

Company No. 8515-D

AmBank (M) Berhad
(Company No. 8515-D)
(Incorporated in Malaysia)
And Its Subsidiary Companies

Interim Financial Statements
For the Financial Period
1 April 2007 to
31 December 2007
(In Ringgit Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 31 DECEMBER 2007

	Note	The Group		The Bank	
		31 December 2007 RM'000	31 March 2007 RM'000	31 December 2007 RM'000	31 March 2007 RM'000
ASSETS					
Cash and short-term funds		8,955,489	9,982,586	7,685,101	8,129,295
Deposits and placements with banks and other financial institutions		760,610	2,244,808	769,203	1,838,200
Securities held-for-trading	A8	2,078,236	1,117,257	1,974,146	972,646
Securities available-for-sale	A9	273,209	598,751	273,209	598,751
Securities held-to-maturity	A10	712,679	1,117,599	712,461	1,117,382
Loans, advances and financing	A11	46,348,219	43,465,547	38,776,129	37,095,578
Other assets		741,095	818,077	645,129	820,125
Statutory deposit with Bank Negara Malaysia		1,687,278	1,638,008	1,406,778	1,389,008
Deferred tax assets		693,103	857,790	512,679	630,832
Investment in subsidiary companies		–	–	813,849	813,849
Investment in associated companies		683	651	137	137
Prepaid land lease payment		4,429	4,509	3,213	3,278
Property and equipment		167,589	177,439	141,985	151,044
Intangible assets		64,881	54,476	64,384	54,412
TOTAL ASSETS		<u>62,487,500</u>	<u>62,077,498</u>	<u>53,778,403</u>	<u>53,614,537</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2007.

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 31 DECEMBER 2007

	Note	The Group		The Bank	
		31 December 2007 RM'000	31 March 2007 RM'000	31 December 2007 RM'000	31 March 2007 RM'000
LIABILITIES AND EQUITY					
Deposits from customers	A12	40,238,632	37,135,858	35,038,118	32,481,678
Deposits and placements of banks and other financial institutions	A13	13,478,624	16,153,699	11,361,925	13,608,725
Derivative financial liabilities		38,879	118,085	38,879	118,085
Securities sold under repurchase agreements		–	444,319	–	444,319
Bills and acceptance payable		1,454,896	1,461,577	927,393	1,014,963
Recourse obligation on loans sold to Cagamas Berhad		227,414	702,640	227,414	702,640
Other liabilities		873,123	1,223,710	740,676	1,068,469
Subordinated term loan		460,000	460,000	1,135,298	1,144,167
Hybrid securities		675,298	684,167	–	–
Subordinated bonds		600,000	600,000	200,000	200,000
Exchangeable bonds		575,000	–	575,000	–
Irredeemable Convertible Unsecured Loan Stocks		128,849	–	128,849	–
Irredeemable Non-Cumulative Convertible Preference shares		150,000	–	150,000	–
Total Liabilities		<u>58,900,715</u>	<u>58,984,055</u>	<u>50,523,552</u>	<u>50,783,046</u>
Share capital		610,364	610,364	610,364	610,364
Reserves		<u>2,976,372</u>	<u>2,483,022</u>	<u>2,644,487</u>	<u>2,221,127</u>
Shareholder's Equity		3,586,736	3,093,386	3,254,851	2,831,491
Minority interests		49	57	–	–
Total Equity		<u>3,586,785</u>	<u>3,093,443</u>	<u>3,254,851</u>	<u>2,831,491</u>
TOTAL LIABILITIES AND EQUITY		<u>62,487,500</u>	<u>62,077,498</u>	<u>53,778,403</u>	<u>53,614,537</u>
COMMITMENTS AND CONTINGENCIES	A29	<u>30,773,628</u>	<u>26,299,934</u>	<u>26,800,674</u>	<u>22,260,903</u>
NET ASSETS PER ORDINARY SHARE (RM)		<u>5.88</u>	<u>5.07</u>	<u>5.33</u>	<u>4.64</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2007.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2007**

The Group	Note	Individual Quarter		Cumulative Quarter	
		31 December 2007 RM'000	31 December 2006 RM'000	31 December 2007 RM'000	31 December 2006 RM'000
Revenue		1,132,456	1,092,326	3,571,410	3,089,227
Interest income	A14	959,482	822,419	2,701,997	2,372,949
Interest expense	A15	(542,288)	(531,989)	(1,628,098)	(1,472,821)
Net interest income		417,194	290,430	1,073,899	900,128
Net income from Islamic Banking business	A16	114,699	128,305	374,727	374,744
Other operating income	A17	67,068	61,135	248,715	115,793
Net income		598,961	479,870	1,697,341	1,390,665
Other operating expenses	A18	(230,006)	(177,955)	(633,756)	(545,173)
Operating profit		368,955	301,915	1,063,585	845,492
Allowance for losses on loans and financing	A19	(110,009)	(214,230)	(483,186)	(527,727)
Impairment loss	A20	(55,099)	(15,801)	(83,248)	(70,630)
Profit before share in results of associated company and taxation		203,847	71,884	497,151	247,135
Share in results of associated company		(3)	76	32	78
Profit before zakat and taxation		203,844	71,960	497,183	247,213
Zakat		(198)	–	(502)	–
Taxation	A21	(53,658)	(31,836)	(199,506)	(109,837)
Profit after zakat and taxation		149,988	40,124	297,175	137,376
Attributable to:					
Equity holder of the Bank		149,990	40,128	297,183	137,384
Minority interests		(2)	(4)	(8)	(8)
Profit after taxation		149,988	40,124	297,175	137,376
Earnings per share (sen)	A23				
Basic		22.59	6.57	45.57	22.51
Fully diluted		18.46	–	38.34	–

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2007.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2007**

The Bank Legal Entity	Note	Individual Quarter		Cumulative Quarter	
		31 December 2007 RM'000	31 December 2006 RM'000	31 December 2007 RM'000	31 December 2006 RM'000
Revenue		1,026,179	884,875	2,949,639	2,488,926
Interest income	A14	959,494	823,376	2,701,843	2,373,976
Interest expense	A15	(542,399)	(533,614)	(1,628,510)	(1,474,592)
Net interest income		417,095	289,762	1,073,333	899,384
Other operating income	A17	66,685	61,499	247,796	114,950
Net income		483,780	351,261	1,321,129	1,014,334
Other operating expenses	A18	(178,859)	(138,172)	(484,580)	(426,174)
Operating profit		304,921	213,089	836,549	588,160
Allowance for losses on loans and financing	A19	(70,195)	(175,318)	(373,264)	(409,792)
Impairment loss	A20	(55,199)	(15,801)	(83,348)	(70,667)
Profit before taxation		179,527	21,970	379,937	107,701
Taxation	A21	(47,345)	(19,149)	(152,744)	(66,676)
Profit from continuing operations		132,182	2,821	227,193	41,025
Profit from discontinued operations	A22	–	–	–	11,846
Profit for the period		132,182	2,821	227,193	52,871
Earnings per share (sen)	A23				
Basic					
For profit from continuing operations		19.94	0.46	34.96	6.72
For profit from discontinued operations		–	–	–	1.94
		19.94	0.46	34.96	8.66
Fully diluted					
For profit from continuing operations		16.29	–	29.42	–
For profit from discontinued operations		–	–	–	–
		16.29	–	29.42	–

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2007.

Company No. 8515-D
AmBank (M) Berhad
(Incorporated in Malaysia)
And Its Subsidiary Companies

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2007

The Group	← Attributable to Equity Holder of the Bank →									Total Equity RM'000
	Share Capital RM'000	ICULS (equity component) RM'000	Non-distributable				Available For-Sale Reserve RM'000	Distributable Unappropriated Profits RM'000	Minority Interest RM'000	
Share Premium RM'000			Statutory Reserve RM'000	Merger Reserve RM'000	Capital Reserve RM'000					
Balance as at 1 April 2006										
As previously stated	610,364	–	710,660	585,832	349,050	377,492	2,728	903,647	70	3,539,843
Prior year adjustments	–	–	–	–	–	–	–	(7,454)	–	(7,454)
As restated	610,364	–	710,660	585,832	349,050	377,492	2,728	896,193	70	3,532,389
Unrealised net gain on revaluation of securities available-for-sale	–	–	–	–	–	–	3,279	–	–	3,279
Transfer to statutory reserve	–	–	–	47,390	–	–	–	(47,390)	–	–
Loss for the year	–	–	–	–	–	–	–	(442,212)	(13)	(442,225)
Balance as at 31 March 2007	610,364	–	710,660	633,222	349,050	377,492	6,007	406,591	57	3,093,443
Balance as at 1 April 2007										
As previously stated	610,364	–	710,660	633,222	349,050	377,492	6,007	493,861	57	3,180,713
Prior year adjustments	–	–	–	–	–	–	–	(87,270)	–	(87,270)
As restated	610,364	–	710,660	633,222	349,050	377,492	6,007	406,591	57	3,093,443
Issue of Irredeemable Convertible Unsecured Loan Stocks	–	200,792	–	–	–	–	–	–	–	200,792
Unrealised net loss on revaluation of securities available-for-sale	–	–	–	–	–	–	(4,625)	–	–	(4,625)
Profit for the period	–	–	–	–	–	–	–	297,183	(8)	297,175
Balance as at 31 Dec 2007	610,364	200,792	710,660	633,222	349,050	377,492	1,382	703,774	49	3,586,785

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2007.

Company No. 8515-D
AmBank (M) Berhad
(Incorporated in Malaysia)
And Its Subsidiary Companies

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2007**

The Bank	Attributable to Equity Holder of the Bank							Total RM'000
	Share Capital RM'000	ICULS (equity component) RM'000	Non-distributable			Distributable		
			Share Premium RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Available For-Sale Reserve RM'000	Unappro- priated Profits RM'000	
Balance as at 1 April 2006								
As previously stated	610,364	–	710,660	585,832	–	2,728	1,466,104	3,375,688
Prior year adjustments	–	–	–	–	–	–	(7,454)	(7,454)
As restated	610,364	–	710,660	585,832	–	2,728	1,458,650	3,368,234
Unrealised net gain on revaluation of securities available-for-sale	–	–	–	–	–	3,279	–	3,279
Loss for the year	–	–	–	–	–	–	(540,022)	(540,022)
Balance as at 31 March 2007	610,364	–	710,660	585,832	–	6,007	918,628	2,831,491
Balance as at 1 April 2007								
As previously stated	610,364	–	710,660	585,832	–	6,007	1,005,898	2,918,761
Prior year adjustments	–	–	–	–	–	–	(87,270)	(87,270)
As restated	610,364	–	710,660	585,832	–	6,007	918,628	2,831,491
Issue of Irredeemable Convertible Unsecured Loan Stocks	–	200,792	–	–	–	–	–	200,792
Unrealised net loss on revaluation of securities available-for-sale	–	–	–	–	–	(4,625)	–	(4,625)
Profit for the period	–	–	–	–	–	–	227,193	227,193
Balance as at 31 Dec 2007	610,364	200,792	710,660	585,832	–	1,382	1,145,821	3,254,851

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2007.

