

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 2008 to
30 June 2008
(In Ringgit Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 30 JUNE 2008

	Note	The Group		The Bank	
		30 June 2008 RM'000	31 March 2008 RM'000	30 June 2008 RM'000	31 March 2008 RM'000
ASSETS					
Cash and short-term funds		12,202,502	8,933,353	9,735,942	7,411,342
Securities purchased under resale agreement		12,732	–	12,732	–
Deposits and placements with banks and other financial institutions		755,425	1,968,500	664,019	1,977,093
Securities held-for-trading	A8	1,517,694	1,771,247	1,181,878	1,671,478
Securities available-for-sale	A9	5,000,228	119,413	4,999,311	119,413
Securities held-to-maturity	A10	1,087,520	656,680	1,045,425	656,462
Derivative financial assets		548,300	71,663	548,300	71,663
Loans, advances and financing	A11	52,484,564	47,949,516	43,938,301	39,948,718
Other assets		1,139,891	863,115	1,017,625	751,059
Statutory deposit with Bank Negara Malaysia		1,981,305	1,526,507	1,737,405	1,269,307
Deferred tax assets		545,066	629,628	391,872	468,529
Investment in subsidiary companies		–	–	839,869	813,849
Investment in associated companies		791	740	137	137
Prepaid land lease payments		4,379	4,404	3,173	3,193
Property and equipment		159,380	168,764	133,526	143,292
Intangible assets		66,208	61,484	65,631	60,876
TOTAL ASSETS		77,505,985	64,725,014	66,315,146	55,366,411

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 2008.

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 30 JUNE 2008

	Note	The Group		The Bank	
		30 June 2008 RM'000	31 March 2008 RM'000	30 June 2008 RM'000	31 March 2008 RM'000
LIABILITIES AND EQUITY					
Deposits from customers	A12	47,124,755	41,535,545	40,398,203	36,106,940
Deposits and placements of banks and other financial institutions	A13	18,122,643	12,316,385	15,261,950	9,816,197
Derivative financial liabilities		553,123	85,659	553,123	85,659
Bills and acceptances payable		2,067,577	1,909,243	1,394,113	1,361,896
Recourse obligation on loans sold to Cagamas Berhad		141,801	208,839	141,801	208,839
Other liabilities		1,607,214	1,451,003	1,507,829	1,318,114
Subordinated term loans		460,000	460,000	1,130,812	1,149,469
Hybrid securities		670,812	689,469	–	–
Medium term notes		1,460,000	860,000	1,460,000	860,000
Subordinated bonds		400,000	600,000	–	200,000
Exchangeable bonds		575,000	575,000	575,000	575,000
Irredeemable Convertible Unsecured Loan Stocks		–	131,604	–	131,604
Irredeemable Non-Cumulative Convertible Preference shares		150,000	150,000	150,000	150,000
Term loan		277,610	–	277,610	–
Total Liabilities		73,610,535	60,972,747	62,850,441	51,963,718
Share capital		670,364	610,364	670,364	610,364
Reserves		3,225,048	3,141,862	2,794,341	2,792,329
Shareholder's Equity		3,895,412	3,752,226	3,464,705	3,402,693
Minority interests		38	41	–	–
Total Equity		3,895,450	3,752,267	3,464,705	3,402,693
TOTAL LIABILITIES AND EQUITY		77,505,985	64,725,014	66,315,146	55,366,411
COMMITMENTS AND CONTINGENCIES	A29	55,478,985	31,516,560	49,660,007	27,251,305
NET ASSETS PER SHARE (RM)		5.81	6.15	5.17	5.57

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 2008.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2008**

The Group	Note	Individual Quarter		Cumulative Quarter	
		30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
Revenue		1,235,428	1,090,329	1,235,428	1,090,329
Interest income	A14	926,723	775,525	926,723	775,525
Interest expense	A15	(511,808)	(445,687)	(511,808)	(445,687)
Net interest income		414,915	329,838	414,915	329,838
Net income from Islamic Banking business	A16	126,144	141,284	126,144	141,284
Other operating income	A17	92,154	105,761	92,154	105,761
Net income		633,213	576,883	633,213	576,883
Other operating expenses	A18	(236,443)	(189,594)	(236,443)	(189,594)
Operating profit		396,770	387,289	396,770	387,289
Allowance for losses on loans, advances and financing	A19	(44,458)	(182,136)	(44,458)	(182,136)
Provision for commitments and contingencies		(13,432)	–	(13,432)	–
Impairment loss	A20	(27,223)	(14,881)	(27,223)	(14,881)
Profit before share in results of associated company and taxation		311,657	190,272	311,657	190,272
Share in results of associated company		52	(15)	52	(15)
Profit before zakat and taxation		311,709	190,257	311,709	190,257
Zakat		98	–	98	–
Taxation	A21	(67,841)	(64,369)	(67,841)	(64,369)
Profit after zakat and taxation		243,966	125,888	243,966	125,888
Attributable to:					
Equity holder of the Bank		243,969	125,891	243,969	125,891
Minority interests		(3)	(3)	(3)	(3)
Profit after taxation		243,966	125,888	243,966	125,888
Earnings per share (sen)	A22				
Basic		36.50	19.80	36.50	19.80
Fully diluted		29.83	17.78	29.83	17.78

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 2008.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE PERIOD ENDED 31 JUNE 2008**

The Bank Legal Entity	Note	Individual Quarter		Cumulative Quarter	
		30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
Revenue		<u>967,173</u>	<u>881,114</u>	<u>967,173</u>	<u>881,114</u>
Interest income	A14	924,980	775,537	924,980	775,537
Interest expense	A15	<u>(510,879)</u>	<u>(445,841)</u>	<u>(510,879)</u>	<u>(445,841)</u>
Net interest income		414,101	329,696	414,101	329,696
Other operating income	A17	<u>42,193</u>	<u>105,577</u>	<u>42,193</u>	<u>105,577</u>
Net income		456,294	435,273	456,294	435,273
Other operating expenses	A18	<u>(180,528)</u>	<u>(143,085)</u>	<u>(180,528)</u>	<u>(143,085)</u>
Operating profit		275,766	292,188	275,766	292,188
Allowance for losses on loans, advances and financing	A19	(16,782)	(141,589)	(16,782)	(141,589)
Provision for commitments and contingencies		(330)	–	(330)	–
Impairment loss	A20	<u>(34,181)</u>	<u>(14,881)</u>	<u>(34,181)</u>	<u>(14,881)</u>
Profit before taxation		224,473	135,718	224,473	135,718
Taxation	A21	<u>(59,819)</u>	<u>(46,046)</u>	<u>(59,819)</u>	<u>(46,046)</u>
Profit after taxation		<u>164,654</u>	<u>89,672</u>	<u>164,654</u>	<u>89,672</u>
Earnings per share (sen)	A22				
Basic		24.67	14.13	24.67	14.13
Fully diluted		<u>20.16</u>	<u>12.69</u>	<u>20.16</u>	<u>12.69</u>

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2008

The Group	← Attributable to Equity Holder of the Bank →								Distributable		Total Equity RM'000
	Share Capital RM'000	ICULS (equity component) RM'000	Share Premium RM'000	Statutory Reserve RM'000	Merger Reserve RM'000	Capital Reserve RM'000	Available For-Sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	Non-distributable	Unappropriated Profits RM'000	
Balance as at 1 April 2007	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	–	–	–	–	–	–	(8,097)	–	–	–	(8,097)
Profit/(loss) for the year	–	–	–	–	–	–	–	–	466,145	(16)	466,129
Transfer to statutory reserve	–	–	–	137,676	–	–	–	–	(137,676)	–	–
Balance as at 31 March 2008	610,364	200,792	710,660	770,898	349,050	377,492	(2,090)	–	735,060	41	3,752,267
Balance as at 1 April 2008	610,364	200,792	710,660	770,898	349,050	377,492	(2,090)	–	735,060	41	3,752,267
Vested over arising from Business Transfer	–	–	–	–	–	–	24,153	8,402	–	–	32,555
Conversion of Irredeemable Convertible Unsecured Loan Stocks	60,000	(200,792)	232,184	–	–	–	–	–	–	–	91,392
Unrealised net loss on revaluation of securities available-for-sale	–	–	–	–	–	–	(218,187)	–	–	–	(218,187)
Exchange fluctuation adjustments	–	–	–	–	–	–	–	(6,543)	–	–	(6,543)
Profit/(loss) for the period	–	–	–	–	–	–	–	–	243,969	(3)	243,966
Balance as at 30 June 2008	670,364	–	942,844	770,898	349,050	377,492	(196,124)	1,859	979,029	38	3,895,450

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 2008.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2008**

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 2007	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	–	–	–	–	–	(8,097)	–	(8,097)
Profit for the year	–	–	–	–	–	–	378,507	378,507
Transfer to statutory reserve	–	–	–	94,627	–	–	(94,627)	–
Balance as at 31 March 2008	610,364	200,792	710,660	680,459	–	(2,090)	1,202,508	3,402,693
Balance as at 1 April 2008	610,364	200,792	710,660	680,459	–	(2,090)	1,202,508	3,402,693
Vested over arising from Business Transfer	–	–	–	–	–	24,153	–	24,153
Conversion of Irredeemable Convertible Unsecured Loan Stocks	60,000	(200,792)	232,184	–	–	–	–	91,392
Unrealised net loss on revaluation of securities available-for-sale	–	–	–	–	–	(218,187)	–	(218,187)
Profit for the period	–	–	–	–	–	–	164,654	164,654
Balance as at 30 June 2008	670,364	–	942,844	680,459	–	(196,124)	1,367,162	3,464,705

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 2008.

