, in line with the transitional arrangements in paragraph 103AA of FRS 139, with adjustments to the carrying values of financial assets affecting profit or loss as at the beginning of the current financial period being adjusted to opening retained profits as tabulated in item (iv) below.

30. CHANGE IN ACCOUNTING POLICIES (CONTD.)

(ii) Interest Income Recognition

FRS 139 prescribes that financial assets classified as held-to-maturity and loans and receivables are measured at amortised cost using the effective interest method. On adoption of FRS 139 on 1 April 2010, interest income on its loans, advances and financing is no longer recognised based on contractual interest rates but the effective interest rate ("EIR") is applied instead. EIR refers to the rate that exactly discounts estimated future cash receipts through the expected life of the loan or, when appropriate, a shorter period to the net carrying amount of the loan.

This change in accounting policy has been accounted for prospectively in line with the transitional arrangements in paragraph 103AA of FRS 139 and the resulting opening retained profits adjustment is tabulated in item (iv) below.

Prior to the adoption of FRS 139, interest accrued and recognised as income prior to the date that a loan is classified as non-performing is reversed out of income and set-off against the interest receivable account in the statement of financial position. Thereafter, interest on the non-performing loan is recognised as income on a cash basis. On adoption of FRS 139, once a loan has been written down for impairment loss, subsequent interest income thereon is thereafter recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The opening retained profits adjustment as a result of this change in accounting policy is presented in item (iv) below.

(iii) Recognition of Embedded Derivatives

On adoption of FRS 139, embedded derivatives are to be separated from the host contract and accounted for as a derivative if the economic characteristics and risks of the embedded derivative are not closely related to that of the host contract and the fair value of the resulting derivative can be reliably measured.

The Group and the Bank have assessed the impact of this requirement on adoption of FRS 139 on 1 April 2010 and concluded that there were no material embedded derivatives which were not closely related to the host contracts and which required bifurcation.

The adoption of FRS 139 and its related amendments did not impact earnings per ordinary share.

(iv) Opening Retained Profits Adjustments

The application of the above new accounting policies has the following effects:

	Group RM'000	Bank RM'000
Effects on retained profits:		
At 1 April 2010, as previously stated	116,133	113,874
Adjustments arising from adoption of FRS 139:		
- Impairment of loans, advances and financing	(3,436)	(3,436)
At 1 April 2010, as restated	112,697	110,438
Effects on other reserves:		
At 1 April 2010, as previously stated	3,200	3,148
Adjustments arising from adoption of FRS 139:		
- Fair value of equity securities classified as available-for-sale	(74)	(74)
At 1 April 2010, as restated	3,126	3,074

31. COMPARATIVES

a. **FRS 101, Presentation of Financial Statements**

Following the adoption of FRS 101 (revised), all non-owner changes in equity which were previously presented in the statement of changes in equity are now included in the statement of comprehensive income as other comprehensive income. Consequently, components of comprehensive income are no longer presented in the statement of changes in equity.

b. FRS 7, Financial Instruments: Disclosures

The adoption of FRS 7 during the financial period results in more extensive disclosures of financial instruments in the annual financial statements. The standard also requires disclosure of the statement of financial position, income statement and statement of comprehensive income to be made by categories of financial assets and liabilities, which has minimal impact on the comparative disclosures of the Group and the Bank, as the current presentation is already made by categories of financial assets and liabilities.

c. FRS 117, Leases

The adoption of FRS 117 during the financial period resulted in the reclassification of all leasehold land of the Group and Bank which are in substance finance leases, to Property, Plant and Equipment accordingly.

The following comparative figures have been restated following the adoption of the above-mentioned FRSs:

	31.03.10 Group		**31.03.10 Bank**	
	RM'000 As previously reported	**RM'000 As restated**	**RM'000 As previously reported**	**RM'000 As restated**
Statement of Financial Position:				
Prepaid land lease payments	2,535	-	2,535	-
Property, plant and equipment	29,229	31,764	26,605	29,140

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

The Bank posted a pretax profit of RM26.5 million for the quarter as compared to a pretax profit of RM 11.9 million for the quarter ended 30 September 2009, mainly due to higher fee income and substantially lower loss on revaluation of derivatives as compared to the quarter ended 30 September 2009.