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2007

	The Group		The Bank	
	31 December 2007 RM'000	31 December 2006 RM'000	31 December 2007 RM'000	31 December 2006 RM'000
Profit before zakat and taxation	497,183	247,213	379,937	124,154
Adjustments for non-cash items	530,646	949,890	446,719	847,609
Operating Profit Before Working Capital Changes	1,027,829	1,197,103	826,656	971,763
Changes in working capital:				
Net changes in operating assets	(2,906,217)	(4,832,589)	(1,920,459)	(4,937,166)
Net changes in operating liabilities	(828,419)	3,051,585	(1,030,484)	3,453,599
Net assets vested to AmIslamic Bank Berhad	—	—	—	784,068
Tax (paid)/refund	—	(283)	266	—
Net Cash Generated From/(Used in) Operating Activities	(2,706,807)	(584,184)	(2,124,021)	272,264
Net Cash Generated From/(Used in) Investing Activities	654,710	1,357,956	654,827	(769,538)
Net Cash Generated From/(Used in) Financing Activities	1,025,000	(311,037)	1,025,000	(711,037)
Net Increase/(Decrease) In Cash And Cash Equivalents	(1,027,097)	462,735	(444,194)	(1,208,311)
Cash And Cash Equivalents At Beginning Of The Period	9,982,586	7,317,898	8,129,295	7,303,343
Cash And Cash Equivalents At End Of The Period	8,955,489	7,780,633	7,685,101	6,095,032

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 March 2007.

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

Explanatory Notes

A1. Basis of Preparation

The interim financial statements have been prepared in accordance with Financial Reporting Standards (“FRS”) 134 Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”) and should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2007.

The accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the previous audited annual financial statements except for the adoption of FRS 117 Leases issued by MASB and Bank Negara Malaysia’s Revised Guidelines on Financial Reporting for Licensed Institutions (“BNM Revised Guidelines”) dated 5 October 2004 on the accounting treatment of derivative financial instruments which are transacted for the purpose of hedging, both of which are effective for the Group’s annual reporting date, 31 March 2008. The adoption of FRS 117 and BNM Revised Guidelines has resulted in changes in the accounting policies of the Group and are disclosed in Note A33.

The specific and general allowances for loans, advances and financing of the Bank are computed based on BNM’s guidelines on the “Classification of Non-Performing Loans and Provisions for Substandard, Bad and Doubtful Debts” (“BNM/GP3”) requirements. However, the Group has adopted a more stringent classification policy on non-performing loans, whereby loans are classified as non-performing and sub-standard when repayments are in arrears for more than three (3) months from the first day of default or after maturity date.

Consistent with previous year, the Group adopted a more stringent basis for specific allowances on non-performing loans and are as follows:

- (i) Values assigned to collateral held for non-performing loans secured by properties is determined based on the realisable values of the properties on the following basis:
 - (a) assigning only fifty percent (50%) of the realisable value of the properties held as collateral for non-performing loans which are in arrears for more than five (5) years but less than seven (7) years; and
 - (b) no value assigned to the realisable value of the properties held as collateral for non performing loans which are in arrears for more than seven (7) years.
- (ii) Specific allowance of 20% is provided on non-performing loans which are four (4) to less than six (6) months-in-arrears. Previously, specific allowance was only made when a non-performing loan was in arrears of 6 months and above.

The unaudited condensed interim financial statements incorporates those activities relating to the Islamic banking business of the wholly owned subsidiary and refers generally to the acceptance of deposits, dealing in Islamic securities, granting of financing, capital market and treasury activities under the Shariah principles.

A2. Audit Qualification

The auditors’ report on the audited annual financial statements for the financial year ended 31 March 2007 was not qualified.

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

A3. Seasonality or Cyclicity of Operations

The operations of the Group are not subject to seasonal or cyclical fluctuation in the current financial quarter and period.

A4. Unusual Items

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

A5. Use of Estimates

There was no material change in estimates of amounts reported in prior financial years that have a material effect on the financial period ended 31 December 2007.

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

a) Issuance of RM575 million Exchangeable Bonds (“EBs”)

On 18 May 2007 the Bank issued RM575,000,000 Exchangeable Bonds (“EB”) to ANZ Funds Pty Ltd. The EBs will mature on the 10th anniversary from the date of issue. Interest will accrue on the EBs at a rate of 5% per annum for the first five years and 5.5% for the next five years. The EBs are exchangeable into 188,524,590 new ordinary shares in the ultimate holding company, AMMB Holdings Berhad (“AHB”) at an exchange price of RM3.05 per share.

Bank Negara Malaysia has approved the Exchangeable Bonds as Tier 2 capital of the Bank under the capital adequacy framework.

b) Issuance of RM300 million Irredeemable Convertible Unsecured Loan Stock (“ICULS”)

On 18 May 2007, the Bank issued RM300 million ICULS to the holding company, AMFB Holdings Berhad. The ICULS is for a period of ten years to mature in 2017. Interest shall be payable on the loan stock at the interest rate of 6% per annum. The ICULS shall be convertible to new shares in the Bank and credited as fully paid on the basis of one new share for every Ringgit Malaysia Five (RM5.00) nominal amount of ICULS tendered. Bank Negara Malaysia has approved the ICULS as Tier 2 capital of the Bank under the capital adequacy framework.

The ICULS is classified separately into its liability and equity component as required by FRS 132: Financial Instruments – Disclosures and Presentation. FRS 132 requires the issuer of a financial instrument to classify the instrument either as a liability or equity in accordance with the substance of the contractual arrangement on initial recognition. The fair value of the liability component, included in non-current liabilities, was calculated using a market interest rate for an equivalent financial instrument. The residual amount, representing the value of the equity conversion component is included in the statement of changes in equity.

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

c) Issuance of RM150 million Irredeemable Non-Cumulative Convertible Preference shares (“INCPS”)

The Bank further issued RM150 million INCPS to the holding company, AMFB Holdings Berhad. The INCPS are perpetual securities and do not have a fixed maturity date. The dividend rate will be 6% per annum. The INCPS are convertible into new ordinary shares of the Bank on the basis of one (1) new ordinary share for every one (1) INCPS held. Bank Negara Malaysia has approved the INCPS as Tier 1 capital of the Bank under the capital adequacy framework.

There were no share buy-backs, share cancellations, shares held as treasury shares nor resale of treasury shares by the Bank during the financial period.

A7. Dividends Paid

The directors do not recommend the payment of any dividend in respect of the financial period ended 31 December 2007 and no dividends were paid in the current financial period.

A8. Securities Held-for-trading

	The Group		The Bank	
	31 December 2007 RM'000	31 March 2007 RM'000	31 December 2007 RM'000	31 March 2007 RM'000
At fair value				
Money Market Securities:				
Islamic Treasury bills	39,209	214,745	–	166,303
Malaysian Government Securities	113,004	104,896	113,004	104,896
Malaysian Government Investment Certificates	136,257	39,736	101,374	–
Cagamas bonds	25,073	–	25,073	–
Cagamas Mudharabah Bearer Bonds	35,075	–	35,075	–
Negotiable instruments of deposit Bank Negara Malaysia Monetary Notes	978	–	978	–
	–	167,330	–	167,330
	<u>349,596</u>	<u>526,707</u>	<u>275,504</u>	<u>438,529</u>
Quoted Securities:				
Shares in Malaysia	101,832	123,325	101,753	123,301
	<u>101,832</u>	<u>123,325</u>	<u>101,753</u>	<u>123,301</u>
Unquoted Securities:				
Private debt securities	1,449,663	462,231	1,419,744	405,822
Guaranteed private debt securities	177,145	4,994	177,145	4,994
	<u>1,626,808</u>	<u>467,225</u>	<u>1,596,889</u>	<u>410,816</u>
Total securities held-for-trading	<u>2,078,236</u>	<u>1,117,257</u>	<u>1,974,146</u>	<u>972,646</u>

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

A9. Securities Available-for-sale

	The Group		The Bank	
	31 December 2007 RM'000	31 March 2007 RM'000	31 December 2007 RM'000	31 March 2007 RM'000
At fair value				
Money Market Securities:				
Negotiable instruments of deposit	150,267	399,995	150,267	399,995
Quoted Securities In Malaysia:				
Quoted shares	21,702	33,927	21,702	33,927
Quoted shares with options and/or collateral	6,014	67,643	6,014	67,643
Quoted Securities Outside Malaysia:				
Quoted shares	78	229	78	229
Unquoted Securities In Malaysia:				
Private debt securities	95,148	96,957	95,148	96,957
Total securities available-for-sale	<u>273,209</u>	<u>598,751</u>	<u>273,209</u>	<u>598,751</u>

A10. Securities Held-to-maturity

	The Group		The Bank	
	31 December 2007 RM'000	31 March 2007 RM'000	31 December 2007 RM'000	31 March 2007 RM'000
At amortised cost				
Quoted Securities In Malaysia:				
Quoted shares	218	8,099	121	8,001
Quoted debt securities with options and/or collateral	192,607	418,571	192,607	418,571
Warrants	15	15	15	15
	<u>192,840</u>	<u>426,685</u>	<u>192,743</u>	<u>426,587</u>
Unquoted Securities In Malaysia:				
Unquoted shares	84,588	84,587	84,171	84,171
Unquoted Bonds	35,293	859	35,293	859
Unquoted debt securities	113,366	131,457	113,366	131,457
Unquoted debt securities with options and/or collateral	635,817	818,940	635,817	818,940
	<u>869,064</u>	<u>1,035,843</u>	<u>868,647</u>	<u>1,035,427</u>
Unquoted Securities Outside Malaysia:				
Shares	17	16	17	16
Total	1,061,921	1,462,544	1,061,407	1,462,030
Less: Accumulated impairment losses	<u>(349,242)</u>	<u>(344,945)</u>	<u>(348,946)</u>	<u>(344,648)</u>
Total securities held-to-maturity	<u>712,679</u>	<u>1,117,599</u>	<u>712,461</u>	<u>1,117,382</u>

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

A11. Loans, Advances and Financing

	The Group		The Bank	
	31 December 2007 RM'000	31 March 2007 RM'000	31 December 2007 RM'000	31 March 2007 RM'000
Overdrafts	1,462,819	1,343,383	1,394,914	1,320,963
Term loan facilities				
– Housing loans/financing	11,301,399	11,074,856	10,470,878	10,218,542
– Hire-purchase receivables	30,075,569	28,552,294	22,330,228	20,665,214
– Other loans/financing	8,488,012	8,235,822	5,494,331	5,850,985
Credit card receivables	1,925,328	2,218,724	1,648,969	1,900,253
Bills receivables	32,999	17,765	30,236	10,905
Trust receipts	288,781	215,921	243,754	190,337
Claims on customers under acceptance credits	1,983,579	1,656,939	1,347,606	1,181,820
Revolving credits	1,597,119	1,385,432	1,505,868	1,314,677
Staff loans	157,302	159,849	157,302	159,849
Total	57,312,907	54,860,985	44,624,086	42,813,545
Unearned interest and income	(6,423,835)	(6,022,061)	(3,685,102)	(3,432,582)
	50,889,072	48,838,924	40,938,984	39,380,963
Less: Islamic financing sold to Cagamas Berhad	(2,085,357)	(2,718,833)	–	–
Gross loans, advances and financing	48,803,715	46,120,091	40,938,984	39,380,963
Allowance for bad and doubtful debts and financing:				
General	(751,807)	(713,761)	(602,493)	(574,763)
Specific	(1,703,689)	(1,940,783)	(1,560,362)	(1,710,622)
Net loans, advances and financing	<u>46,348,219</u>	<u>43,465,547</u>	<u>38,776,129</u>	<u>37,095,578</u>