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2008

	The Group		The Bank	
	30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
Profit before zakat and taxation	311,709	190,257	224,473	135,718
Adjustments for non-cash items	<u>277,945</u>	<u>141,427</u>	<u>292,691</u>	<u>128,099</u>
Operating Profit Before Working Capital Changes	589,654	331,684	517,164	263,817
Changes in working capital:				
Net changes in operating assets	5,222,676	506,478	5,669,806	502,052
Net changes in operating liabilities	(306,976)	(2,646,535)	(960,390)	(2,858,778)
Tax (paid)/refund	<u>(22)</u>	<u>266</u>	<u>—</u>	<u>266</u>
Net Cash Generated From/(Used in) Operating Activities	5,505,332	(1,808,107)	5,226,580	(2,092,643)
Net Cash Generated From/(Used in) Investing Activities	(2,636,183)	299,744	(3,301,980)	299,860
Net Cash Generated From/(Used in) Financing Activities	<u>400,000</u>	<u>1,025,000</u>	<u>400,000</u>	<u>1,025,000</u>
Net Increase/(Decrease) In Cash And Cash Equivalents	3,269,149	(483,363)	2,324,600	(767,783)
Cash And Cash Equivalents At Beginning Of The Period	<u>8,933,353</u>	<u>9,982,586</u>	<u>7,411,342</u>	<u>8,129,295</u>
Cash And Cash Equivalents At End Of The Period	<u><u>12,202,502</u></u>	<u><u>9,499,223</u></u>	<u><u>9,735,942</u></u>	<u><u>7,361,512</u></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 2008.

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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 2008.

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 the following which are effective for the Group and the Bank's annual reporting date, 31 March 2009:

FRS 107 : Cash Flow Statements

FRS 112 : Income Taxes

FRS 118 : Revenue

FRS 119 : Employee Benefits

FRS 134 : Interim Financial Reporting

FRS 137 : Provisions, Contingent Liabilities and Contingent Assets

Amendment to FRS 121 : The Effects of Changes in Foreign Exchange Rates – Net Investment in a
Foreign Operation

IC Interpretation 8 : Scope of FRS 2 Share-based Payments

The adoption of the above did not result in significant changes in accounting policies of the Group and the Bank.

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

FRS 111 : Construction Contracts

FRS 120 : Accounting for Government Grants and Disclosure of Government Assistance

IC Interpretation 1 : Changes in Existing Decommissioning, Restoration and Similar Liabilities

IC Interpretation 2 : Members' Shares in Co-operative Entities and Similar Instruments

IC Interpretation 5 : Rights to Interests arising from Decommissioning, Restoration and Environmental
Rehabilitation Funds

IC Interpretation 6 : Liabilities arising from Participating In a Specific Market – Waste Electrical and
Electronic Equipment

IC Interpretation 7 : Applying the Restatement Approach to FRS 129 Financial Accounting in
Hyperinflationary Economies

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 Bank 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.

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

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

A2. Audit Qualification

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2008 was not qualified.

A3. Seasonality or Cyclicity of Operations

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

A4. Unusual Items

There were no unusual items during the current financial period.

A5. Use of Estimates

There was no material change in estimates of amounts reported in previous financial years that have a material effect on the financial period ended 30 June 2008.

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

a) Issuance of Sixth Tranche of RM600 million Medium Term Notes (MTN)

On 9 April 2008, the Bank issued the Sixth Tranche of MTN amounting to RM600 million which is for a tenor of 15 years Non-callable 10 years and bear interest at 6.25% per annum. The proceeds raised was utilized for the refinancing of existing subordinated debts and general working capital requirements. To date, the Bank had issued a total of RM1,460 million MTN under the RM2.0 billion nominal value MTN Programme.

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b) Repayment of RM200 million Subordinated Bonds

Pursuant to a Trust Deed dated 24 April 2003, the Bank had issued RM200 million Subordinated Bonds for a period of ten years maturing on 30 April 2013. On 30 April 2008, the Bank had early redeemed the RM200 million Subordinated Bonds with the approval of Bank Negara Malaysia.

c) Conversion of RM300 million Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

On 20 May 2008 the holding company, AMFB Holdings Berhad, exercised its conversion right to convert the entire RM300 million ICULS into 60,000,000 fully paid ordinary shares of RM1.00 each. The ICULS was converted 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.

With the conversion of ICULS, the issued and fully paid-up ordinary share capital of the Bank increased to 670,363,762 ordinary shares of RM1.00 each. The resultant share premium of RM232,183,993 arising from the conversion was credited to the Share Premium account.

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 30 June 2008 and no dividends were paid in the current financial period.

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A8. Securities Held-for-trading

	The Group		The Bank	
	30 June 2008 RM'000	31 March 2008 RM'000	30 June 2008 RM'000	31 March 2008 RM'000
At fair value				
Money Market Securities:				
Treasury bills	12,660	–	12,660	–
Islamic Treasury bills	–	34,544	–	–
Malaysian Government Securities	143,208	20,216	143,208	20,216
Malaysian Government Investment Certificates	51,633	43,612	17,258	8,391
Cagamas bonds	28,609	25,057	25,002	25,057
Cagamas Mudharabah Bearer Bonds	–	35,076	–	35,076
Khazanah bonds	7,697	–	–	–
Negotiable Islamic debt certificate	47,090	–	–	–
Negotiable instruments of deposit Bank Negara Malaysia Monetary Notes	14,757	979	14,757	979
	<u>44,412</u>	<u>–</u>	<u>44,412</u>	<u>–</u>
	<u>350,066</u>	<u>159,484</u>	<u>257,297</u>	<u>89,719</u>
Quoted Securities:				
Shares in Malaysia	166,925	14,845	166,865	14,775
	<u>166,925</u>	<u>14,845</u>	<u>166,865</u>	<u>14,775</u>
Unquoted Securities:				
Private debt securities	1,000,703	1,419,156	757,716	1,389,222
Guaranteed private debt securities	–	177,762	–	177,762
	<u>1,000,703</u>	<u>1,596,918</u>	<u>757,716</u>	<u>1,566,984</u>
Total securities held-for-trading	<u>1,517,694</u>	<u>1,771,247</u>	<u>1,181,878</u>	<u>1,671,478</u>

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A9. Securities Available-for-sale

	The Group		The Bank	
	30 June 2008 RM'000	31 March 2008 RM'000	30 June 2008 RM'000	31 March 2008 RM'000
At fair value				
Money Market Securities:				
Islamic Khazanah bonds	43,037	–	43,037	–
Negotiable instruments of deposit	582,778	–	582,778	–
Quoted Securities In Malaysia:				
Shares	28,290	17,689	28,290	17,689
Shares with options and/or collateral	13,507	6,014	13,507	6,014
Quoted Securities Outside Malaysia:				
Shares	–	78	–	78
Unquoted Securities Outside Malaysia:				
Debt securities	917	–	–	–
Unquoted Securities In Malaysia:				
Private debt securities	3,970,840	–	3,970,840	–
Guaranteed private debt securities	360,859	95,632	360,859	95,632
Total securities available-for-sale	<u>5,000,228</u>	<u>119,413</u>	<u>4,999,311</u>	<u>119,413</u>

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A10. Securities Held-to-maturity

	The Group		The Bank	
	30 June 2008 RM'000	31 March 2008 RM'000	30 June 2008 RM'000	31 March 2008 RM'000
At amortised cost				
Quoted Securities In Malaysia:				
Shares	137	218	40	121
Debt securities	34,541	–	1,881	–
Debt securities with options and/or collateral	181,090	137,607	180,119	137,607
Warrants	–	15	–	15
	<u>215,768</u>	<u>137,840</u>	<u>182,040</u>	<u>137,743</u>
Unquoted Securities In Malaysia:				
Shares	91,823	84,588	89,727	84,171
Debt securities	357,482	147,945	337,182	147,945
Debt securities with options and/or collateral	886,415	631,444	886,415	631,444
	<u>1,335,720</u>	<u>863,977</u>	<u>1,313,324</u>	<u>863,560</u>
Unquoted Securities Outside Malaysia:				
Shares	18	18	18	18
	<u>18</u>	<u>18</u>	<u>18</u>	<u>18</u>
Total	1,551,506	1,001,835	1,495,382	1,001,321
Less: Accumulated impairment losses	(463,986)	(345,155)	(449,957)	(344,859)
Total securities held-to-maturity	<u>1,087,520</u>	<u>656,680</u>	<u>1,045,425</u>	<u>656,462</u>

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A11. Loans, Advances and Financing

	The Group		The Bank	
	30 June 2008 RM'000	31 March 2008 RM'000	30 June 2008 RM'000	31 March 2008 RM'000
Overdrafts	1,579,296	1,632,538	1,453,674	1,491,602
Term loan facilities				
– Housing loans/financing	11,382,971	11,314,355	10,585,771	10,502,152
– Hire-purchase receivables	30,129,265	29,984,270	22,447,556	22,283,759
– Other loans/financing	12,423,161	9,064,970	8,746,015	5,779,282
Credit card receivables	1,760,597	1,806,526	1,494,996	1,538,473
Bills receivables	44,248	33,524	42,971	29,762
Trust receipts	371,485	325,968	322,638	279,895
Claims on customers under acceptance credits	2,423,427	2,301,379	1,635,657	1,615,003
Revolving credits	2,873,077	1,739,800	2,681,789	1,617,334
Staff loans	154,922	155,954	154,358	155,954
Total	63,142,449	58,359,284	49,565,425	45,293,216
Unearned interest and unearned income	(6,566,161)	(6,482,805)	(3,676,078)	(3,658,470)
	56,576,288	51,876,479	45,889,347	41,634,746
Less: Islamic financing sold to Cagamas Berhad	(1,823,603)	(1,956,022)	–	–
Gross loans, advances and financing	54,752,685	49,920,457	45,889,347	41,634,746
Allowance for bad and doubtful debts and financing:				
–General	(844,027)	(775,232)	(682,917)	(620,566)
–Specific	(1,424,094)	(1,195,709)	(1,268,129)	(1,065,462)
Net loans, advances and financing	52,484,564	47,949,516	43,938,301	39,948,718

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

	The Group		The Bank	
	30 June 2008 RM'000	31 March 2008 RM'000	30 June 2008 RM'000	31 March 2008 RM'000
Domestic banking institutions	377	131	377	131
Domestic non-bank financial institutions	854,330	784,398	843,604	783,737
Domestic business enterprises				
– Small medium enterprises	5,906,094	5,251,998	5,068,880	4,544,974
– Others	11,040,601	7,433,010	9,783,079	6,444,277
Government and statutory bodies	86,873	70,011	86,737	48,700
Individuals	36,767,972	36,296,622	30,031,228	29,735,419
Other domestic entities	30,634	32,566	27,611	29,384
Foreign entities	65,804	51,721	47,831	48,124
	<u>54,752,685</u>	<u>49,920,457</u>	<u>45,889,347</u>	<u>41,634,746</u>
Gross loans, advances and financing				