In the non-Islamic business sectors, the net interest income dived to RM3.5 million from RM5.6 million in the quarter ended 30 September 2009, other operating income increased to RM68.5 million from RM50.5 million in the quarter ended 30 September 2009 as a result of fee income at RM54.6 million as compared to RM42.6 million in the quarter ended 30 September 2009, investment and trading income rose to RM1.4 million as compared to a loss of RM1.5 million in the quarter ended 30 September 2009, and higher other income of RM12.6 million as compared to RM9.4 million for the quarter ended 30 September 2009.

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

The Group reported pretax profit of RM44.8 million (pretax profit of RM54.3 million for the period ended 30 September 2009) and the Bank reported pretax profit of RM41.7 million (pretax profit of RM89.8 million for the period ended 30 September 2009), and in respect of the non-Islamic business, are attributed to:

(i) Higher allowance for impairment on loan and financing of RM0.8 million for the Group and the Bank (RM0.6 million for the period ended 30 September 2009 for the Group and the Bank) due to increase in retail customers because of higher stockbroking and private banking turnover.

(ii) Lower fee income of RM113.5 million and RM90.7 million as a result of higher fees on loans and advances, corporate advisory fees, wealth management fees and underwriting commissions (RM105.9 million and RM80.6 million earned for the period ended 30 September 2009) for the Group and the Bank, respectively.

(iii) Investment and trading gain of RM2.8 million and RM3.7 million (loss of RM39.2 million and gain of RM6.1 million for the period ended 30 September 2009), for the Group and the Bank, respectively.

(iv) Higher net interest income of RM8.0 million (RM7.9 million for the period ended 30 September 2009) for the Group and lower net interest income of RM6.8 million (RM7.0 million for the period ended 30 September 2009) for the Bank.

Lower income from Islamic banking business of RM12.7 million for the Group and the Bank (RM76.7 million for the period ended 30 September 2009 for the Group and the Bank) due to lower income derived from investment in Islamic Banking Funds.

Shareholder's equity stood at RM0.5 billion (RM0.5 billion as at 31 March 2010) for the Group and RM0.5 billion (RM0.5 billion as at 31 March 2010) 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 .

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 Malaysian economy is expected to remain resilient for 2010 spearheaded by domestic economic activities, private consumption and trade surplus. Nevertheless, recent indicators around the region point to slight moderation of growth on the economic front, while uncertainties still abound in the global economic recovery. The Group projects a gross domestic product("GDP") growth of circa +7.0% for third quarter 2010, and a GDP expansion of circa +8.0% for the full year 2010. The recently unveiled Economic Transformation Programme with the vision to transform Malaysia into a high income nation will encourage higher private investments and spur medium to long term economic growth.

The Malaysian banking environment will benefit from an improving economy, with potential for better lending growth and capital market activities. Overnight policy rate ("OPR") had remained unchanged at 2.75% as Bank Negara Malaysia opines that the current level is accomodative and supportive of growth. The new Basel III update pronouncement in September 2010 has accorded a longer transition period. However, most Malaysian banks should be able to comply with it much earlier. Domestic banks are expected to face greater competitive pressures as the financial sector progressively liberalises and with new entrants to the industry. The Group will continue to strengthen its competitive position via leveraging on its strategic partner, the Australia And New Zealand Banking Group ("ANZ").

The Group's Medium Term Aspiration ("MTA") is to be Malaysia's Preferred Banking Group with International Connectivity as measured by customer satisfaction, sound financial performances and well diversified and sustainable growth. Our aspirations centre on developing a well diversified business portfolio to deliver sustainable growth via its universal banking group platform and best-in-class key enablers, implementation of customer centric business models and expansion of international connectivity in collaboration with ANZ. The strategic priorities for the current financial year will continue to deliver a more rebalanced portfolio of assets and liabilities, whilst diversifying its revenue streams to deliver good profit growth. Concerted efforts will be placed to accelerate growth in non-interest incomes and low-cost deposits. In addition, the Group continually enhances its customer service and develops comprehensive banking solutions to deliver greater value proposition.