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

A11. Loans, Advances and Financing (continued)**A11a. By type of customer**

	The Group		The Bank	
	31 December 2007 RM'000	31 March 2007 RM'000	31 December 2007 RM'000	31 March 2007 RM'000
Domestic banking institutions	7,085	703	7,085	703
Domestic non-bank financial institutions	637,693	668,403	637,025	667,750
Domestic business enterprises				
– Small medium enterprises	4,838,692	4,592,600	4,256,011	4,073,959
– Others	6,784,707	6,278,504	5,928,665	5,688,351
Government and statutory bodies	73,448	82,174	51,861	60,995
Individuals	36,380,055	34,425,531	29,983,052	28,821,742
Other domestic entities	30,552	30,401	27,390	28,030
Foreign entities	51,483	41,775	47,895	39,433
Gross loans, advances and financing	<u>48,803,715</u>	<u>46,120,091</u>	<u>40,938,984</u>	<u>39,380,963</u>

A11b. By interest/profit rate sensitivity

	The Group		The Bank	
	31 December 2007 RM'000	31 March 2007 RM'000	31 December 2007 RM'000	31 March 2007 RM'000
Fixed rate				
– Housing loans/financing	2,496,359	3,107,892	2,071,337	2,677,486
– Hire purchase receivables	23,026,364	21,050,206	18,668,220	17,243,010
– Other fixed rate loan/financing	6,915,807	6,329,882	3,866,073	3,845,471
Variable rate				
– Base lending rate plus	14,651,489	14,165,941	14,649,179	14,165,941
– Cost plus	1,337,553	1,086,576	1,308,032	1,069,461
– Other variable rates	376,143	379,594	376,143	379,594
Gross loans, advances and financing	<u>48,803,715</u>	<u>46,120,091</u>	<u>40,938,984</u>	<u>39,380,963</u>

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

A11. Loans, Advances and Financing (continued)**A11c. By loan purpose**

	The Group		The Bank	
	31 December 2007 RM'000	31 March 2007 RM'000	31 December 2007 RM'000	31 March 2007 RM'000
Purchase of securities	384,048	495,100	373,793	492,400
Purchase of transport vehicles	24,149,209	22,736,027	17,751,550	16,372,674
Purchase of landed property				
– Residential	10,947,716	10,726,030	10,521,356	10,293,915
– Non-residential	2,103,103	2,291,003	1,977,796	2,236,663
Purchase of fixed assets other than land and building	1,299,595	1,261,208	1,173,061	1,093,065
Personal use	1,946,728	1,646,300	331,714	315,515
Credit card	1,896,754	2,207,352	1,620,506	1,888,882
Purchase of consumer durables	4,156	4,648	2,933	3,289
Construction	298,272	328,316	293,367	325,812
Working capital	6,821,354	6,112,483	5,920,568	5,390,733
Other purpose	1,038,137	1,030,457	972,340	968,015
	50,889,072	48,838,924	40,938,984	39,380,963
Less: Islamic financing sold to Cagamas Berhad	(2,085,357)	(2,718,833)	–	–
Gross loans, advances and financing	<u>48,803,715</u>	<u>46,120,091</u>	<u>40,938,984</u>	<u>39,380,963</u>

A11d. Non-performing loans by purpose

	The Group		The Bank	
	31 December 2007 RM'000	31 March 2007 RM'000	31 December 2007 RM'000	31 March 2007 RM'000
Purchase of securities	129,549	139,249	128,560	138,008
Purchase of transport vehicles	504,014	806,759	348,162	554,728
Purchase of landed property				
– Residential	1,108,719	1,372,806	1,025,605	1,274,591
– Non-residential	494,255	764,376	468,594	728,290
Purchase of fixed assets other than land and building	69,004	62,217	61,349	52,330
Personal use	41,686	50,004	41,140	49,029
Credit card	78,635	216,850	68,216	162,239
Purchase of consumer durables	521	327	521	327
Construction	122,940	166,814	120,436	164,310
Working capital	923,463	952,330	900,130	933,986
Other purpose	146,707	300,067	142,090	294,414
	<u>3,619,493</u>	<u>4,831,799</u>	<u>3,304,803</u>	<u>4,352,252</u>

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

A11. Loans, Advances and Financing (continued)

A11e. Movements in non-performing loans, advances and financing (“NPL”) are as follows:

	The Group		The Bank	
	31 December 2007 RM'000	31 March 2007 RM'000	31 December 2007 RM'000	31 March 2007 RM'000
Gross				
Balance at 1 April	4,831,799	4,992,850	4,352,252	4,992,850
Non-performing during the period/year	1,047,199	1,800,547	866,958	1,577,054
Reclassification to performing loans, advances and financing	(643,260)	(809,969)	(552,392)	(767,214)
Amount recovered	(326,461)	(383,958)	(265,565)	(304,775)
Debt equity conversion	(53,918)	(6,182)	(53,918)	(6,182)
Amount written off	(688,007)	(761,489)	(494,673)	(628,505)
Sale of non-performing loans	(547,859)	–	(547,859)	–
Amount vested to subsidiary company	–	–	–	(510,976)
Balance at end of period/year	3,619,493	4,831,799	3,304,803	4,352,252
Less: Specific allowance	(1,703,689)	(1,940,783)	(1,560,362)	(1,710,622)
Non-performing loans, advances and financing – net	<u>1,915,804</u>	<u>2,891,016</u>	<u>1,744,441</u>	<u>2,641,630</u>
Gross loans, advances and financing	48,803,715	46,120,091	40,938,984	39,380,963
Add: Islamic financing sold to Cagamas Berhad	<u>2,085,357</u>	<u>2,718,833</u>	–	–
	50,889,072	48,838,924	40,938,984	39,380,963
Less: Specific allowance	(1,703,689)	(1,940,783)	(1,560,362)	(1,710,622)
Net loans, advances and financing (including Islamic financing sold to Cagamas Berhad)	<u>49,185,383</u>	<u>46,898,141</u>	<u>39,378,622</u>	<u>37,670,341</u>
Ratio of net non-performing loans, advances and financing	<u>3.90%</u>	<u>6.16%</u>	<u>4.43%</u>	<u>7.01%</u>

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

A11. Loans, Advances and Financing (continued)

A11f. Movements in the allowance for bad and doubtful debts (and financing) accounts are as follows:

	The Group		The Bank	
	31 December 2007 RM'000	31 March 2007 RM'000	31 December 2007 RM'000	31 March 2007 RM'000
General Allowance				
Balance at 1 April	713,761	656,794	574,763	656,794
Allowance made during the period/year				
– Continuing operations	38,046	56,967	27,730	49,502
– Discontinued operations	–	–	–	775
Amount vested to subsidiary company	–	–	–	(132,308)
Balance at end of period/year	<u>751,807</u>	<u>713,761</u>	<u>602,493</u>	<u>574,763</u>
% of total loans less specific allowance	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>
Specific Allowance				
Balance at 1 April	<u>1,940,782</u>	<u>1,043,558</u>	<u>1,710,622</u>	<u>1,043,558</u>
Allowance made during the period/year				
– Continuing operations	972,085	2,029,923	792,110	1,729,271
– Discontinued operations	–	–	–	18,509
Amount written back in respect of recoveries during the period/year				
– Continuing operations	(301,263)	(383,975)	(237,351)	(295,188)
– Discontinued operations	–	–	–	(7,732)
Net charge to income statements	670,822	1,645,948	554,759	1,444,860
Debt equity conversion	(8,144)	(3,182)	(8,144)	(3,182)
Amount written off/ Adjustment to Asset Deficiency Account	(679,939)	(745,541)	(477,043)	(620,567)
Amount vested to subsidiary company	–	–	–	(154,047)
Sale of non-performing loans	<u>(219,832)</u>	<u>–</u>	<u>(219,832)</u>	<u>–</u>
Balance at end of period/year	<u>1,703,689</u>	<u>1,940,783</u>	<u>1,560,362</u>	<u>1,710,622</u>

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

A12. Deposits from Customers

	The Group		The Bank	
	31 December 2007 RM'000	31 March 2007 RM'000	31 December 2007 RM'000	31 March 2007 RM'000
Demand deposits	2,869,819	2,160,052	2,385,890	1,806,032
Savings deposits	3,260,995	3,160,423	2,497,059	2,492,693
Other deposits	2,626,028	634,217	2,626,028	634,217
Fixed/Investment deposits	31,465,286	31,164,516	27,519,130	27,538,634
Negotiable certificates of deposits	16,504	16,650	10,011	10,102
	<u>40,238,632</u>	<u>37,135,858</u>	<u>35,038,118</u>	<u>32,481,678</u>
<u>By type of customer</u>				
Individuals	23,288,492	22,993,524	21,748,751	21,573,627
Business enterprises	11,336,332	9,288,795	9,416,823	7,686,515
Government and other statutory bodies	4,838,454	4,139,864	3,314,650	2,711,873
Others	775,354	713,675	557,894	509,663
	<u>40,238,632</u>	<u>37,135,858</u>	<u>35,038,118</u>	<u>32,481,678</u>

A13. Deposits and Placements of Banks and Other Financial Institutions

	The Group		The Bank	
	31 December 2007 RM'000	31 March 2007 RM'000	31 December 2007 RM'000	31 March 2007 RM'000
Licensed banks	1,380,060	2,560,370	1,300,433	2,397,952
Licensed merchant banks	4,276,050	5,124,316	3,481,766	4,080,536
Non-banking institutions	6,746,236	7,199,793	5,506,010	5,869,102
Bank Negara Malaysia ("BNM")	1,076,278	1,269,220	1,073,716	1,261,135
	<u>13,478,624</u>	<u>16,153,699</u>	<u>11,361,925</u>	<u>13,608,725</u>

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

A14. Interest Income

	Individual Quarter		Cumulative Quarter	
	31 December 2007 RM'000	31 December 2006 RM'000	31 December 2007 RM'000	31 December 2006 RM'000
<u>The Group</u>				
Loans and advances				
– Interest income other than recoveries from NPLs	647,872	565,096	1,897,706	1,685,724
– Recoveries from NPLs	56,853	73,615	185,196	204,717
Money at call and deposits placements with financial institutions	77,723	73,942	241,714	206,035
Securities held-for-trading	24,158	7,594	51,855	26,540
Securities available-for-sale	5,380	3,335	10,676	10,126
Securities held-to-maturity	78,125	7,075	97,216	52,512
Others	92,979	109,559	295,416	271,940
	983,090	840,216	2,779,779	2,457,594
Interest suspended	(21,389)	(18,085)	(76,613)	(84,349)
Amortisation of premiums less accretion of discounts	(2,219)	288	(1,169)	(296)
	<u>959,482</u>	<u>822,419</u>	<u>2,701,997</u>	<u>2,372,949</u>
<u>The Bank</u>				
Loans and advances				
– Interest income other than recoveries from NPLs	647,872	565,096	1,897,706	1,685,724
– Recoveries from NPLs	56,853	73,615	185,196	204,717
Money at call, deposits and placements with financial institutions	77,736	74,899	241,560	207,062
Securities held-for-trading	24,158	7,594	51,855	26,540
Securities available-for-sale	5,380	3,335	10,676	10,126
Securities held-to-maturity	78,125	7,075	97,216	52,512
Others	92,978	109,559	295,416	271,940
	983,102	841,173	2,779,625	2,458,621
Interest suspended	(21,389)	(18,085)	(76,613)	(84,349)
Amortisation of premiums less accretion of discounts	(2,219)	288	(1,169)	(296)
	<u>959,494</u>	<u>823,376</u>	<u>2,701,843</u>	<u>2,373,976</u>