A11b. By interest/profit rate sensitivity

	The Group		The Bank	
	30 June 2008 RM'000	31 March 2008 RM'000	30 June 2008 RM'000	31 March 2008 RM'000
Fixed rate				
– Housing loans/financing	2,253,716	2,342,552	1,839,785	1,923,634
– Hire purchase receivables	23,373,455	23,104,400	18,797,567	18,648,791
– Other fixed rate loan/financing	7,743,338	7,546,616	4,036,569	4,182,191
Variable rate				
– Base lending rate plus	14,851,642	14,688,695	14,851,642	14,687,528
– Cost plus	6,151,891	1,870,813	6,001,272	1,825,221
– Other variable rates	378,643	367,381	362,512	367,381
	<u>54,752,685</u>	<u>49,920,457</u>	<u>45,889,347</u>	<u>41,634,746</u>
Gross loans, advances and financing				

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

	The Group		The Bank	
	30 June 2008 RM'000	31 March 2008 RM'000	30 June 2008 RM'000	31 March 2008 RM'000
Purchase of securities	1,407,982	640,419	1,399,437	631,003
Purchase of transport vehicles	24,221,894	24,124,934	17,872,865	17,756,772
Purchase of landed property				
– Residential	11,056,383	10,949,947	10,642,343	10,529,842
– Non-residential	2,544,653	2,147,120	2,343,672	2,005,570
Purchase of fixed assets other than land and building	1,807,250	1,310,734	1,672,893	1,184,457
Personal use	2,142,972	2,031,712	363,414	329,609
Credit card	1,731,805	1,777,686	1,466,772	1,509,949
Purchase of consumer durables	3,756	3,892	2,570	2,708
Construction	908,705	296,127	876,340	288,034
Mergers and acquisitions	287,994	–	287,994	–
Working capital	8,888,396	7,467,731	7,631,039	6,394,005
Other purpose	1,574,498	1,126,177	1,330,008	1,002,797
	<u>56,576,288</u>	<u>51,876,479</u>	<u>45,889,347</u>	<u>41,634,746</u>
Less: Islamic financing sold to Cagamas Berhad	<u>(1,823,603)</u>	<u>(1,956,022)</u>	<u>–</u>	<u>–</u>
Gross loans, advances and financing	<u>54,752,685</u>	<u>49,920,457</u>	<u>45,889,347</u>	<u>41,634,746</u>

A11d. Non-performing loans by purpose

	The Group		The Bank	
	30 June 2008 RM'000	31 March 2008 RM'000	30 June 2008 RM'000	31 March 2008 RM'000
Purchase of securities	90,898	97,862	90,132	96,949
Purchase of transport vehicles	422,543	428,615	300,513	303,707
Purchase of landed property				
– Residential	995,141	962,785	918,325	881,418
– Non-residential	328,387	329,368	302,101	304,145
Purchase of fixed assets other than land and building	39,618	44,119	32,699	36,916
Personal use	26,921	30,856	26,425	30,404
Credit card	62,881	66,011	52,002	55,432
Purchase of consumer durables	586	485	560	485
Construction	186,815	93,553	165,494	91,049
Working capital	865,436	803,083	840,136	778,236
Other purpose	151,202	150,103	141,877	145,967
	<u>3,170,428</u>	<u>3,006,840</u>	<u>2,870,264</u>	<u>2,724,708</u>

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A11. Loans, Advances and Financing (continued)

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

	The Group		The Bank	
	30 June 2008 RM'000	31 March 2008 RM'000	30 June 2008 RM'000	31 March 2008 RM'000
Gross				
Balance at 1 April	3,006,840	4,831,799	2,724,708	4,352,252
Non-performing during the period/year	489,169	1,233,176	407,463	1,027,145
Reclassification to performing loans, advances and financing	(418,577)	(735,886)	(369,000)	(632,369)
Amount recovered	(96,819)	(447,444)	(84,619)	(376,952)
Debt equity conversion	–	(53,918)	–	(53,918)
Amount written off	(96,029)	(1,273,028)	(70,942)	(1,043,591)
Sale of non-performing loans	–	(547,859)	–	(547,859)
Amount vested from related company	285,844	–	262,654	–
Balance at end of period/year	3,170,428	3,006,840	2,870,264	2,724,708
Less: Specific allowance	(1,424,094)	(1,195,709)	(1,268,129)	(1,065,462)
Non-performing loans, advances and financing - net	<u>1,746,334</u>	<u>1,811,131</u>	<u>1,602,135</u>	<u>1,659,246</u>
Gross loans, advances and financing	54,752,685	49,920,457	45,889,347	41,634,746
Add: Islamic financing sold to Cagamas Berhad	<u>1,823,603</u>	<u>1,956,022</u>	–	–
Balance as the end of period/year	56,576,288	51,876,479	45,889,347	41,634,746
Less: Specific allowance	(1,424,094)	(1,195,709)	(1,268,129)	(1,065,462)
Loans, advances and financing (including Islamic financing sold to Cagamas Berhad)	<u>55,152,194</u>	<u>50,680,770</u>	<u>44,621,218</u>	<u>40,569,284</u>
Ratio of net non-performing loans, advances and financing to total loans, advances and financing (including Islamic financing sold to Cagamas Berhad) - net	<u>3.17%</u>	<u>3.57%</u>	<u>3.59%</u>	<u>4.09%</u>

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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	
	30 June 2008 RM'000	31 March 2008 RM'000	30 June 2008 RM'000	31 March 2008 RM'000
General Allowance				
Balance at 1 April	775,232	713,761	620,566	574,763
Allowance made during the period/year	7,172	61,471	1,515	45,803
Amount vested from related company	61,614	–	60,836	–
Exchange fluctuation adjustments	9	–	–	–
Balance at end of period/year	<u>844,027</u>	<u>775,232</u>	<u>682,917</u>	<u>620,566</u>
% of total loans less specific allowance	<u>1.53%</u>	<u>1.53%</u>	<u>1.53%</u>	<u>1.53%</u>
Specific Allowance				
Balance at 1 April	<u>1,195,709</u>	<u>1,940,783</u>	<u>1,065,462</u>	<u>1,710,622</u>
Allowance made during the period/year	286,195	1,141,932	245,286	924,306
Amount written back in respect of recoveries during the period/year	<u>(100,593)</u>	<u>(394,681)</u>	<u>(87,586)</u>	<u>(316,167)</u>
Net charge to income statements	185,602	747,251	157,700	608,139
Debt equity conversion	–	(8,144)	–	(8,144)
Amount written off/ Adjustment to Asset Deficiency Account	(110,428)	(1,264,349)	(85,054)	(1,025,323)
Amount vested from related company	153,211	–	130,021	–
Sale of non-performing loans	–	(219,832)	–	(219,832)
Balance at end of period/year	<u>1,424,094</u>	<u>1,195,709</u>	<u>1,268,129</u>	<u>1,065,462</u>

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A12. Deposits from Customers

	The Group		The Bank	
	30 June 2008 RM'000	31 March 2008 RM'000	30 June 2008 RM'000	31 March 2008 RM'000
Demand deposits	2,978,764	2,908,460	2,424,137	2,387,896
Savings deposits	3,355,751	3,340,718	2,532,520	2,539,686
Other deposits	5,044,355	3,001,589	5,044,355	3,001,589
Fixed/Investment deposits	35,729,308	32,268,126	30,386,996	28,167,666
Negotiable certificates of deposits	16,577	16,652	10,195	10,103
	<u>47,124,755</u>	<u>41,535,545</u>	<u>40,398,203</u>	<u>36,106,940</u>
<u>By type of customers</u>				
Individuals	24,057,922	23,607,619	22,387,771	21,985,243
Business enterprises	16,074,501	11,992,998	12,871,792	9,798,044
Government and other statutory bodies	6,199,004	5,156,825	4,579,470	3,767,035
Others	793,328	778,103	559,170	556,618
	<u>47,124,755</u>	<u>41,535,545</u>	<u>40,398,203</u>	<u>36,106,940</u>

A13. Deposits and Placements of Banks and Other Financial Institutions

	The Group		The Bank	
	30 June 2008 RM'000	31 March 2008 RM'000	30 June 2008 RM'000	31 March 2008 RM'000
Licensed banks	2,950,830	1,643,491	2,330,290	1,151,635
Licensed merchant banks	3,310,952	2,751,043	2,709,278	2,057,164
Non-banking institutions	9,317,935	6,535,453	7,681,732	5,223,423
Bank Negara Malaysia ("BNM")	2,542,926	1,386,398	2,540,650	1,383,975
	<u>18,122,643</u>	<u>12,316,385</u>	<u>15,261,950</u>	<u>9,816,197</u>

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A14. Interest Income

	Individual Quarter		Cumulative Quarter	
	30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
<u>The Group</u>				
Loans and advances				
– Interest income other than recoveries from NPLs	716,368	620,069	716,368	620,069
– Recoveries from NPLs	62,616	64,969	62,616	64,969
Money at call, deposits and placements with financial institutions	77,480	93,146	77,480	93,146
Securities held-for-trading	22,712	9,572	22,712	9,572
Securities available-for-sale	51,031	2,647	51,031	2,647
Securities held-to-maturity	16,083	7,448	16,083	7,448
Others	16	–	16	–
	<u>946,306</u>	<u>797,851</u>	<u>946,306</u>	<u>797,851</u>
Interest suspended	(21,803)	(23,483)	(21,803)	(23,483)
Amortisation of premiums less accretion of discounts	<u>2,220</u>	<u>1,157</u>	<u>2,220</u>	<u>1,157</u>
	<u><u>926,723</u></u>	<u><u>775,525</u></u>	<u><u>926,723</u></u>	<u><u>775,525</u></u>
<u>The Bank</u>				
Loans and advances				
– Interest income other than recoveries from NPLs	715,994	620,069	715,994	620,069
– Recoveries from NPLs	62,616	64,969	62,616	64,969
Money at call, deposits and placements with financial institutions	76,116	93,158	76,116	93,158
Securities held-for-trading	22,723	9,572	22,723	9,572
Securities available-for-sale	51,031	2,647	51,031	2,647
Securities held-to-maturity	16,083	7,448	16,083	7,448
	<u>944,563</u>	<u>797,863</u>	<u>944,563</u>	<u>797,863</u>
Interest suspended	(21,803)	(23,483)	(21,803)	(23,483)
Amortisation of premiums less accretion of discounts	<u>2,220</u>	<u>1,157</u>	<u>2,220</u>	<u>1,157</u>
	<u><u>924,980</u></u>	<u><u>775,537</u></u>	<u><u>924,980</u></u>	<u><u>775,537</u></u>