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

A15. Interest Expense

	Individual Quarter		Cumulative Quarter	
	31 December 2007 RM'000	31 December 2006 RM'000	31 December 2007 RM'000	31 December 2006 RM'000
<u>The Group</u>				
Deposits from customers	292,953	253,502	836,300	732,252
Deposits and placements of banks and other financial institutions	94,113	107,949	315,461	290,301
Recourse obligation of loans sold to Cagamas Berhad	2,542	10,812	13,142	38,815
Subordinated term loans and bonds	11,980	21,667	35,823	67,655
Exchangeable bonds	7,565	–	18,749	–
Hybrid securities	11,385	12,362	34,727	37,387
Irredeemable Convertible Unsecured Loan Stocks	1,943	–	4,815	–
Others	119,807	125,697	369,081	306,411
	<u>542,288</u>	<u>531,989</u>	<u>1,628,098</u>	<u>1,472,821</u>
<u>The Bank</u>				
Deposits from customers	293,097	253,712	836,730	732,462
Deposits and placements of banks and other financial institutions	94,153	108,831	315,573	291,329
Recourse obligation of loans sold to Cagamas Berhad	2,542	10,812	13,142	38,815
Subordinated term loans and bonds	23,381	34,029	70,550	105,042
Exchangeable bonds	7,565	–	18,749	–
Irredeemable Convertible Unsecured Loan Stocks	1,943	–	4,815	–
Others	119,718	126,230	368,951	306,944
	<u>542,399</u>	<u>533,614</u>	<u>1,628,510</u>	<u>1,474,592</u>

A16. Net Income from Islamic Banking Business

	Individual Quarter		Cumulative Quarter	
	31 December 2007 RM'000	31 December 2006 RM'000	31 December 2007 RM'000	31 December 2006 RM'000
<u>The Group</u>				
Income derived from investment of depositors' funds and others	166,948	169,140	507,843	501,178
Income derived from investment of shareholders' funds	38,990	38,014	112,855	99,307
Transfer from/(to) profit equalisation reserve	(1,813)	14,075	26,396	34,390
Income attributable to the depositors	(83,951)	(92,345)	(255,305)	(259,552)
Finance cost	(5,475)	(579)	(17,062)	(579)
	<u>114,699</u>	<u>128,305</u>	<u>374,727</u>	<u>374,744</u>

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

A17. Other Operating Income

	Individual Quarter		Cumulative Quarter	
	31 December 2007 RM'000	31 December 2006 RM'000	31 December 2007 RM'000	31 December 2006 RM'000
The Group				
(a) Fee Income:				
Commissions	13,352	10,177	41,074	31,981
Guarantee fees	4,374	2,499	10,333	5,746
Other fee income	27,604	25,515	78,929	70,987
	<u>45,330</u>	<u>38,191</u>	<u>130,336</u>	<u>108,714</u>
(b) Investment income:				
Net gain/(loss) on sale of securities held-for-trading	(1,739)	9,549	18,461	10,957
Net gain on sale of securities available-for-sale	860	1,542	22,774	19,284
Net gain/(loss) on sale of securities held-to-maturity	8,063	(12)	15,536	9,255
Gain/(loss) on revaluation of securities held-for-trading	(12,226)	10,557	(22,355)	8,345
Gain/(loss) on revaluation of derivatives held-for-hedging	18,588	(39,525)	58,887	(102,131)
Gross dividend income from:				
Securities held-for-trading	1,220	1,186	4,053	3,009
Securities available-for-sale	–	932	774	5,825
Securities held-to-maturity	320	308	4,977	1,366
	<u>15,086</u>	<u>(15,463)</u>	<u>103,107</u>	<u>(44,090)</u>
(c) Other Income:				
Gain on disposal of foreclosed properties	758	–	758	1,840
Rental income	810	2,065	2,640	6,311
Gain on disposal of property and equipment	66	(3)	78	1,046
Gain on disposal of property held for sale	–	33,762	–	33,762
Foreign exchange gain	4,936	2,577	11,714	8,189
Other operating income	82	6	82	21
	<u>6,652</u>	<u>38,407</u>	<u>15,272</u>	<u>51,169</u>
	<u><u>67,068</u></u>	<u><u>61,135</u></u>	<u><u>248,715</u></u>	<u><u>115,793</u></u>

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

A17. Other Operating Income (continued)

	Individual Quarter		Cumulative Quarter	
	31 December 2007 RM'000	31 December 2006 RM'000	31 December 2007 RM'000	31 December 2006 RM'000
<u>The Bank</u>				
(a) <u>Fee Income:</u>				
Commissions	13,352	10,177	41,074	31,981
Guarantee fees	4,374	2,499	10,333	5,746
Other fee income	27,487	25,465	78,683	70,874
	<u>45,213</u>	<u>38,141</u>	<u>130,090</u>	<u>108,601</u>
(b) <u>Investment income:</u>				
Net gain/(loss) on sale of securities held-for-trading	(1,739)	9,549	18,461	10,957
Net gain on sale of securities available-for-sale	860	1,542	22,774	19,284
Net gain/(loss) on sale of securities held-to-maturity	8,063	(12)	15,536	9,255
Gain/(loss) on revaluation of securities held-for-trading	(12,221)	10,557	(22,411)	8,345
Gain/(loss) on revaluation of derivatives held-for-hedging	18,588	(39,525)	58,887	(102,131)
Gross dividend income from:				
Securities held-for-trading	1,220	1,186	4,053	3,009
Securities available-for-sale	–	932	774	5,825
Securities held-to-maturity	320	308	4,977	1,366
	<u>15,091</u>	<u>(15,463)</u>	<u>103,051</u>	<u>(44,090)</u>
(c) <u>Other Income:</u>				
Gain on disposal of foreclosed properties	758	–	758	1,840
Rental income	656	1,952	2,162	5,892
Gain on disposal of property and equipment	77	(4)	78	222
Gain on disposal of property held for sale	–	33,762	–	33,762
Foreign exchange gain	4,890	3,111	11,657	8,723
	<u>6,381</u>	<u>38,821</u>	<u>14,655</u>	<u>50,439</u>
	<u>66,685</u>	<u>61,499</u>	<u>247,796</u>	<u>114,950</u>

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

A18. Other Operating Expenses

	Individual Quarter		Cumulative Quarter	
	31 December 2007 RM'000	31 December 2006 RM'000	31 December 2007 RM'000	31 December 2006 RM'000
<u>The Group</u>				
Personnel costs				
– Salaries, allowances and bonuses	104,832	88,770	296,464	269,521
– Others	5,439	5,906	16,489	18,899
Establishment costs				
– Depreciation	9,290	10,077	28,416	32,267
– Rental	12,505	7,329	35,529	21,854
– Cleaning, maintenance & security	5,299	3,322	15,024	12,746
– Computerisation cost	11,479	18,335	31,501	40,563
– Others	4,514	3,291	13,899	11,355
– Amortisation of Intangible assets	5,378	4,516	15,250	14,440
– Amortisation of prepaid land lease payments	26	–	80	–
Marketing and communication expenses				
– Commission	1,687	547	5,105	3,478
– Advertising & marketing expenses	16,775	10,804	45,680	34,729
– Communication	10,837	7,930	35,182	30,627
– Others	1,891	1,495	5,683	4,876
Administration and general expenses				
– Professional services	25,070	10,562	50,370	31,567
– Others	14,984	5,071	39,084	18,251
	<u>230,006</u>	<u>177,955</u>	<u>633,756</u>	<u>545,173</u>
<u>The Bank</u>				
Personnel costs				
– Salaries, allowances and bonuses	103,426	87,566	292,407	266,164
– Others	5,429	5,861	16,255	18,788
Establishment costs				
– Depreciation	9,148	9,940	27,998	31,878
– Rental	12,743	7,629	36,370	23,386
– Cleaning, maintenance & security	5,174	3,227	14,570	12,345
– Computerisation cost	11,376	18,276	31,233	40,363
– Others	4,360	3,099	13,418	10,788
– Amortisation of Intangible assets	5,352	4,516	15,194	14,440
– Amortisation of prepaid land lease payments	21	–	65	–
Marketing and communication expenses				
– Commission	1,687	546	5,105	3,479
– Advertising & marketing expenses	15,372	10,168	41,274	30,910
– Communication	10,450	7,957	33,774	30,365
– Others	1,861	1,480	5,636	4,840
Administration and general expenses				
– Professional services	24,256	10,090	48,067	30,861
– Others	12,902	3,949	33,226	14,646
Shared service cost recoveries (Subsidiary)	(44,698)	(36,132)	(130,012)	(97,527)
Shared service cost recoveries (SPI Operations)	–	–	–	(9,552)
	<u>178,859</u>	<u>138,172</u>	<u>484,580</u>	<u>426,174</u>

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

A19. Allowance for Losses on Loans, Advances and Financing

	Individual Quarter		Cumulative Quarter	
	31 December 2007 RM'000	31 December 2006 RM'000	31 December 2007 RM'000	31 December 2006 RM'000
<u>The Group</u>				
Allowance for bad and doubtful debts and financing:				
Specific allowance (net)				
– made in the financial year	257,628	364,661	972,085	970,890
– written back	(82,605)	(95,150)	(301,263)	(281,760)
General allowance	9,383	9,017	38,046	36,768
Bad debts and financing recovered	(74,397)	(58,636)	(225,073)	(181,144)
Amount recovered from Danaharta	–	(5,662)	(609)	(17,027)
	<u>110,009</u>	<u>214,230</u>	<u>483,186</u>	<u>527,727</u>
<u>The Bank</u>				
Continuing operations				
Allowance for bad and doubtful debts and financing:				
Specific allowance (net)				
– made in the financial year	198,623	299,489	792,110	784,164
– written back	(65,427)	(73,835)	(237,351)	(217,221)
General allowance	4,604	9,138	27,730	30,656
Bad debts and financing recovered	(67,605)	(53,812)	(208,616)	(170,780)
Amount recovered from Danaharta	–	(5,662)	(609)	(17,027)
	<u>70,195</u>	<u>175,318</u>	<u>373,264</u>	<u>409,792</u>
<u>The Bank</u>				
Discontinued operations				
Allowance for bad and doubtful debts and financing:				
Specific allowance (net)				
– made in the financial year	–	–	–	18,509
– written back	–	–	–	(7,732)
General allowance	–	–	–	775
Bad debts and financing recovered	–	–	–	(605)
	<u>–</u>	<u>–</u>	<u>–</u>	<u>10,947</u>

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

A20. Impairment loss/(written back)

	Individual Quarter		Cumulative Quarter	
	31 December 2007 RM'000	31 December 2006 RM'000	31 December 2007 RM'000	31 December 2006 RM'000
<u>The Group</u>				
Securities	53,452	13,748	72,622	63,246
Impairment on amount recoverable under asset-backed securitisation transaction	–	2,000	7,000	7,000
Trade receivables	(220)	–	(220)	–
Sundry receivables	1,867	53	3,846	384
	<u>55,099</u>	<u>15,801</u>	<u>83,248</u>	<u>70,630</u>
<u>The Bank</u>				
Securities	53,452	13,748	72,622	63,283
Impairment on amount recoverable under asset-backed securitisation transaction	–	2,000	7,000	7,000
Sundry receivables	1,747	53	3,726	384
	<u>55,199</u>	<u>15,801</u>	<u>83,348</u>	<u>70,667</u>

A21. Taxation

	Individual Quarter		Cumulative Quarter	
	31 December 2007 RM'000	31 December 2006 RM'000	31 December 2007 RM'000	31 December 2006 RM'000
<u>The Group</u>				
Estimated current tax payable	89	149	247	329
Net transfer from deferred taxation	53,580	20,527	199,544	96,493
	<u>53,669</u>	<u>20,676</u>	<u>199,791</u>	<u>96,822</u>
Tax recovered in respect of prior year	–	548	(266)	–
Prior year tax expense in respect of business vested over	(11)	12,510	(19)	14,913
Others	–	(1,898)	–	(1,898)
	<u>53,658</u>	<u>31,836</u>	<u>199,506</u>	<u>109,837</u>
<u>The Bank</u>				
Taxation on profit from continuing operations				
Net transfer from deferred taxation	47,345	6,639	153,010	52,311
Tax recovered in respect of prior year	–	–	(266)	(548)
Prior year tax expense in respect of business vested over	–	12,510	–	14,913
Others	–	–	–	–
	<u>47,345</u>	<u>19,149</u>	<u>152,744</u>	<u>66,676</u>

The total tax charge of the Group and the Bank for the period ended 31 December 2007 reflects an effective tax rate which is higher than the statutory tax rate due mainly to the effect on deferred taxes as a result of a reduction in statutory tax rate from 27.0% to 26.0% for year of assessment (“YA”) 2008, 26.0% to 25.0% for YA2009 and disallowances of certain expenses.

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

A22. Discontinued operations

i) Transfer of Islamic Banking Business of AmBank (M) Berhad to Amlslamic Bank Berhad

On 1 May 2006, the Islamic banking business of AmBank (M) Berhad was transferred to and vested into Amlslamic Bank Berhad pursuant to the vesting order of the High Court of Malaya made pursuant to Section 50 of the Banking and Financial Institutions Act, 1989. The net book value of the assets and liabilities transferred was RM784.1 million.

The amounts of assets and liabilities vested are as follows:

	1 May 2006 RM'000
ASSETS	
Cash and short-term funds	1,160,139
Deposits and placements with banks and other financial institutions	2,126
Securities held-for-trading	502,219
Loans, advances and financing	6,512,189
Deferred tax asset	68,501
Other assets	29,567
Statutory deposit with Bank Negara Malaysia	<u>268,794</u>
TOTAL ASSETS	<u><u>8,543,535</u></u>
LIABILITIES AND EQUITY	
Deposits from customers	4,323,243
Deposits and placements of banks and other financial institutions	2,952,207
Bills and acceptance payable	225,364
Other liabilities	<u>258,653</u>
Total Liabilities	<u><u>7,759,467</u></u>
Net Assets vested	<u><u>784,068</u></u>

ii) Purchase Consideration

The consideration for the transfer of business was satisfied by way of issue of 250.0 million new ordinary shares of RM1.00 each by Amlslamic Bank Berhad to the Bank at RM3.14 per share.

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

iii) Impact to the Income Statement

Arising from the corporate separation of the Islamic Banking and Conventional Banking operations, the profit from the Islamic Banking operations of the Bank for the corresponding quarter in the previous year was reported as discontinued operations in compliance with FRS 5: Non-Current assets held for sale and Discontinued operations.

The results of the Islamic Banking operations of the Bank reported as discontinued operations was as follows:

	Individual Quarter		Cumulative Quarter	
	31 December 2007 RM'000	31 December 2006 RM'000	31 December 2007 RM'000	31 December 2006 RM'000
<u>The Bank</u>				
Income derived from investment of depositors' funds	–	–	–	52,287
Income derived from investment of Islamic Banking Capital Fund	–	–	–	9,252
Allowance for losses on financing, advances and other loans (Note A19)	–	–	–	(10,947)
Transfer from/(to) profit equalisation reserve	–	–	–	1,739
	<hr/>	<hr/>	<hr/>	<hr/>
Total attributable income	–	–	–	52,331
Income attributable to the depositors	–	–	–	(25,402)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net income	–	–	–	26,929
Other operating expenses	–	–	–	(10,476)
	<hr/>	<hr/>	<hr/>	<hr/>
Profit before taxation	–	–	–	16,453
Taxation	–	–	–	(4,607)
	<hr/>	<hr/>	<hr/>	<hr/>
Profit after taxation	–	–	–	11,846
	<hr/>	<hr/>	<hr/>	<hr/>

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

A23. Earnings Per Share (EPS)**(a) Basic**

	Individual Quarter		Cumulative Quarter	
	31 December 2007 RM'000/000	31 December 2006 RM'000/000	31 December 2007 RM'000/000	31 December 2006 RM'000/000
<u>The Group</u>				
Net profit attributable to shareholder of the Bank	149,990	40,128	297,183	137,384
Effect of savings on interest on ICULS (net of tax)	1,457	–	3,611	–
	<u>151,447</u>	<u>40,128</u>	<u>300,794</u>	<u>137,384</u>
Number of ordinary shares at beginning of year	610,364	610,364	610,364	610,364
Effect of the conversion of ICULS	60,000	–	49,745	–
Weighted average number of ordinary shares in issue	<u>670,364</u>	<u>610,364</u>	<u>660,109</u>	<u>610,364</u>
Basic earnings per share (sen)	<u>22.59</u>	<u>6.57</u>	<u>45.57</u>	<u>22.51</u>
<u>The Bank</u>				
Basic, for profit from continuing operations				
Net profit attributable to shareholders of the Bank	132,182	2,821	227,193	41,025
Effect of savings on interest on ICULS (net of tax)	1,457	–	3,611	–
	<u>133,639</u>	<u>2,821</u>	<u>230,804</u>	<u>41,025</u>
Number of ordinary shares at beginning of year	610,364	610,364	610,364	610,364
Effect of the conversion of ICULS	60,000	–	49,745	–
Weighted average number of ordinary shares in issue	<u>670,364</u>	<u>610,364</u>	<u>660,109</u>	<u>610,364</u>
Basic earnings per share (sen)	<u>19.94</u>	<u>0.46</u>	<u>34.96</u>	<u>6.72</u>
<u>The Bank</u>				
Basic, for profit from discontinued operations				
Net profit attributable to shareholders of the Bank	–	–	–	11,846
Number of ordinary shares at beginning of year	–	–	–	610,364
Effect of the conversion of ICULS	–	–	–	–
Weighted average number of ordinary shares in issue	<u>–</u>	<u>–</u>	<u>–</u>	<u>610,364</u>
Basic earnings per share (sen)	<u>–</u>	<u>–</u>	<u>–</u>	<u>1.94</u>

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

(b) Fully diluted

Fully diluted earnings per share is calculated by dividing the adjusted net profit attributable to equity holder of the Bank by the adjusted weighted average number of ordinary shares in issue and issuable during the financial quarter and period.

The Bank has one category of dilutive potential ordinary shares:

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

	Individual Quarter		Cumulative Quarter	
	31 December 2007 RM'000'000	31 December 2006 RM'000'000	31 December 2007 RM'000'000	31 December 2006 RM'000'000
<u>The Group</u>				
Net profit attributable to shareholder of the Bank (as in (a) above)	151,447	–	300,794	–
Weighted average number of ordinary shares in issue (as in (a) above)	670,364	–	660,109	–
Adjusted for the effect of the INCPS	150,000	–	124,364	–
Adjusted weighted average number of ordinary shares in issue	820,364	–	784,473	–
Fully diluted earnings per share (sen)	18.46	–	38.34	–
<u>The Bank</u>				
For profit from continuing operations				
Net profit attributable to shareholder of the Bank (as in (a) above)	133,639	–	230,804	–
Weighted average number of ordinary shares in issue (as in (a) above)	670,364	–	660,109	–
Adjusted for the effect of the INCPS	150,000	–	124,364	–
Weighted average number of ordinary shares in issue	820,364	–	784,473	–
Fully diluted earnings per share (sen)	16.29	–	29.42	–

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

A24a. Performance Review for the period ended 31 December 2007

The Group registered a pre-tax profit of RM497.2 million, a doubling the pre-tax profit of RM247.2 million in the corresponding period last year.

The significant improvement is attributable to increase in investment income, fees and commission and net interest income set-off against higher operating expenses in tandem with the growing scale of business operations.

The Group continued to see improvement in asset quality with net non-performing loans ratio on a 3 month classification basis, improving to 3.9% from 6.2% in March 2007, due to intensive loan recovery effort and completion of the sale of non-performing loans.

A24b. Prospects for 31 March 2008

In tandem with the thrusts of the Ninth Malaysian Plan (9MP), the Malaysian economy is projected to see sustained growth in 2007 with GDP growth projected at 5.9%. On the back of favourable macroeconomic conditions, the banking sector is expected to remain robust with strong capitalization and continuous improvement in asset quality.

For the current year, capital market activities are expected to be robust. The active promotion of Islamic financing by the Malaysian government and growing demand for Shariah compliant securities from local and international investors provide an impetus for more capital market issues.

The Group will continue to pursue its strategy of expanding its business operations regionally whilst maintaining its leadership position in the industry. The Group is confident that it has built an infrastructure, customer base and brand-awareness and leveraging on the ANZ partnership will enable the Group to take advantage of the growth opportunity and register higher profits.

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

A25. Segment Information on Operating Revenue, Profit Before Tax Expense and Assets**By Business Segments**

The Group 31 December 2007	Conventional Banking RM'000	Islamic Banking RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
<u>External revenue</u>					
Interest income	2,701,843	–	192	(38)	2,701,997
Fee income	130,090	–	246	–	130,336
Investment & other operating income	117,706	–	370	57	118,133
Income from Islamic Banking Financing income	–	590,875	–	–	590,875
Investment and Fees on financing	–	29,823	–	–	29,823
Others (Subsidiaries) – Rental	–	–	246	–	246
	<u>2,949,639</u>	<u>620,698</u>	<u>1,054</u>	<u>19</u>	<u>3,571,410</u>
<u>Inter-segment revenue</u>					
Interest Income	–	–	35,118	(35,118)	–
Others (Subsidiaries) – Rental	–	–	1,421	(1,421)	–
	<u>–</u>	<u>–</u>	<u>36,539</u>	<u>(36,539)</u>	<u>–</u>
Total revenue	<u>2,949,639</u>	<u>620,698</u>	<u>37,593</u>	<u>(36,520)</u>	<u>3,571,410</u>
Results					
Profit before share in results of associated company and taxation	379,937	115,548	1,692	(26)	497,151
Share of profits of associated company	–	–	–	32	32
Profit before zakat and taxation	379,937	115,548	1,692	6	497,183
Zakat	–	(502)	–	–	(502)
Taxation	(152,744)	(46,534)	(228)	–	(199,506)
Profit after zakat and taxation	227,193	68,512	1,464	6	297,175
Total Assets	53,778,403	9,508,237	748,339	(1,547,479)	62,487,500

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

A25. Segment Information on Operating Revenue, Profit Before Tax Expense and Assets (continued)

The Group 31 December 2006	Conventional Banking RM'000	Islamic Banking RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
<u>External revenue</u>					
Interest income	2,373,976	–	–	(1,027)	2,372,949
Fee income	108,601	–	113	–	108,714
Investment & other operating income	6,349	–	1,079	(534)	6,894
Income from Islamic Banking Financing income	–	575,358	–	–	575,358
Investment and Fees on financing	–	25,127	–	–	25,127
Others (Subsidiaries) – Rental	–	–	185	–	185
	<u>2,488,926</u>	<u>600,485</u>	<u>1,377</u>	<u>(1,561)</u>	<u>3,089,227</u>
<u>Inter-segment revenue</u>					
Interest income	–	–	36,925	(36,925)	–
Others (Subsidiaries) – Rental	–	–	1,675	(1,675)	–
	<u>–</u>	<u>–</u>	<u>38,600</u>	<u>(38,600)</u>	<u>–</u>
Total revenue	<u>2,488,926</u>	<u>600,485</u>	<u>39,977</u>	<u>(40,161)</u>	<u>3,089,227</u>
Results					
Profit before share in results of associated company and taxation	107,701	137,618	1,805	11	247,135
Share of profits of associated company	–	–	–	78	78
Profit before zakat and taxation	107,701	137,618	1,805	89	247,213
Taxation	(66,676)	(44,182)	1,021	–	(109,837)
Profit after zakat and taxation	41,025	93,436	2,826	89	137,376
Total Assets	51,429,603	8,937,360	806,982	(1,617,975)	59,555,970

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established under terms and conditions that are no less favourable than those arranged with independent parties.