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A15. Interest Expense

	Individual Quarter		Cumulative Quarter	
	30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
<u>The Group</u>				
Deposits from customers	329,094	275,145	329,094	275,145
Deposits and placements of banks and other financial institutions	115,479	114,824	115,479	114,824
Recourse obligation of loans sold to Cagamas Berhad	1,659	6,000	1,659	6,000
Subordinated term loans	7,885	7,885	7,885	7,885
Subordinated bonds	1,307	3,964	1,307	3,964
Hybrid securities	10,877	11,595	10,877	11,595
Medium term notes	19,789	–	19,789	–
Exchangeable bonds	7,483	3,618	7,483	3,618
Irredeemable Convertible Unsecured Loan Stocks	995	929	995	929
Others	17,240	21,727	17,240	21,727
	<u>511,808</u>	<u>445,687</u>	<u>511,808</u>	<u>445,687</u>
<u>The Bank</u>				
Deposits from customers	327,880	275,145	327,880	275,145
Deposits and placements of banks and other financial institutions	115,733	114,824	115,733	114,824
Recourse obligation of loans sold to Cagamas Berhad	1,659	6,000	1,659	6,000
Subordinated term loans	18,709	19,480	18,709	19,480
Subordinated bonds	1,307	3,964	1,307	3,964
Medium term notes	19,789	–	19,789	–
Exchangeable bonds	7,483	3,618	7,483	3,618
Irredeemable Convertible Unsecured Loan Stocks	995	929	995	929
Others	17,324	21,881	17,324	21,881
	<u>510,879</u>	<u>445,841</u>	<u>510,879</u>	<u>445,841</u>

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A16. Net Income from Islamic Banking Business

	Individual Quarter		Cumulative Quarter	
	30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
<u>The Group</u>				
Income derived from investment of depositors' funds and others	181,345	171,688	181,345	171,688
Income derived from investment of shareholders' funds	35,207	37,355	35,207	37,355
Transfer from profit equalisation reserve	6,065	25,883	6,065	25,883
Income attributable to the depositors	(91,686)	(87,530)	(91,686)	(87,530)
Finance cost	(4,787)	(6,112)	(4,787)	(6,112)
	<u>126,144</u>	<u>141,284</u>	<u>126,144</u>	<u>141,284</u>

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A17. Other Operating Income

	Individual Quarter		Cumulative Quarter	
	30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
The Group				
(a) Fee Income:				
Commissions	13,994	10,076	13,994	10,076
Guarantee fees	6,196	2,487	6,196	2,487
Other fee income	35,319	28,875	35,319	28,875
	<u>55,509</u>	<u>41,438</u>	<u>55,509</u>	<u>41,438</u>
(b) Investment income:				
Net gain/(loss) on sale of:				
Securities held-for-trading	(39,931)	13,525	(39,931)	13,525
Securities available-for-sale	10,476	20,701	10,476	20,701
Securities held-to-maturity	14,660	2,978	14,660	2,978
Net gain/(loss) on revaluation of securities held-for-trading	(43,807)	3,843	(43,807)	3,843
Net gain on revaluation of derivatives	44,669	15,891	44,669	15,891
Gross dividend income from:				
Securities held-for-trading	2,018	1,415	2,018	1,415
Securities held-to-maturity	1,797	2,321	1,797	2,321
	<u>(10,118)</u>	<u>60,674</u>	<u>(10,118)</u>	<u>60,674</u>
(c) Other Income:				
Rental income	929	794	929	794
Gain on disposal of property and equipment	408	7	408	7
Foreign exchange gain/(loss)	(3,524)	2,848	(3,524)	2,848
Other operating income	435	–	435	–
Negative goodwill on acquisition of subsidiary company	48,515	–	48,515	–
	<u>46,763</u>	<u>3,649</u>	<u>46,763</u>	<u>3,649</u>
	<u>92,154</u>	<u>105,761</u>	<u>92,154</u>	<u>105,761</u>

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A17. Other Operating Income (continued)

	Individual Quarter		Cumulative Quarter	
	30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
The Bank				
(a) Fee Income:				
Commissions	13,994	10,076	13,994	10,076
Guarantee fees	5,441	2,487	5,441	2,487
Other fee income	35,220	28,801	35,220	28,801
	<u>54,655</u>	<u>41,364</u>	<u>54,655</u>	<u>41,364</u>
(b) Investment income:				
Net gain/(loss) on sale of:				
Securities held-for-trading	(39,931)	13,525	(39,931)	13,525
Securities available-for-sale	10,476	20,701	10,476	20,701
Securities held-to-maturity	14,660	2,978	14,660	2,978
Net gain/(loss) on revaluation of securities held-for-trading	(43,807)	3,843	(43,807)	3,843
Net gain on revaluation of derivatives	44,669	15,891	44,669	15,891
Gross dividend income from:				
Securities held-for-trading	2,018	1,415	2,018	1,415
Securities held-to-maturity	1,797	2,321	1,797	2,321
	<u>(10,118)</u>	<u>60,674</u>	<u>(10,118)</u>	<u>60,674</u>
(c) Other Income:				
Rental income	710	679	710	679
Gain on disposal of property and equipment	408	2	408	2
Foreign exchange gain/(loss)	(3,462)	2,858	(3,462)	2,858
	<u>(2,344)</u>	<u>3,539</u>	<u>(2,344)</u>	<u>3,539</u>
	<u>42,193</u>	<u>105,577</u>	<u>42,193</u>	<u>105,577</u>

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A18. Other Operating Expenses

	Individual Quarter		Cumulative Quarter	
	30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
<u>The Group</u>				
Personnel costs				
– Salaries, allowances and bonuses	115,144	96,694	115,144	96,694
– Others	5,629	5,528	5,629	5,528
Establishment costs				
– Depreciation	9,456	9,971	9,456	9,971
– Rental	12,299	11,364	12,299	11,364
– Cleaning, maintenance and security	4,393	4,209	4,393	4,209
– Computerisation cost	13,927	7,174	13,927	7,174
– Amortisation of intangible assets	5,656	4,641	5,656	4,641
– Amortisation of prepaid land lease payments	25	22	25	22
– Others	4,705	4,602	4,705	4,602
Marketing and communication expenses				
– Commission	2,376	1,546	2,376	1,546
– Advertising and marketing	13,014	11,541	13,014	11,541
– Communication	10,703	12,168	10,703	12,168
– Others	1,650	1,793	1,650	1,793
Administration and general expenses				
– Professional services	16,590	11,389	16,590	11,389
– Shared service cost charged	16,176	2,854	16,176	2,854
– Others	4,700	4,098	4,700	4,098
	<u>236,443</u>	<u>189,594</u>	<u>236,443</u>	<u>189,594</u>
<u>The Bank</u>				
Personnel costs				
– Salaries, allowances and bonuses	113,078	95,443	113,078	95,443
– Others	5,427	5,429	5,427	5,429
Establishment costs				
– Depreciation	9,299	9,831	9,299	9,831
– Rental	12,521	11,678	12,521	11,678
– Cleaning, maintenance and security	4,269	4,093	4,269	4,093
– Computerisation cost	13,029	7,077	13,029	7,077
– Amortisation of intangible assets	5,620	4,637	5,620	4,637
– Amortisation of prepaid land lease payments	20	22	20	22
– Others	4,458	4,484	4,458	4,484
Marketing and communication expenses				
– Commission	2,376	1,546	2,376	1,546
– Advertising and marketing	11,882	10,123	11,882	10,123
– Communication	10,081	11,490	10,081	11,490
– Others	1,609	1,787	1,609	1,787
Administration and general expenses				
– Professional services	15,825	10,770	15,825	10,770
– Shared service cost charged	15,967	2,845	15,967	2,845
– Shared service cost recoveries (Subsidiary)	(49,486)	(42,291)	(49,486)	(42,291)
– Others	4,553	4,121	4,553	4,121
	<u>180,528</u>	<u>143,085</u>	<u>180,528</u>	<u>143,085</u>

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A19. Allowance for Losses on Loans, Advances and Financing

	Individual Quarter		Cumulative Quarter	
	30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
<u>The Group</u>				
Allowance for bad and doubtful debts and financing:				
Specific allowance (net)				
– made in the financial period	286,195	340,431	286,195	340,431
– written back	(100,593)	(91,929)	(100,593)	(91,929)
General allowance	7,172	4,636	7,172	4,636
Bad debts and financing recovered - net	(148,316)	(70,393)	(148,316)	(70,393)
Amount recovered from Danaharta	–	(609)	–	(609)
	<u>44,458</u>	<u>182,136</u>	<u>44,458</u>	<u>182,136</u>
<u>The Bank</u>				
Allowance for bad and doubtful debts and financing:				
Specific allowance (net)				
– made in the financial period	245,286	273,666	245,286	273,666
– written back	(87,586)	(69,599)	(87,586)	(69,599)
General allowance	1,515	5,760	1,515	5,760
Bad debts and financing recovered - net	(142,433)	(67,629)	(142,433)	(67,629)
Amount recovered from Danaharta	–	(609)	–	(609)
	<u>16,782</u>	<u>141,589</u>	<u>16,782</u>	<u>141,589</u>

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A20. Impairment loss

	Individual Quarter		Cumulative Quarter	
	30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
<u>The Group</u>				
Securities	(26,397)	(7,784)	(26,397)	(7,784)
Impairment on amount recoverable under asset-backed securitisation transaction	–	(7,000)	–	(7,000)
Sundry receivables	(826)	(97)	(826)	(97)
	<u>(27,223)</u>	<u>(14,881)</u>	<u>(27,223)</u>	<u>(14,881)</u>
<u>The Bank</u>				
Securities	(26,397)	(7,784)	(26,397)	(7,784)
Impairment on subsidiary company Impairment on amount recoverable under asset-backed securitisation transaction	(7,000)	–	(7,000)	–
Sundry receivables	–	(7,000)	–	(7,000)
	<u>(784)</u>	<u>(97)</u>	<u>(784)</u>	<u>(97)</u>
	<u>(34,181)</u>	<u>(14,881)</u>	<u>(34,181)</u>	<u>(14,881)</u>

A21. Taxation

	Individual Quarter		Cumulative Quarter	
	30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
<u>The Group</u>				
Estimated current tax payable	22	63	22	63
Net transfer from deferred taxation	67,819	64,580	67,819	64,580
	<u>67,841</u>	<u>64,643</u>	<u>67,841</u>	<u>64,643</u>
Tax recovered in respect of prior year	–	(266)	–	(266)
Overprovision in prior years	–	(8)	–	(8)
	<u>67,841</u>	<u>64,369</u>	<u>67,841</u>	<u>64,369</u>
<u>The Bank</u>				
Taxation on profit from continuing operations				
Net transfer from deferred taxation	59,819	46,312	59,819	46,312
Tax recovered in respect of prior year	–	(266)	–	(266)
	<u>59,819</u>	<u>46,046</u>	<u>59,819</u>	<u>46,046</u>

The total tax charge of the Group and the Bank for the period ended 30 June 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 and disallowances of certain expenses.

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A22. Earnings Per Share (EPS)**(a) Basic**

	Individual Quarter		Cumulative Quarter	
	30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
<u>The Group</u>				
Net profit attributable to shareholder of the Bank	243,969	125,891	243,969	125,891
Effect of savings on interest on ICULS (net of tax)	736	688	736	688
	<u>244,705</u>	<u>126,579</u>	<u>244,705</u>	<u>126,579</u>
	'000	'000	'000	'000
Number of ordinary shares at beginning of year	610,364	610,364	610,364	610,364
Effect of the conversion of ICULS	60,000	29,011	60,000	29,011
Weighted average number of ordinary shares in issue	<u>670,364</u>	<u>639,375</u>	<u>670,364</u>	<u>639,375</u>
Basic earnings per share (sen)	<u>36.50</u>	<u>19.80</u>	<u>36.50</u>	<u>19.80</u>
	RM'000	RM'000	RM'000	RM'000
<u>The Bank</u>				
Net profit attributable to shareholder of the Bank	164,654	89,672	164,654	89,672
Effect of savings on interest on ICULS (net of tax)	736	688	736	688
	<u>165,390</u>	<u>90,360</u>	<u>165,390</u>	<u>90,360</u>
	'000	'000	'000	'000
Number of ordinary shares at beginning of year	610,364	610,364	610,364	610,364
Effect of the conversion of ICULS	60,000	29,011	60,000	29,011
Weighted average number of ordinary shares in issue	<u>670,364</u>	<u>639,375</u>	<u>670,364</u>	<u>639,375</u>
Basic earnings per share (sen)	<u>24.67</u>	<u>14.13</u>	<u>24.67</u>	<u>14.13</u>

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(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 period.

The Bank has one category of dilutive potential ordinary shares:

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

	Individual Quarter		Cumulative Quarter	
	30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
The Group				
Net profit attributable to shareholder of the Bank (as in (a) above)	244,705	126,579	244,705	126,579
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue (as in (a) above)	670,364	639,375	670,364	639,375
Adjusted for the effect of the INCPS	150,000	72,527	150,000	72,527
Adjusted weighted average number of ordinary shares in issue	820,364	711,902	820,364	711,902
Fully diluted earnings per share (sen)	29.83	17.78	29.83	17.78
	RM'000	RM'000	RM'000	RM'000
The Bank				
Net profit attributable to shareholder of the Bank (as in (a) above)	165,390	90,360	165,390	90,360
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue (as in (a) above)	670,364	639,375	670,364	639,375
Adjusted for the effect of the INCPS	150,000	72,527	150,000	72,527
Weighted average number of ordinary shares in issue	820,364	711,902	820,364	711,902
Fully diluted earnings per share (sen)	20.16	12.69	20.16	12.69

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A23a. Performance Review for the period ended 30 June 2008

The Group registered a profit before zakat and taxation of RM311.7 million, representing a 63% increase over the profit before zakat and taxation of RM190.3 million in the corresponding period last year.

The significant increase in pre-tax profit was attributable to increase in net interest income arising from loan growth, fund based activities vested from AmInvestment Bank Berhad (AmInvestment) and a 75% reduction in loan loss provision due to intensive recovery efforts.

The performance for the quarter was however impacted by rising interest rates. Accordingly, the Group incurred loss on disposal and revaluation loss on securities held for trading amounting to RM83.7 million. Operating expenses increased by 25% principally due to the growing scale of business operations including the fund based activities vested during the quarter. The vesting exercise resulted in a RM48.5 million negative goodwill on acquisition of a subsidiary company, AmInternational (L) Ltd (AMIL) and is reflected under operating income.

Net non-performing loans continue to improve to 3.17% from 3.57% in March 2008 and the risk weighted capital ratio of the Bank remains strong at 11.48% as at 30 June 2008.

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.

A23b. Prospects for 31 March 2009

Macroeconomic conditions are uncertain, with US economic downturn spiralling potential global recessionary impact in most economies worldwide. Nevertheless, strong commodity prices, domestic demand and more diversified export markets and products, will continue to benefit Malaysia, and the economy is expected to expand by 4% to 5% in 2008. The banking sector expects moderating demand for financing, by both households and businesses, particularly with the implementation of the Ninth Malaysia Plan ("9MP").

The equity markets will be impacted by the broad trends affecting most regional markets, nevertheless the debt markets are expected to remain robust in view of the strong domestic liquidity. Active promotion of Islamic financing by the Malaysian government and growing demand for Syariah compliant securities from local and international investors provide an impetus for the issuance of capital market securities.

The Group is well positioned to weather global and regional volatilities. Steps have been taken to strengthen its balance sheet and capital position, laying the foundation for assets growth initiatives moving forward. Building on its well-known brand and solid customer franchise, the Group will leverage growth opportunities and strongly compete with leading local, regional and international banks in its home market.

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A24. Segment Information on Operating Revenue, Profit Before Tax Expense and Assets**By Business Segments**

The Group 30 June 2008	Conventional Banking RM'000	Islamic Banking RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
<u>External revenue</u>					
Interest income	926,968	–	–	(245)	926,723
Fee income	55,456	–	53	–	55,509
Investment and other operating income	(12,306)	–	385	48,462	36,541
Income from Islamic Banking Financing income	–	215,358	–	–	215,358
Investment and Fees on financing	–	1,194	–	–	1,194
Others (Subsidiaries) – Rental	–	–	103	–	103
	<u>970,118</u>	<u>216,552</u>	<u>541</u>	<u>48,217</u>	<u>1,235,428</u>
<u>Inter-segment revenue</u>					
Interest Income	–	–	11,008	(11,008)	–
Others (Subsidiaries) – Rental	–	–	474	(474)	–
	<u>–</u>	<u>–</u>	<u>11,482</u>	<u>(11,482)</u>	<u>–</u>
Total revenue	<u>970,118</u>	<u>216,552</u>	<u>12,023</u>	<u>36,735</u>	<u>1,235,428</u>
Results					
Profit before share in results of associated company and taxation	225,275	30,251	625	55,506	311,657
Share in results of associated company	–	–	–	52	52
Profit before zakat and taxation	225,275	30,251	625	55,558	311,709
Zakat	–	98	–	–	98
Taxation	(59,824)	(8,000)	(17)	–	(67,841)
Profit after zakat and taxation	165,451	22,349	608	55,558	243,966
Total Assets	66,635,040	11,809,801	728,580	(1,667,436)	77,505,985

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A24. Segment Information on Operating Revenue, Profit Before Tax Expense and Assets (continued)

The Group 30 June 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	775,537	–	–	(12)	775,525
Fee income	41,364	–	74	–	41,438
Investment and other operating income	64,213	–	5	(10)	64,208
Income from Islamic Banking					
Financing income	–	199,705	–	–	199,705
Investment and Fees on financing	–	9,338	–	–	9,338
Others (Subsidiaries) – Rental	–	–	115	–	115
	<u>881,114</u>	<u>209,043</u>	<u>194</u>	<u>(22)</u>	<u>1,090,329</u>
<u>Inter-segment revenue</u>					
Interest income	–	–	11,737	(11,737)	–
Others (Subsidiaries) – Rental	–	–	474	(474)	–
	<u>–</u>	<u>–</u>	<u>12,211</u>	<u>(12,211)</u>	<u>–</u>
Total revenue	<u>881,114</u>	<u>209,043</u>	<u>12,405</u>	<u>(12,233)</u>	<u>1,090,329</u>
Results					
Profit before share in results of associated company and taxation	135,718	53,939	622	(7)	190,272
Share in results of associated company	–	–	–	(15)	(15)
Profit before zakat and taxation	135,718	53,939	622	(22)	190,257
Taxation	(46,046)	(18,268)	(55)	–	(64,369)
Profit after zakat and taxation	89,672	35,671	567	(22)	125,888
Total Assets	51,888,620	9,474,557	789,458	(1,578,387)	60,574,248

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.

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A25. Valuation of Property and Equipment

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

A26. 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.

A27. Significant Event

On 12 April 2008, the Group and the Bank completed the Business Transfer for a cash consideration of RM1.37 billion based on the book value of the assets and liabilities as at 11 April 2008 pursuant to the Business Transfer Agreement dated 11 March 2008 entered into with AmInvestment Bank Berhad. The amounts of assets and liabilities transferred by AmInvestment Bank Berhad are as follows:

	The Group* RM'000	The Bank RM'000
Assets		
Cash and short-term funds	2,105,829	1,659,609
Deposit and placements with banks and other financial institutions	521,540	521,540
Securities held-for-trading	4,349,470	4,006,728
Securities available-for-sale	1,132,260	1,132,260
Securities held-to-maturity	458,799	458,799
Derivative financial assets	278,964	278,964
Loans, advances and financing	4,092,282	4,020,873
Other assets	202,550	199,747
Statutory deposit with Bank Negara Malaysia	130,090	115,590
Deferred tax assets	15,439	15,344
Investment in subsidiary company	33,020	33,020
Total assets	13,320,243	12,442,474
Liabilities		
Deposits from customers	6,760,077	6,285,951
Deposits and placements of banks and other financial institutions	4,473,165	4,388,240
Derivative financial liabilities	317,266	317,266
Recourse obligation on loans sold to Cagamas Berhad	34,837	34,837
Other liabilities	72,277	68,413
Term loan	267,920	267,920
Total liabilities	11,925,542	11,362,627

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A27. Significant Event (continued)

	The Group* RM'000	The Bank RM'000
Reserves	24,153	24,153
Total liabilities and reserves	<u>11,949,695</u>	<u>11,386,780</u>
Commitments and contingencies	46,950,718	45,302,157
Purchase Consideration fully satisfied by cash	<u><u>1,370,548</u></u>	<u><u>1,055,694</u></u>

*The Group comprise the Bank and AmIslamic Bank Berhad.