The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia.

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

A26. Valuation of Property & Equipment

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

A27. Events Subsequent To Balance Sheet Date

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

A28. Changes in the Composition of Group

There were no significant changes in the composition of the Group for the financial period ended 31 December 2007.

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

A29. Commitments and Contingencies

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the Group's and the Bank's assets.

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

<u>The Group</u>	As at 31 December 2007			As at 31 March 2007		
	Principal Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	1,023,852	1,023,852	968,259	703,510	703,510	613,274
Certain transaction- related contingent items	487,966	243,984	243,984	375,291	187,646	187,646
Short-term self-liquidating trade-related contingencies	543,367	108,673	108,673	283,789	56,757	56,757
Obligations under underwriting agreements	1,070,000	535,000	535,000	20,000	10,000	10,000
Unpaid portion of partly paid shares	250	250	250	250	250	250
Irrevocable commitments to extend credit:						
– maturing less than one year	13,964,420	–	–	9,027,360	–	–
– maturing more than one year	974,394	487,196	487,196	1,033,415	516,708	516,708
Foreign exchange related contracts:						
– less than one year	1,237,789	25,646	6,068	1,356,741	25,085	6,158
Interest rate swap contracts:						
– maturing within one year	6,372,006	11,022	2,204	1,432,067	2,790	558
– maturing more than one year to less than five years	2,223,959	32,159	6,432	8,489,797	111,428	22,286
– maturing more than five years	702,600	137,083	27,417	732,693	133,403	26,681
Islamic financing sold to Cagamas Berhad with recourse	2,085,357	2,085,357	2,085,357	2,718,833	2,718,833	2,718,833
Other commitments	87,668	–	–	126,188	–	–
Total	30,773,628	4,690,222	4,470,840	26,299,934	4,466,410	4,159,151

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

A29. Commitments and Contingencies (continued)

<u>The Bank</u>	As at 31 December 2007			As at 31 March 2007		
	Principal Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	886,289	886,289	835,844	583,562	583,562	510,737
Certain transaction- related contingent items	440,579	220,290	220,290	330,273	165,137	165,137
Short-term self-liquidating trade-related contingencies	457,956	91,591	91,591	209,612	41,922	41,922
Obligations under underwriting agreements	1,070,000	535,000	535,000	20,000	10,000	10,000
Unpaid portion of partly paid shares	150	150	150	150	150	150
Irrevocable commitments to extend credit:						
– maturing less than one year	12,421,101	–	–	8,005,411	–	–
– maturing more than one year	913,247	456,623	456,623	1,018,327	509,164	509,164
Foreign exchange related contracts:						
– less than one year	1,237,789	25,646	6,068	1,356,741	25,085	6,158
Interest rate swap contracts:						
– maturing within one year	6,372,006	11,022	2,204	1,432,067	2,790	558
– maturing more than one year to less than five years	2,223,959	32,159	6,432	8,489,797	111,428	22,286
– maturing more than five years	702,600	137,083	27,417	732,693	133,403	26,681
Other commitments	74,998	–	–	82,270	–	–
Total	26,800,674	2,395,853	2,181,619	22,260,903	1,582,641	1,292,793

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

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

A30. Risk Management Policy on Financial Derivatives

Purpose of engaging in financial derivatives

Financial derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices. They include swaps, forward rate agreements, futures, options and combinations of these instruments. Derivatives are contracts that transfer risks, mainly market risks. Financial derivatives is one of the financial instruments engaged by the Group both for revenue purposes as well as to manage the Group's own market risk exposure. The Group's involvement in financial derivatives is currently focused on interest rate derivatives and foreign exchange rate derivatives.

The principal exchange rate contracts used are forward foreign exchange contracts. 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.

The principal interest rate contracts used are interest rate swaps. Interest rate swap transactions generally involve the exchange of fixed and floating interest payment obligations without the exchange of the underlying principal amounts.

For revenue purposes, the Group maintains trading positions in these instruments and engages in transactions with customers to satisfy their needs in managing their respective interest rate and foreign exchange rate exposure. Derivative transactions generate income for the Group from the buy-sell spreads.

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

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

A30. Risk Management Policy on Financial Derivatives (continued)

Credit risk of derivatives

Counterparty credit risk arises from the possibility that a counterparty may be unable to meet the terms of the derivatives contract. Unlike conventional asset instruments, the Group's financial loss is not the entire contracted principal value of the derivatives, but rather a fraction equivalent to the cost to replace the defaulted contract with another in the market. The cost of replacement is equivalent to the difference between the original value of the derivatives at time of contract with the defaulted counterparty and the current fair value of a similar substitute at current market prices. The Group will only suffer a replacement cost if the contract carries a fair value gain at time of default.

As at 31 December 2007, the Group and the Bank has a counterparty credit risk of RM8,840,000 (2007: NIL) being the cost to replace the positive value contracts. This may vary over the life of the contracts, mainly as a function of movement in market rates and time.

The Group limits its credit risk within a conservative framework by dealing with creditworthy counterparties, setting credit limits on exposures to counterparties, and obtaining collateral where appropriate.

Derivative Financial Instruments and Hedge Accounting

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

(i) Fair value hedge

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

(ii) Cash flow hedge

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

(iii) Derivatives that do not qualify for hedge accounting

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

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

A31. Capital Adequacy

Bank Negara Malaysia's ("BNM") guideline on capital adequacy requires the Bank to maintain an adequate level of capital to withstand any losses which may result from credit and other risks associated with financing operations. The capital adequacy ratio is computed based on the eligible capital in relation to the total risk-weighted assets as determined by BNM.

The risk weighted capital adequacy ratio of the Bank of 11.44% (31 March 2007: 9.16%) exceeds the minimum requirements of BNM.

	The Bank	
	31 December 2007 RM'000	31 March 2007* RM'000
<u>Tier 1 capital</u>		
Paid-up share capital	610,364	610,364
Irredeemable Non-Cumulative Convertible Preference Shares (INCPS)	150,000	–
Innovative Tier 1 capital	449,250	408,198
Share premium	710,660	710,660
Statutory reserve	585,832	585,832
Unappropriated profit	<u>1,013,639</u>	<u>1,005,898</u>
	3,519,745	3,320,952
Less: Deferred tax asset	<u>(525,167)</u>	<u>(600,017)</u>
Total Tier 1 capital	<u>2,994,578</u>	<u>2,720,935</u>
<u>Tier 2 capital</u>		
Irredeemable Convertible Unsecured Loan Stocks (ICULS)	300,000	–
Innovative Tier 1 capital	212,150	283,002
Subordinated term loan	460,000	460,000
Subordinated bonds	200,000	200,000
Exchangeable bonds	575,000	–
General allowance for bad and doubtful debts and financing	<u>602,493</u>	<u>574,053</u>
Total Tier 2 capital	<u>2,349,643</u>	<u>1,517,055</u>
	5,344,221	4,237,990
Less: Investment in subsidiary companies	<u>(813,849)</u>	<u>(813,849)</u>
Capital base	<u>4,530,372</u>	<u>3,424,141</u>

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

A31. Capital Adequacy (continue)

	31 December 2007		31 March 2007	
	Principal RM'000	Risk - Weighted RM'000	Principal RM'000	Risk - Weighted RM'000
Notional risk-weighted assets				
Categories				
0%	8,654,239	–	7,817,721	–
10%	2,059	206	2,059	206
20%	2,830,722	566,144	5,127,377	1,025,476
50%	9,482,868	4,741,434	9,013,411	4,506,705
100%	<u>32,698,794</u>	<u>32,698,794</u>	<u>31,231,608</u>	<u>31,231,608</u>
Market Risk	53,668,682	38,006,578	53,192,176	36,763,995
	<u>–</u>	<u>1,593,954</u>	<u>–</u>	<u>631,046</u>
	<u>53,668,682</u>	<u>39,600,532</u>	<u>53,192,176</u>	<u>37,395,041</u>
Capital Ratios				
Core capital ratio		7.56%		7.27%
Risk-weighted capital ratio		<u>11.44%</u>		<u>9.16%</u>

The risk weighted capital adequacy ratio of the Group are as follows:

	The Group	
	31 December 2007 RM'000	31 March 2007* RM'000
<u>Tier 1 capital</u>		
Paid-up share capital	610,364	610,364
Irredeemable Non-Cumulative Convertible Preference Shares (INCPS)	150,000	–
Innovative Tier 1 capital	471,748	414,374
Share premium	710,660	710,660
Statutory reserves	633,222	633,222
Capital reserves	377,492	377,492
Merger reserves	349,050	349,050
Unappropriated profit	553,784	493,861
Minority interest	<u>49</u>	<u>57</u>
	3,856,369	3,589,080
Less: Deferred tax asset	<u>(711,826)</u>	<u>(826,975)</u>
Total Tier 1 capital	<u>3,144,543</u>	<u>2,762,105</u>

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

A31. Capital Adequacy (continue)

	The Group	
	31 December 2007 RM'000	31 March 2007* RM'000
<u>Tier 2 capital</u>		
Irredeemable Convertible Unsecured Loan Stocks (ICULS)	300,000	–
Innovative Tier 1 capital	189,652	276,826
Subordinated term loan	460,000	460,000
Subordinated bonds	600,000	600,000
Exchangeable bonds	575,000	–
General allowance for bad and doubtful debts and financing	751,807	713,051
Total Tier 2 capital	2,876,459	2,049,877
Less: Excess Tier 2 Capital	(62,728)	–
Maximum allowable Tier 2 Capital	2,813,731	–
Capital base	5,958,274	4,811,982

	31 December 2007		31 March 2007	
	Principal RM'000	Risk - Weighted RM'000	Principal RM'000	Risk - Weighted RM'000
Notional risk-weighted assets				
Categories				
0%	10,109,122	–	9,836,538	–
10%	2,059	206	2,059	206
20%	2,997,623	599,525	5,678,318	1,135,664
50%	9,823,077	4,911,538	9,344,174	4,672,087
100%	42,414,369	42,414,369	40,258,917	40,258,917
Market Risk	65,346,250	47,925,638	65,120,006	46,066,874
	–	1,632,087	–	673,104
	65,346,250	49,557,725	65,120,006	46,739,978

Capital Ratios

Core capital ratio	6.34%	5.91%
Risk-weighted capital ratio	12.02%	10.29%

* The capital ratios are compliance ratios, as such the comparative are not adjusted for prior year adjustments.