The amounts of assets and liabilities relating to AMIL vested over to the Bank are as follows:

	RM'000
Assets	
Cash and short-term funds	535,393
Securities available-for-sale	897
Securities held-to-maturity	40,954
Loans, advances and financing	32,146
Other assets	1,294
Property and Equipment	510
Intangible assets	2
Total assets	<u>611,196</u>
Liabilities	
Deposits from customers	503,510
Deposits and placements of banks and other financial institutions	24,115
Other liabilities	2,036
Total liabilities	<u>529,661</u>
Carrying value of net assets vested over	81,535
Purchase consideration	<u>(33,020)</u>
Goodwill	<u><u>48,515</u></u>

A28. Changes in the composition of the Group

There were no significant changes in the composition of the Group for the financial period ended 30 June 2008.

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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 30 June 2008			As at 31 March 2008		
	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	1,799,187	1,799,187	1,595,964	1,082,167	1,082,167	986,483
Certain transaction- related contingent items	1,187,349	593,674	486,727	595,160	297,580	296,855
Short-term self-liquidating trade-related contingencies	804,033	160,807	104,746	584,432	116,886	113,419
Obligations under underwriting agreements	1,773,000	886,500	1,038,500	1,070,000	535,000	535,000
Unpaid portion of partly paid shares	250	250	250	250	250	250
Irrevocable commitments to extend credit:						
– maturing less than one year	9,554,892	1,910,978	1,762,763	7,794,882	1,558,976	1,422,930
– maturing more than one year	1,854,597	927,299	831,942	2,151,111	1,075,556	962,943
– unutilised credit card lines	4,105,588	821,118	613,643	4,006,449	801,290	598,889
Forward purchase commitments						
– less than one year	333,725	333,725	970	–	–	–
Foreign exchange related contracts:						
– less than one year	5,747,457	114,016	54,464	3,080,755	40,208	22,443
Cross currency swap						
– less than one year	149,195	11,478	2,296	–	–	–
– maturing more than one year to less than five years	490,334	54,420	10,884	–	–	–
Interest rate swap contracts:						
– maturing within one year	7,312,778	15,568	3,088	6,721,122	9,109	9,109
– maturing more than one year to less than five years	15,590,000	677,133	135,427	1,828,601	28,340	28,340
– maturing more than five years	1,869,688	215,075	46,615	714,150	166,921	85,752

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	As at 30 June 2008			As at 31 March 2008		
	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
Interest rate futures:						
– maturing within one year	50,000	105,104	52,552	–	–	–
– maturing more than one year to less than five years	150,000	33,317	16,659	–	–	–
Sell and buy back agreements	940,138	940,138	22,526	–	–	–
Islamic financing sold to Cagamas Berhad with recourse	1,700,663	1,700,663	1,281,360	1,863,857	1,863,857	1,404,403
Any commitments that are unconditionally cancelled at any time by the Group	66,111	–	–	23,624	–	–
Total	55,478,985	11,300,450	8,061,376	31,516,560	7,576,140	6,466,816

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A29. Commitments and Contingencies (continued)

<u>The Bank</u>	As at 30 June 2008			As at 31 March 2008		
	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	1,420,993	1,420,993	1,219,920	909,432	909,432	813,748
Certain transaction- related contingent items	1,018,771	509,385	402,438	519,315	259,658	258,933
Short-term self-liquidating trade-related contingencies	670,299	134,060	78,032	511,855	102,371	98,922
Obligations under underwriting agreements	1,374,000	687,000	839,000	1,070,000	535,000	535,000
Unpaid portion of partly paid shares	150	150	150	150	150	150
Irrevocable commitments to extend credit:						
– maturing less than one year	8,481,095	1,696,219	1,552,667	6,602,182	1,320,436	1,187,891
– maturing more than one year	1,433,253	716,627	646,404	1,820,098	910,049	826,363
– unutilised credit card lines	3,550,560	710,112	530,739	3,454,995	690,999	516,523
Forward purchase commitments						
– less than one year	333,725	333,725	970	–	–	–
Foreign exchange related contracts:						
– less than one year	5,747,457	114,016	54,464	3,080,755	40,208	22,443
Cross currency swap						
– less than one year	149,195	11,478	2,296	–	–	–
– maturing more than one year to less than five years	490,334	54,420	10,884	–	–	–
Interest rate swap contracts:						
– maturing within one year	7,312,778	15,568	3,088	6,721,122	9,109	9,109
– maturing more than one year to less than five years	15,590,000	677,133	135,427	1,828,601	28,340	28,340
– maturing more than five years	1,869,688	215,075	46,615	714,150	166,921	85,752

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A29. Commitments and Contingencies (continued)

	As at 30 June 2008			As at 31 March 2008		
	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
Interest rate futures:						
– maturing within one year	50,000	105,104	52,552	–	–	–
– maturing more than one year to less than five years	150,000	33,317	16,659	–	–	–
Any commitments that are unconditionally cancelled at any time by the Bank	17,709	–	–	18,650	–	–
Total	49,660,007	7,434,382	5,592,305	27,251,305	4,972,673	4,383,174

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

The Bank has given a continuing guarantee to Bank Negara Malaysia to meet all the liabilities and financial obligations and requirements of its new subsidiary company, AmInternational (L) Ltd.

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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 and cross currency swaps. Forward foreign exchange contracts are agreements to buy or sell a specified quantity of foreign currency on a specified future date at an agreed rate. A cross currency swap generally involves the exchange, or notional exchange, of equivalent amounts of two currencies and a commitment to exchange interest periodically until the principal amounts are re-exchanged on a future date.

The principal interest rate contracts used are interest rate swaps, interest rate futures and forward rate agreements. Interest rate swap transactions generally involve the exchange of fixed and floating interest payment obligations without the exchange of the underlying principal amounts. An interest rate futures is an exchange traded contract whose value is based on the difference between a specific interest rate and a reference rate on a notional deposit or fixed income security at a future settlement date. Forward rate agreements are contracts for the payment of the difference between a specified interest rate and a reference rate on a notional deposit at a future settlement date. There is no exchange of principal.

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

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Market risk of derivatives used for trading purposes (continued)

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

As at 30 June 2008, value at risk of foreign exchange-related derivative contracts used for trading purposes of the Group and the Bank was RM 9,110,000 (RM Nil as at 31 March 2008).

The value at risk of the interest rate derivative related contracts used for trading purposes of the Group and the Bank was RM43,164,000 (RM Nil as at 31 March 2008).

The value at risk of the options related contracts used for trading purposes was RM Nil (RM Nil as at 31 March 2008) for the Group and the Bank.

The use of these instruments to hedge underlying exposures arising from funding or for fixed income instruments acquired for investment purposes are not included in the market risk numbers.

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 30 June 2008, the Group and the Bank has a counterparty credit risk of RM106,158,000(RM47,360,000 as at 31 March 2008) 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.

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Derivative Financial Instruments and Hedge Accounting(continued)

(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.

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A31. Capital Adequacy

Bank Negara Malaysia (“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.

With effect from 1 January 2008, the capital adequacy ratios of the Group are computed in accordance with Bank Negara Malaysia's revised Risk-weighted Capital Adequacy Framework: Standardised Approach for Credit Risk and Market Risk, and Basic Indicator Approach for Operational Risk (Basel II).

The risk weighted capital adequacy ratio of the Bank of 11.49% (31 March 2008: 12.96%) exceeds the minimum requirements of BNM.

	The Bank	
	30 June 2008 RM'000	31 March 2008* RM'000
<u>Tier 1 capital</u>		
Paid-up share capital	670,364	610,364
Irredeemable Non-Cumulative Convertible Preference Shares	150,000	150,000
Innovative Tier 1 capital	575,321	515,197
Share premium	942,844	710,660
Statutory reserve	680,459	680,459
Exchange fluctuation reserve	9,412	–
Unappropriated profit	<u>1,241,560</u>	<u>1,202,508</u>
	4,269,960	3,869,188
Less: Deferred tax asset	<u>(435,028)</u>	<u>(435,028)</u>
Total Tier 1 capital	<u>3,834,932</u>	<u>3,434,160</u>
<u>Tier 2 capital</u>		
Irredeemable Convertible Unsecured Loan Stocks	–	291,586
Innovative Tier 1 capital	174,779	234,903
Subordinated term loans	460,000	460,000
Medium term notes	1,460,000	860,000
Subordinated bonds	–	200,000
Exchangeable bonds	575,000	575,000
General allowance for bad and doubtful debts and financing	<u>683,386</u>	<u>620,566</u>
Total Tier 2 capital	3,353,165	3,242,055
Less: Excess Tier 2 Capital	<u>(577,534)</u>	<u>(377,920)</u>
Maximum allowable Tier 2 Capital	<u>2,775,631</u>	<u>2,864,135</u>
	6,610,563	6,298,295
Less: Investment in subsidiary companies	(806,849)	(813,849)
Less: Other deduction	(12)	(11)
Capital base	<u>5,803,702</u>	<u>5,484,435</u>
Risk weighted assets	<u>50,501,777</u>	<u>42,302,146</u>

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A31. Capital Adequacy (continue)**Capital Ratios**

Core capital ratio	7.59%	8.12%
Risk-weighted capital ratio	<u>11.49%</u>	<u>12.96%</u>

	30 June 2008		31 March 2008	
	Principal RM'000	Risk - Weighted RM'000	Principal RM'000	Risk - Weighted RM'000
Breakdown of gross risk weighted assets in the various categories of risk weights:				
Categories				
0%	9,971,937	–	8,728,568	–
10%	–	–	–	–
20%	6,679,693	1,335,938	1,496,469	299,294
35%	2,833,437	991,703	2,786,942	975,430
50%	4,870,100	2,435,050	3,552,309	1,776,154
75%	25,480,739	19,110,554	25,533,893	19,150,419
100%	18,237,511	18,237,511	13,004,428	13,004,428
150%	<u>1,818,668</u>	<u>2,728,002</u>	<u>1,967,652</u>	<u>2,951,478</u>
	<u>69,892,085</u>	44,838,758	<u>57,070,261</u>	38,157,203
Add: Total Risk Weighted Assets Equivalent for market risks		2,162,287		1,346,789
Add: Total Risk Weighted Assets Equivalent for operational risks		3,487,281		2,783,680
Add: Large Exposure Risk Requirements for equity holdings		<u>13,451</u>		<u>14,474</u>
		<u>50,501,777</u>		<u>42,302,146</u>

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

	The Group	
	30 June 2008 RM'000	31 March 2008* RM'000
<u>Tier 1 capital</u>		
Paid-up share capital	670,364	610,364
Irredeemable Non-Cumulative Convertible Preference Shares	150,000	150,000
Innovative Tier 1 capital	707,646	548,463
Share premium	942,844	710,660
Statutory reserve	770,898	770,898
Capital reserve	377,492	377,492
Merger reserve	349,050	349,050
Exchange fluctuation reserve	9,412	-
Unappropriated profit	1,331,995	735,060
Minority interests	-	41
	<hr/>	<hr/>
	5,309,701	4,252,028
Less: Deferred tax asset	(592,727)	(596,127)
	<hr/>	<hr/>
Total Tier 1 capital	4,716,974	3,655,901
<u>Tier 2 capital</u>		
Irredeemable Convertible Unsecured Loan Stocks	-	291,586
Innovative Tier 1 capital	42,454	201,637
Subordinated term loans	460,000	460,000
Medium term notes	1,460,000	860,000
Subordinated bonds	400,000	600,000
Exchangeable bonds	575,000	575,000
General allowance for bad and doubtful debts and financing	844,027	775,232
	<hr/>	<hr/>
Total Tier 2 capital	3,781,481	3,763,455
Less: Excess Tier 2 Capital	(536,513)	(667,050)
	<hr/>	<hr/>
	3,244,968	3,096,405
Less: Investment in subsidiary companies	(22,779)	-
Less: Other deduction	(12)	(11)
	<hr/>	<hr/>
	3,222,177	3,096,394
	<hr/>	<hr/>
Capital base	7,939,151	6,752,295
	<hr/>	<hr/>
Risk weighted assets	60,863,897	51,602,922
	<hr/>	<hr/>
Capital Ratios		
Core capital ratio	7.75%	7.08%
Risk-weighted capital ratio	13.04%	13.09%
	<hr/>	<hr/>

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	30 June 2008		31 March 2008	
	Principal RM'000	Risk - Weighted RM'000	Principal RM'000	Risk - Weighted RM'000
Breakdown of gross risk-weighted assets in the various categories of risk weights:				
Categories				
0%	12,470,504	—	10,458,252	—
10%	—	—	—	—
20%	6,798,707	1,359,742	1,554,816	310,963
35%	3,002,426	1,050,849	2,954,558	1,034,095
50%	4,971,800	2,485,900	3,654,044	1,827,022
75%	33,834,597	25,375,948	33,860,931	25,395,698
100%	20,696,123	20,696,123	14,973,469	14,973,469
150%	1,903,544	2,855,316	2,059,953	3,089,929
	<u>83,677,701</u>	<u>53,823,878</u>	<u>69,516,023</u>	<u>46,631,176</u>
Add: Total Risk Weighted Assets Equivalent for market risks		2,878,242		1,384,350
Add: Total Risk Weighted Assets Equivalent for operational risks		4,148,326		3,572,922
Add: Large Exposure Risk Requirements for equity holdings		13,451		14,474
		<u>60,863,897</u>		<u>51,602,922</u>

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

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

30 June 2008

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	9,588,068	–	–	–	–	–	2,614,434	–	12,202,502	3.37
Securities purchased under resale agreement	12,732	–	–	–	–	–	–	–	12,732	2.00
Deposits and placements with banks and other financial institutions	–	116,535	–	375,590	163,300	–	100,000	–	755,425	3.50
Securities held-for-trading	–	–	–	–	–	–	335,816	1,181,878	1,517,694	4.35
Securities available-for-sale	507,618	20,029	70,012	273,286	1,487,850	2,612,226	29,207	–	5,000,228	3.89
Securities held-to-maturity	42,285	–	2,499	106,744	408,318	336,311	191,363	–	1,087,520	4.35
Derivative financial assets	–	–	–	–	–	–	548,300	–	548,300	–
Loans, advances and financing										
– Performing	20,084,538	938,505	567,589	422,746	6,739,399	14,296,814	8,532,666	–	51,582,257	7.01
– Non-performing*	–	–	–	–	–	–	902,307	–	902,307	–
Other non-interest sensitive balances	–	–	–	–	–	–	3,897,020	–	3,897,020	–
TOTAL ASSETS	30,235,241	1,075,069	640,100	1,178,366	8,798,867	17,245,351	17,151,113	1,181,878	77,505,985	
LIABILITIES AND EQUITY										
Deposits from customers	16,572,425	6,420,663	5,061,019	7,640,748	2,491,644	–	8,938,256	–	47,124,755	3.25
Deposits and placements of banks and other financial institutions	8,727,298	2,197,541	956,074	984,971	1,228,188	1,077,042	2,951,529	–	18,122,643	3.36
Derivative financial liabilities	–	–	–	–	–	–	553,123	–	553,123	–
Bills and acceptances payable	449,936	756,416	187,761	–	–	–	673,464	–	2,067,577	3.67
Recourse obligation of loans sold to Cagamas Berhad	–	–	–	–	141,801	–	–	–	141,801	3.63
Term loan	–	–	–	277,610	–	–	–	–	277,610	2.61
Subordinated term loans	–	460,000	–	–	–	–	–	–	460,000	6.88
Medium term notes	–	–	–	–	–	1,460,000	–	–	1,460,000	5.66
Hybrid securities	–	–	–	–	–	670,812	–	–	670,812	6.73
Subordinated bonds	–	–	–	–	–	–	400,000	–	400,000	4.81
Exchangeable bonds	–	–	–	–	575,000	–	–	–	575,000	5.22
Irredeemable Convertible Unsecured Loan Stocks	–	–	–	–	–	–	–	–	–	–
Irredeemable Non-Cumulative Convertible Preference shares	–	–	–	–	–	–	150,000	–	150,000	–
Other non-interest sensitive balances	–	–	–	–	–	–	1,607,214	–	1,607,214	–
Total Liabilities	25,749,659	9,834,620	6,204,854	8,903,329	4,436,633	3,207,854	15,273,586	–	73,610,535	

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The Group	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			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Total Liabilities	25,749,659	9,834,620	6,204,854	8,903,329	4,436,633	3,207,854	15,273,586	–	73,610,535	
Minority interests	–	–	–	–	–	–	38	–	38	
Shareholder's Equity	–	–	–	–	–	–	3,895,412	–	3,895,412	
TOTAL LIABILITIES AND EQUITY	<u>25,749,659</u>	<u>9,834,620</u>	<u>6,204,854</u>	<u>8,903,329</u>	<u>4,436,633</u>	<u>3,207,854</u>	<u>19,169,036</u>	<u>–</u>	<u>77,505,985</u>	
On-balance sheet interest sensitivity gap	4,485,582	(8,759,551)	(5,564,754)	(7,724,963)	4,362,234	14,037,497	(2,017,923)	1,181,878	–	
Off-balance sheet interest sensitivity gap	494,022	3,767,013	(1,543,500)	(1,507,222)	(1,880,000)	789,687	–	–	120,000	
Total interest sensitivity gap	<u>4,979,604</u>	<u>(4,992,538)</u>	<u>(7,108,254)</u>	<u>(9,232,185)</u>	<u>2,482,234</u>	<u>14,827,184</u>	<u>(2,017,923)</u>	<u>1,181,878</u>	<u>120,000</u>	

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Non-Trading Book

The Group	Up to	>1 to 3	>3 to 6	>6 to 12	>1 to 5	Over	Non-	Trading	Total	Effective
	1 month	months	months	months	years	5 years	interest	Book	RM'000	interest
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	sensitive	RM'000	RM'000	rate
							RM'000			%
ASSETS										
Cash and short-term funds	7,130,830	–	–	–	–	–	1,802,523	–	8,933,353	3.40
Deposits and placements with banks and other financial institutions	–	1,265,820	63,880	–	–	638,800	–	–	1,968,500	3.50
Securities held-for-trading	–	–	–	–	–	–	99,769	1,671,478	1,771,247	3.50
Securities available-for-sale	–	–	–	19,986	35,070	40,576	23,781	–	119,413	3.74
Securities held-to-maturity	40,242	–	33,068	7,484	192,443	307,373	76,070	–	656,680	3.45
Derivative financial assets	–	–	–	–	–	–	71,663	–	71,663	–
Loans, advances and financing										
– Performing	15,983,654	1,067,353	492,292	400,713	6,673,419	14,292,606	8,003,579	–	46,913,616	7.18
– Non-performing*	–	–	–	–	–	–	1,035,900	–	1,035,900	–
Other non-interest sensitive balances	–	–	–	–	–	–	3,254,642	–	3,254,642	–
TOTAL ASSETS	23,154,726	2,333,173	589,240	428,183	6,900,932	15,279,355	14,367,927	1,671,478	64,725,014	
LIABILITIES AND EQUITY										
Deposits from customers	13,005,146	5,519,093	5,461,900	7,208,712	2,499,721	–	7,840,973	–	41,535,545	3.24
Deposits and placements of banks and other financial institutions	4,502,602	1,551,168	1,063,759	804,271	385,886	1,477,500	2,531,199	–	12,316,385	3.58
Derivative financial liabilities	–	–	–	–	–	–	85,659	–	85,659	–
Bills and acceptances payable	415,618	676,830	269,448	–	–	–	547,347	–	1,909,243	3.59
Recourse obligation of loans sold to Cagamas Berhad	–	63,640	–	–	145,199	–	–	–	208,839	3.54
Subordinated term loans	–	–	460,000	–	–	–	–	–	460,000	6.87
Medium term notes	–	–	–	–	–	860,000	–	–	860,000	5.27
Hybrid securities	–	–	–	–	–	689,469	–	–	689,469	6.79
Subordinated bonds	200,000	–	–	–	–	–	400,000	–	600,000	5.85
Exchangeable bonds	–	–	–	–	–	575,000	–	–	575,000	5.22
Irredeemable Convertible Unsecured Loan Stocks	–	–	2,755	–	–	128,849	–	–	131,604	5.75
Irredeemable Non-Cumulative Convertible Preference Shares	–	–	–	–	–	–	150,000	–	150,000	–
Other non-interest sensitive balances	–	–	–	–	–	–	1,451,003	–	1,451,003	–
Total Liabilities	18,123,366	7,810,731	7,257,862	8,012,983	3,030,806	3,730,818	13,006,181	–	60,972,747	
Minority interests	–	–	–	–	–	–	41	–	41	
Shareholder's Equity	–	–	–	–	–	200,792	3,551,434	–	3,752,226	
TOTAL LIABILITIES AND EQUITY	18,123,366	7,810,731	7,257,862	8,012,983	3,030,806	3,931,610	16,557,656	–	64,725,014	
On-balance sheet interest sensitivity gap	5,031,360	(5,477,558)	(6,668,622)	(7,584,800)	3,870,126	11,347,745	(2,189,729)	1,671,478	–	
Off-balance sheet interest sensitivity gap	2,256,501	2,806,050	(2,177,400)	(1,620,000)	(1,828,601)	563,450	–	–	–	
Total interest sensitivity gap	<u>7,287,861</u>	<u>(2,671,508)</u>	<u>(8,846,022)</u>	<u>(9,204,800)</u>	<u>2,041,525</u>	<u>11,911,195</u>	<u>(2,189,729)</u>	<u>1,671,478</u>	<u>–</u>	