Company No. 8515-D
AmBank (M) Berhad
(Incorporated in Malaysia)
And Its Subsidiary Companies

A32. The following table shows the interest rate sensitivity gap, by time bands, on which interest rates of instruments are next repriced on a contractual basis or, if earlier, the dates on which the instruments mature.

31 December 2007

The Group	Non-Trading Book						Non-interest sensitive	Trading Book	Total	Effective interest rate %
	Up to 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	>1 to 5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS										
Cash and short-term funds	7,400,691	–	–	–	–	–	1,554,798	–	8,955,489	3.66
Deposits and placements with banks and other financial institutions	–	99,210	–	–	–	661,400	–	–	760,610	3.59
Securities held-for-trading	–	–	–	–	–	–	104,090	1,974,146	2,078,236	4.24
Securities available-for-sale	150,267	–	–	19,958	34,898	40,292	27,794	–	273,209	2.24
Securities held-to-maturity	5,092	–	35,150	35,552	108,846	361,420	166,619	–	712,679	3.22
Loans, advances and financing										
– Performing	14,978,937	791,717	447,598	312,887	6,903,144	14,199,897	7,550,041	–	45,184,221	6.64
– Non-performing	–	–	–	–	–	–	1,163,998	–	1,163,998	–
Other non-interest sensitive balances	–	–	–	–	–	–	3,359,058	–	3,359,058	–
TOTAL ASSETS	22,534,987	890,927	482,748	368,397	7,046,888	15,263,009	13,926,398	1,974,146	62,487,500	
LIABILITIES AND EQUITY										
Deposits from customers	12,002,943	5,983,578	4,585,274	7,279,490	2,775,237	–	7,612,110	–	40,238,632	3.23
Deposits and placements of banks and other financial institutions	4,933,139	2,538,315	1,269,597	182,526	761,039	1,657,500	2,136,508	–	13,478,624	3.63
Derivative financial liabilities	–	–	–	–	–	–	38,879	–	38,879	–
Bills and acceptance payable	326,029	456,147	145,217	–	–	–	527,503	–	1,454,896	3.64
Recourse obligation on loans sold to Cagamas Berhad	–	–	78,313	–	149,101	–	–	–	227,414	3.53
Subordinated term loan	–	–	–	460,000	–	–	–	–	460,000	6.87
Hybrid securities	–	–	–	–	–	675,298	–	–	675,298	6.82
Subordinated bonds	–	–	200,000	–	–	–	400,000	–	600,000	6.27
Exchangeable bonds	–	–	–	–	–	575,000	–	–	575,000	5.22
Irredeemable Convertible										
Unsecured Loan Stocks	–	–	–	–	–	128,849	–	–	128,849	5.75
Irredeemable Non-Cumulative Convertible Preference shares	–	–	–	–	–	–	150,000	–	150,000	–
Other non-interest sensitive balances	–	–	–	–	–	–	873,123	–	873,123	–
Total Liabilities	17,262,111	8,978,040	6,278,401	7,922,016	3,685,377	3,036,647	11,738,123	–	58,900,715	

Company No. 8515-D
AmBank (M) Berhad
(Incorporated in Malaysia)
And Its Subsidiary Companies

31 December 2007	Non-Trading Book							Trading Book	Total	Effective interest rate
	Up to 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	>1 to 5 years	Over 5 years	Non-interest sensitive			
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Total Liabilities	17,262,111	8,978,040	6,278,401	7,922,016	3,685,377	3,036,647	11,738,123	–	58,900,715	
Minority interests	–	–	–	–	–	–	49	–	49	
Shareholder's Equity	–	–	–	–	–	–	3,586,736	–	3,586,736	
TOTAL LIABILITIES AND EQUITY	<u>17,262,111</u>	<u>8,978,040</u>	<u>6,278,401</u>	<u>7,922,016</u>	<u>3,685,377</u>	<u>3,036,647</u>	<u>15,324,908</u>	<u>–</u>	<u>62,487,500</u>	
On-balance sheet interest sensitivity gap	5,272,876	(8,087,113)	(5,795,653)	(7,553,619)	3,361,511	12,226,362	(1,398,510)	1,974,146	–	
Off-balance sheet interest sensitivity gap	1,397,248	6,126,511	(3,150,000)	(2,770,000)	(2,223,959)	620,200	–	–	–	
Total interest sensitivity gap	<u>6,670,124</u>	<u>(1,960,602)</u>	<u>(8,945,653)</u>	<u>(10,323,619)</u>	<u>1,137,552</u>	<u>12,846,562</u>	<u>(1,398,510)</u>	<u>1,974,146</u>	<u>–</u>	

Company No. 8515-D
AmBank (M) Berhad
(Incorporated in Malaysia)
And Its Subsidiary Companies

31 March 2007

The Group	Non-Trading Book						Non-interest sensitive	Trading Book	Total	Effective interest rate
	Up to 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	>1 to 5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS										
Cash and short-term funds	7,927,079	–	–	–	–	–	2,055,507	–	9,982,586	3.80
Deposits and placements with banks and other financial institutions	–	832,000	202,727	103,680	–	691,200	415,201	–	2,244,808	3.64
Securities held-for-trading	–	–	–	–	–	–	144,587	972,670	1,117,257	2.85
Securities available-for-sale	350,000	49,995	–	–	55,152	41,804	101,800	–	598,751	3.51
Securities held-to-maturity	–	–	–	–	406,059	595,505	116,035	–	1,117,599	2.68
Loans, advances and financing										
– Performing	12,338,768	645,413	1,430,721	227,183	6,982,770	13,403,856	6,259,582	–	41,288,293	6.85
– Non-performing	–	–	–	–	–	–	2,177,254	–	2,177,254	–
Other non-interest sensitive balances	–	–	–	–	–	–	3,550,950	–	3,550,950	–
TOTAL ASSETS	20,615,847	1,527,408	1,633,448	330,863	7,443,981	14,732,365	14,820,916	972,670	62,077,498	–
LIABILITIES AND EQUITY										
Deposits from customers	11,084,120	4,968,367	4,201,753	6,723,767	3,678,364	–	6,479,487	–	37,135,858	3.33
Deposits and placements of banks and other financial institutions	5,236,620	3,383,123	2,018,254	388,885	800,498	1,657,500	2,668,819	–	16,153,699	3.71
Derivative financial liabilities	–	–	–	–	–	–	118,085	–	118,085	–
Securities sold under repurchase agreements	444,319	–	–	–	–	–	–	–	444,319	3.23
Bills and acceptance payable	278,359	547,637	188,967	–	–	–	446,614	–	1,461,577	3.57
Recourse obligation on loans sold to Cagamas Berhad	18,934	38,037	192,329	242,016	211,324	–	–	–	702,640	3.67
Subordinated term loan	–	–	–	–	460,000	–	–	–	460,000	6.87
Hybrid securities	–	–	–	–	–	684,167	–	–	684,167	6.80
Subordinated bonds	–	–	–	–	200,000	–	400,000	–	600,000	7.95
Other non-interest sensitive balances	–	–	–	–	–	–	1,223,710	–	1,223,710	–
Total Liabilities	17,062,352	8,937,164	6,601,303	7,354,668	5,350,186	2,341,667	11,336,715	–	58,984,055	
Minority interests	–	–	–	–	–	–	57	–	57	
Shareholder's Equity	–	–	–	–	–	–	3,093,386	–	3,093,386	
TOTAL LIABILITIES AND EQUITY	17,062,352	8,937,164	6,601,303	7,354,668	5,350,186	2,341,667	14,430,158	–	62,077,498	–
On-balance sheet interest sensitivity gap	3,553,495	(7,409,756)	(4,967,855)	(7,023,805)	2,093,795	12,390,698	390,758	972,670	–	
Off-balance sheet interest sensitivity gap	2,551,357	6,920,000	(520,000)	(832,067)	(8,089,797)	(29,493)	–	–	–	
Total interest sensitivity gap	<u>6,104,852</u>	<u>(489,756)</u>	<u>(5,487,855)</u>	<u>(7,855,872)</u>	<u>(5,996,002)</u>	<u>12,361,205</u>	<u>390,758</u>	<u>972,670</u>	<u>–</u>	

Company No. 8515-D
AmBank (M) Berhad
(Incorporated in Malaysia)
And Its Subsidiary Companies

31 December 2007

← Non-Trading Book →

The Bank	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
ASSETS										
Cash and short-term funds	7,400,691	–	–	–	–	–	284,410	–	7,685,101	3.66
Deposits and placements with banks and other financial institutions	–	99,210	–	7,971	622	661,400	–	–	769,203	3.59
Securities held-for-trading	–	–	–	–	–	–	–	1,974,146	1,974,146	4.24
Securities available-for-sale	150,267	–	–	19,958	34,898	40,292	27,794	–	273,209	2.24
Securities held-to-maturity	5,092	–	35,150	35,552	108,846	361,420	166,401	–	712,461	3.22
Loans, advances and financing										
– Performing	14,978,937	791,717	447,598	312,887	6,903,144	14,199,897	–	–	37,634,180	6.64
– Non-performing	–	–	–	–	–	–	1,141,949	–	1,141,949	
Other non-interest sensitive balances	–	–	–	–	–	–	3,588,154	–	3,588,154	
TOTAL ASSETS	22,534,987	890,927	482,748	376,368	7,047,510	15,263,009	5,208,708	1,974,146	53,778,403	
LIABILITIES AND EQUITY										
Deposits from customers	12,021,312	5,983,578	4,585,274	7,279,590	2,775,237	–	2,393,127	–	35,038,118	3.23
Deposits and placements of banks and other financial institutions	4,933,139	2,538,315	1,269,597	182,526	761,039	1,657,500	19,809	–	11,361,925	3.63
Derivative financial liabilities	–	–	–	–	–	–	38,879	–	38,879	–
Bills and acceptance payable	326,029	456,147	145,217	–	–	–	–	–	927,393	3.64
Recourse obligation on loans sold to Cagamas Berhad	–	–	78,313	–	149,101	–	–	–	227,414	3.53
Subordinated term loan	–	–	–	460,000	–	675,298	–	–	1,135,298	6.84
Subordinated bonds	–	–	200,000	–	–	–	–	–	200,000	7.95
Exchangable bonds	–	–	–	–	–	575,000	–	–	575,000	5.22
Irredeemable Convertible Unsecured Loan Stocks	–	–	–	–	–	128,849	–	–	128,849	5.75
Irredeemable Non-Cumulative Convertible Preference shares	–	–	–	–	–	–	150,000	–	150,000	–
Other non-interest sensitive balances	–	–	–	–	–	–	740,676	–	740,676	–
Total Liabilities	17,280,480	8,978,040	6,278,401	7,922,116	3,685,377	3,036,647	3,342,491	–	50,523,552	

Company No. 8515-D
AmBank (M) Berhad
(Incorporated in Malaysia)
And Its Subsidiary Companies