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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	9,377,041	–	–	–	–	–	358,901	–	9,735,942	3.37
Securities purchased under resale agreement	12,732	–	–	–	–	–	–	–	12,732	2.00
Deposits and placements with banks and other financial institutions	–	116,536	2,500	375,590	169,393	–	–	–	664,019	3.50
Securities held-for-trading	–	–	–	–	–	–	–	1,181,878	1,181,878	4.35
Securities available-for-sale	507,618	20,029	70,012	273,286	1,487,850	2,612,226	28,290	–	4,999,311	3.89
Securities held-to-maturity	33,068	–	2,499	106,744	408,318	336,311	158,485	–	1,045,425	4.35
Derivative financial assets	–	–	–	–	–	–	548,300	–	548,300	–
Loans, advances and financing										
– Performing	20,070,614	922,485	567,589	422,746	6,739,374	14,296,275	–	–	43,019,083	7.01
– Non-performing*	–	–	–	–	–	–	919,218	–	919,218	–
Other non-interest sensitive balances	–	–	–	–	–	–	4,189,238	–	4,189,238	–
TOTAL ASSETS	30,001,073	1,059,050	642,600	1,178,366	8,804,935	17,244,812	6,202,432	1,181,878	66,315,146	
LIABILITIES AND EQUITY										
Deposits from customers	16,354,671	6,416,840	5,060,174	7,640,848	2,491,644	–	2,434,026	–	40,398,203	3.25
Deposits and placements of banks and other financial institutions	8,793,277	2,197,541	956,074	984,971	1,228,188	1,077,042	24,857	–	15,261,950	3.36
Derivative financial liabilities	–	–	–	–	–	–	553,123	–	553,123	–
Bills and acceptances payable	449,936	756,416	187,761	–	–	–	–	–	1,394,113	3.67
Amount due to Cagamas Berhad	–	–	–	–	141,801	–	–	–	141,801	3.63
Term loan	–	–	–	277,610	–	–	–	–	277,610	2.61
Subordinated term loans	–	460,000	–	–	–	670,812	–	–	1,130,812	6.79
Medium term notes	–	–	–	–	–	1,460,000	–	–	1,460,000	5.66
Subordinated bonds	–	–	–	–	–	–	–	–	–	–
Exchangeable bonds	–	–	–	–	575,000	–	–	–	575,000	5.22
Irredeemable Convertible Unsecured Loan Stocks	–	–	–	–	–	–	–	–	–	–
Irredeemable Non-Cumulative Convertible Preference shares	–	–	–	–	–	–	150,000	–	150,000	–
Other non-interest sensitive balances	–	–	–	–	–	–	1,507,829	–	1,507,829	–
Total Liabilities	25,597,884	9,830,797	6,204,009	8,903,429	4,436,633	3,207,854	4,669,835	–	62,850,441	

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

30 June 2008

The Bank	Non-Trading Book							Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
Total Liabilities	25,597,884	9,830,797	6,204,009	8,903,429	4,436,633	3,207,854	4,669,835	–	62,850,441	–
Minority interests	–	–	–	–	–	–	–	–	–	–
Shareholder's Equity	–	–	–	–	–	–	3,464,705	–	3,464,705	–
TOTAL LIABILITIES AND EQUITY	<u>25,597,884</u>	<u>9,830,797</u>	<u>6,204,009</u>	<u>8,903,429</u>	<u>4,436,633</u>	<u>3,207,854</u>	<u>8,134,540</u>	<u>–</u>	<u>66,315,146</u>	
On-balance sheet interest sensitivity gap	4,403,189	(8,771,747)	(5,561,409)	(7,725,063)	4,368,302	14,036,958	(1,932,108)	1,181,878	–	–
Off-balance sheet interest sensitivity gap	<u>494,022</u>	<u>3,767,013</u>	<u>(1,543,500)</u>	<u>(1,507,222)</u>	<u>(1,880,000)</u>	<u>789,687</u>	<u>–</u>	<u>–</u>	<u>120,000</u>	<u>–</u>
Total interest sensitivity gap	<u>4,897,211</u>	<u>(5,004,734)</u>	<u>(7,104,909)</u>	<u>(9,232,285)</u>	<u>2,488,302</u>	<u>14,826,645</u>	<u>(1,932,108)</u>	<u>1,181,878</u>	<u>120,000</u>	

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

31 March 2008

The Bank	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			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS										
Cash and short-term funds	7,130,830	–	–	–	–	–	280,512	–	7,411,342	3.40
Deposits and placements with banks and other financial institutions	–	1,265,820	69,351	2,500	622	638,800	–	–	1,977,093	3.50
Securities held-for-trading	–	–	–	–	–	–	–	1,671,478	1,671,478	3.50
Securities available-for-sale	–	–	–	19,986	35,070	40,576	23,781	–	119,413	3.74
Securities held-to-maturity	40,242	–	33,068	7,484	192,443	307,373	75,852	–	656,462	3.45
Derivative financial assets	–	–	–	–	–	–	71,663	–	71,663	–
Loans, advances and financing										
– Performing	15,983,654	1,067,353	492,292	400,713	6,673,419	14,292,606	–	–	38,910,037	7.18
– Non-performing*	–	–	–	–	–	–	1,038,681	–	1,038,681	–
Other non-interest sensitive balances	–	–	–	–	–	–	3,510,242	–	3,510,242	–
TOTAL ASSETS	23,154,726	2,333,173	594,711	430,683	6,901,554	15,279,355	5,000,731	1,671,478	55,366,411	
LIABILITIES AND EQUITY										
Deposits from customers	13,022,772	5,519,093	5,461,900	7,208,812	2,499,721	–	2,394,642	–	36,106,940	3.24
Deposits and placements of banks and other financial institutions	4,502,602	1,551,168	1,063,759	804,271	385,886	1,477,500	31,011	–	9,816,197	3.58
Derivative financial liabilities	–	–	–	–	–	–	85,659	–	85,659	–
Bills and acceptances payable	415,618	676,830	269,448	–	–	–	–	–	1,361,896	3.59
Recourse obligation of loans sold to Cagamas Berhad	–	63,640	–	–	145,199	–	–	–	208,839	3.54
Subordinated term loans	–	–	460,000	–	–	689,469	–	–	1,149,469	6.82
Medium term notes	–	–	–	–	–	860,000	–	–	860,000	5.27
Subordinated bonds	200,000	–	–	–	–	–	–	–	200,000	7.95
Exchangeable bonds	–	–	–	–	–	575,000	–	–	575,000	5.22
Irredeemable Convertible Unsecured Loan Stocks	–	–	2,755	–	–	128,849	–	–	131,604	5.75
Irredeemable Non-Cumulative Convertible Preference shares	–	–	–	–	–	–	150,000	–	150,000	–
Other non-interest sensitive balances	–	–	–	–	–	–	1,318,114	–	1,318,114	–
Total Liabilities	18,140,992	7,810,731	7,257,862	8,013,083	3,030,806	3,730,818	3,979,426	–	51,963,718	
Shareholder's Equity	–	–	–	–	–	200,792	3,201,901	–	3,402,693	
TOTAL LIABILITIES AND EQUITY	18,140,992	7,810,731	7,257,862	8,013,083	3,030,806	3,931,610	7,181,327	–	55,366,411	
On-balance sheet interest sensitivity gap	5,013,734	(5,477,558)	(6,663,151)	(7,582,400)	3,870,748	11,347,745	(2,180,596)	1,671,478	–	
Off-balance sheet interest sensitivity gap	2,256,501	2,806,050	(2,177,400)	(1,620,000)	(1,828,601)	563,450	–	–	–	
Total interest sensitivity gap	<u>7,270,235</u>	<u>(2,671,508)</u>	<u>(8,840,551)</u>	<u>(9,202,400)</u>	<u>2,042,147</u>	<u>11,911,195</u>	<u>(2,180,596)</u>	<u>1,671,478</u>	<u>–</u>	

*This is arrived at after deducting the general allowance, specific allowance and interest/income-in-suspense from gross non-performing loans outstanding.

A33. Restatement of Comparatives

During the 4th quarter of 2008, the Group and the Bank had reviewed and changed the presentation of:

- i) non-recoverable expenses for financing accounts. The non-recoverable expenses comprise expenses incurred for financing accounts written off and incentive and fees payable on recovery of financing accounts. These expenditure items which were previously included in other operating expenses are now presented with Allowances for losses on loans, advances and financing.
- ii) Interest income and interest expense for interest rate swap for the same counterparty. This income and expenditure items which were previously presented on a gross basis is now set off and presented on a net basis in either interest income (net gain) or interest expense (net loss).

The comparative amounts which have been reclassified are as follows:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
The Group			
Income Statement for the financial period ended 30 June 2007			
Interest Income	877,767	(102,242)	755,525
Interest Expense	(547,929)	102,242	(445,687)
Allowance for losses on loans, advances and financing	(176,089)	(6,047)	(182,136)
Other operating expenses	(195,641)	6,047	(189,594)
The Bank			
Income Statement for the financial period ended 30 June 2007			
Interest Income	877,779	(102,242)	775,537
Interest Expense	(548,083)	102,242	445,841
Allowance for losses on loans, advances and financing	(137,373)	(4,216)	(141,589)
Other operating expenses	(147,301)	4,216	(143,085)