31 December 2007

Non-Trading Book

The Bank	Non-Trading Book						Non-interest sensitive	Trading Book	Total	Effective interest rate
	Up to 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	>1 to 5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Total Liabilities	17,280,480	8,978,040	6,278,401	7,922,116	3,685,377	3,036,647	3,342,491	–	50,523,552	
Minority interests	–	–	–	–	–	–	–	–	–	
Shareholder's Equity	–	–	–	–	–	–	3,254,851	–	3,254,851	
TOTAL LIABILITIES AND EQUITY	<u>17,280,480</u>	<u>8,978,040</u>	<u>6,278,401</u>	<u>7,922,116</u>	<u>3,685,377</u>	<u>3,036,647</u>	<u>6,597,342</u>	<u>–</u>	<u>53,778,403</u>	
On-balance sheet interest sensitivity gap	5,254,507	(8,087,113)	(5,795,653)	(7,545,748)	3,362,133	12,226,362	(1,388,634)	1,974,146	–	
Off-balance sheet interest sensitivity gap	<u>1,397,248</u>	<u>6,126,511</u>	<u>(3,150,000)</u>	<u>(2,770,000)</u>	<u>(2,223,959)</u>	<u>620,200</u>	<u>–</u>	<u>–</u>	<u>–</u>	
Total interest sensitivity gap	<u>6,651,755</u>	<u>(1,960,602)</u>	<u>(8,945,653)</u>	<u>(10,315,748)</u>	<u>1,138,174</u>	<u>12,846,562</u>	<u>(1,388,634)</u>	<u>1,974,146</u>	<u>–</u>	

Company No. 8515-D
AmBank (M) Berhad
(Incorporated in Malaysia)
And Its Subsidiary Companies

31 March 2007

Non-Trading Book

The Bank	←----- Non-Trading Book -----→						Non-interest sensitive	Trading Book	Total	Effective interest rate
	Up to 1 month	>1 to 3 months	>3 to 6 months	>6 to 12 months	>1 to 5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
ASSETS										
Cash and short-term funds	7,927,079	–	–	–	–	–	202,216	–	8,129,295	3.80
Deposits and placements with banks and other financial institutions	7,971	832,000	202,727	103,680	–	691,822	–	–	1,838,200	3.64
Securities held-for-trading	–	–	–	–	–	–	–	972,646	972,646	2.85
Securities available-for-sale	350,000	49,995	–	–	55,152	41,804	101,800	–	598,751	3.51
Securities held-to-maturity	–	–	–	–	406,059	595,506	115,817	–	1,117,382	2.68
Loans, advances and financing										
– Performing	12,338,768	645,413	1,430,721	227,183	6,982,770	13,403,856	–	–	35,028,711	6.85
– Non-performing	–	–	–	–	–	–	2,066,867	–	2,066,867	–
Other non-interest sensitive balances	–	–	–	–	–	–	3,862,685	–	3,862,685	–
TOTAL ASSETS	20,623,818	1,527,408	1,633,448	330,863	7,443,981	14,732,988	6,349,385	972,646	53,614,537	
LIABILITIES AND SHAREHOLDER'S FUNDS										
Deposits from customers	11,100,994	4,968,367	4,201,753	6,723,767	3,678,364	–	1,808,433	–	32,481,678	3.33
Deposits and placements of banks and other financial institutions	5,244,591	3,383,123	2,018,254	388,885	801,120	1,657,500	115,252	–	13,608,725	3.71
Derivative financial liabilities	–	–	–	–	–	–	118,085	–	118,085	–
Securities sold under repurchase agreements	444,319	–	–	–	–	–	–	–	444,319	3.23
Bills and acceptance payable	278,359	547,637	188,967	–	–	–	–	–	1,014,963	3.57
Recourse obligation on loans sold to Cagamas Berhad	18,934	38,037	192,329	242,016	211,324	–	–	–	702,640	3.67
Subordinated term loan	–	–	–	–	460,000	684,167	–	–	1,144,167	6.83
Subordinated bonds	–	–	–	–	200,000	–	–	–	200,000	7.95
Other non-interest sensitive balances	–	–	–	–	–	–	1,068,469	–	1,068,469	–
Total Liabilities	17,087,197	8,937,164	6,601,303	7,354,668	5,350,808	2,341,667	3,110,239	–	50,783,046	
Shareholder's Funds	–	–	–	–	–	–	2,831,491	–	2,831,491	
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS	17,087,197	8,937,164	6,601,303	7,354,668	5,350,808	2,341,667	5,941,730	–	53,614,537	
On-balance sheet interest sensitivity gap	3,536,621	(7,409,756)	(4,967,855)	(7,023,805)	2,093,173	12,391,321	407,655	972,646	–	
Off-balance sheet interest sensitivity gap	2,551,357	6,920,000	(520,000)	(832,067)	(8,089,797)	(29,493)	–	–	–	
Total interest sensitivity gap	6,087,978	(489,756)	(5,487,855)	(7,855,872)	(5,996,624)	12,361,828	407,655	972,646	–	

A33. Change in Accounting Policies

(a) Change in Accounting Policies in current financial period

During the financial period, the Group has adopted the revised FRS 117 Leases issued by MASB and BNM Revised Guidelines on derivative financial instruments that are transacted for the purposes of hedging, both of which are effective for the Group's annual reporting date, 31 March 2008 which have resulted in changes in accounting policies as follows:

(i) FRS 117: Leases

Prior to 1 April 2007, lease of land and buildings held for own use was classified as property and equipment and was stated at cost less accumulated depreciation and impairment loss. The adoption of the revised FRS 117 Leases in 2007 resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Under FRS 117, lease of land and buildings are classified as operating or finance leases in the same way as leases of other assets. The land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease. The up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and building element of the lease at the inception of the lease. The up-front payment represents prepaid land lease payment and is amortised on a straight-line basis over the remaining lease term.

The Group have applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 April 2007, the unamortised carrying amount of leasehold land is classified as prepaid land lease payments. The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively. Certain comparatives of the balance sheets of the Group as at 31 March 2007 have been restated. There were no effects on the income statements of the Group for the 3rd quarter ended 31 December 2007.

(ii) BNM Revised Guidelines on Financial Reporting for Licensed Institutions

The Group adopted Bank Negara Malaysia's Revised Guidelines on Financial Reporting for Licensed Institutions dated 5 October 2004 on the accounting treatment of derivative financial instruments which are transacted for the purpose of hedging with effect from the Group's annual reporting date 31 March 2008.

Prior to 1 April 2007, the Group disclosed derivative financial instruments transacted for the purpose of hedging as off-balance sheet items as allowed by the BNM Revised Guidelines as an alternative accounting treatment until 31 March 2007. Thereafter, under the BNM Revised Guidelines, derivative financial instruments are measured at fair value and are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gain or loss arising from the change in the fair value of the derivative instrument is recognised in the income statements. This change in accounting policy has been applied retrospectively for one financial year and certain comparative figures have been adjusted to conform with the requirements of the BNM Revised Guidelines.

(iii) Changes in accounting policy in the fourth quarter of the previous financial year

During the 4th quarter of 2006, the Group adopted the BNM's Circular on Handling Fees dated 16 October 2006 which resulted in the Group capitalising handling fees paid for hire purchase loans in the Balance Sheet and amortising the amount in the Income Statement over the life of the loans with retrospective effect. Previously, such handling fees were expensed off in the Income Statement when incurred. The handling fees amount which was previously reported as operating expenses in the income statement has been reclassified and deducted from the interest income upon the change of this accounting policy. Certain comparative figures of the Group have been restated as set out below.

Effects on Balance Sheets as at 31 December 2007

Description of change	Increase / (Decrease)		Total RM'000
	FRS 117 RM'000	Guidelines on derivative financial instruments RM'000	
The Group			
Prepaid land lease payment	4,429	–	4,429
Property and equipment	(4,429)	–	(4,429)
Deferred tax assets	–	(14,722)	(14,722)
Derivative financial liabilities	–	79,206	79,206
Hybrid securities	–	(20,320)	(20,320)
Unappropriated profits	–	44,164	44,164
The Bank			
Prepaid land lease payment	3,213	–	3,213
Property and equipment	(3,213)	–	(3,213)
Deferred tax assets	–	(14,722)	(14,722)
Derivative financial liabilities	–	79,206	79,206
Subordinated term loan	–	(20,320)	(20,320)
Unappropriated profits	–	44,164	44,164

Effects on Income Statement for the period ended 31 December 2007 and 31 December 2006

	Individual Quarter		Cumulative Quarter	
	31 December 2007 RM'000	31 December 2006 RM'000	31 December 2007 RM'000	31 December 2006 RM'000
The Group				
Profit after taxation, before changes in accounting policies	135,644	70,876	253,011	203,311
Effects of adopting Revised BNM guidelines on derivative financial instruments	14,344	(28,854)	44,164	(74,557)
Effects of adopting BNM circular on on handling fees	–	(1,898)	–	8,622
Profit after taxation, after changes in accounting policies	<u>149,988</u>	<u>40,124</u>	<u>297,175</u>	<u>137,376</u>
	Individual Quarter	Individual Quarter	Cumulative Quarter	Cumulative Quarter
	31 December 2007 RM'000	31 December 2006 RM'000	31 December 2007 RM'000	31 December 2006 RM'000
The Bank				
Profit after taxation, before changes in accounting policies	117,838	32,730	183,029	120,960
Effects of adopting Revised BNM guidelines on derivative financial instruments	14,344	(28,854)	44,164	(74,557)
Effects of adopting BNM circular on handling fees	–	(1,055)	–	6,468
Profit after taxation, after changes in accounting policies	<u>132,182</u>	<u>2,821</u>	<u>227,193</u>	<u>52,871</u>

(b) Restatement of Comparatives

The following comparative figures as at 31 March 2007 and 31 December 2006 had been reclassified to conform with current period's presentation as a result of the adoption of the changes in accounting policies disclosed above:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
The Group			
Balance Sheet as at 31 March 2007			
Assets			
Property and equipment	181,948	(4,509)	177,439
Prepaid land lease payments	–	4,509	4,509
Deferred tax asset	826,975	30,815	857,790
Liabilities and equity			
Derivative financial liabilities	–	118,085	118,085
Reserves	2,570,292	(87,270)	2,483,022
Income Statement for the financial period ended 31 December 2006			
Interest Income	2,435,239	(62,290)	2,372,949
Net Income from Islamic Banking Business	356,775	17,969	374,744
Other Operating Income	225,583	(109,790)	115,793
Other Operating expenses	(643,352)	98,179	(545,173)
Transfer from profit equalisation reserve	34,390	(34,390)	–
Share in results of associated company	25	53	78
Taxation	(134,171)	24,334	(109,837)
Profit after taxation	203,311	(65,935)	137,376
The Bank			
Balance Sheet as at 31 March 2007			
Assets			
Property and equipment	154,322	(3,278)	151,044
Prepaid land lease payments	–	3,278	3,278
Deferred tax asset	600,017	30,815	630,832
Liabilities and equity			
Derivative financial liabilities	–	118,085	118,085
Reserves	2,308,397	(87,270)	2,221,127
Income Statement for the financial period ended 31 December 2006			
Interest Income	2,436,266	(62,290)	2,373,976
Other Operating Income	224,740	(109,790)	114,950
Other Operating expenses	(504,983)	78,809	(426,174)
Taxation	(91,858)	25,182	(66,676)
Profit after taxation from continued operation	109,114	(68,089)	41,025