

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
31 December 2008
(In Ringgit Malaysia)

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

UNAUDITED BALANCE SHEETS AS AT 31 DECEMBER 2008

	Note	The Group		The Bank	
		31 Dec 2008 RM'000	31 March 2008 RM'000	31 Dec 2008 RM'000	31 March 2008 RM'000
ASSETS					
Cash and short-term funds		12,817,720	10,837,946	9,895,928	8,275,239
Deposits and placements with banks and other financial institutions		648,099	1,329,700	656,692	1,338,293
Securities held-for-trading	A8	1,403,507	6,540,970	1,127,161	5,981,489
Securities available-for-sale	A9	5,976,311	1,252,533	5,398,089	1,251,636
Securities held-to-maturity	A10	793,097	1,156,536	750,426	1,115,364
Derivative financial assets		492,982	307,651	490,459	307,651
Loans, advances and financing	A11	55,334,857	52,090,100	45,830,039	44,002,993
Other assets		1,264,812	920,983	1,185,810	840,159
Statutory deposit with Bank Negara Malaysia		1,873,684	1,660,197	1,571,505	1,388,497
Deferred tax asset		381,684	645,067	263,402	483,873
Investment in subsidiary companies		-	-	849,869	846,869
Investment in associated companies		779	740	137	137
Prepaid land lease payments		4,329	4,404	3,133	3,193
Property and equipment		149,436	169,274	124,246	143,292
Intangible assets		70,533	61,486	69,931	60,876
TOTAL ASSETS		81,211,830	76,977,587	68,216,827	66,039,561

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.

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

UNAUDITED BALANCE SHEETS AS AT 31 DECEMBER 2008-continued

	Note	The Group		The Bank	
		31 Dec 2008 RM'000	31 March 2008 RM'000	31 Dec 2008 RM'000	31 March 2008 RM'000
LIABILITIES AND EQUITY					
Deposits from customers	A12	50,668,816	47,618,331	43,164,610	41,261,431
Deposits and placements of banks and other financial institutions	A13	18,546,237	16,335,926	14,834,288	13,557,812
Derivative financial liabilities		539,253	352,007	536,732	352,007
Bills and acceptances payable		1,685,680	1,909,243	1,054,298	1,361,896
Recourse obligation on loans sold to Cagamas Berhad		159,434	243,979	159,434	243,979
Other liabilities		1,666,745	1,497,186	1,487,742	1,357,513
Subordinated term loans		-	460,000	815,550	1,149,469
Hybrid securities		815,550	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		294,100	271,490	294,100	271,490
TOTAL LIABILITIES		76,960,815	71,694,235	64,531,754	61,472,201

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.

Company No. 8515-D

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

UNAUDITED BALANCE SHEETS AS AT 31 DECEMBER 2008-continued

	Note	The Group		The Bank	
		31 Dec 2008 RM'000	31 March 2008 RM'000	31 Dec 2008 RM'000	31 March 2008 RM'000
Share capital		670,364	610,364	670,364	610,364
Reserves		3,580,619	4,672,947	3,014,709	3,956,996
Shareholder's Equity		4,250,983	5,283,311	3,685,073	4,567,360
Minority Interests		32	41	-	-
Total Equity		4,251,015	5,283,352	3,685,073	4,567,360
TOTAL LIABILITIES AND EQUITY		81,211,830	76,977,587	68,216,827	66,039,561
COMMITMENTS AND CONTINGENCIES	A29	51,562,029	75,008,692	46,564,698	69,091,380
NET ASSETS PER SHARE (RM)		6.34	8.66	5.50	7.48

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.

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

UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008

The Group

	Note	Individual Quarter		Cumulative Quarter	
		31 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
Revenue		1,240,802	1,342,740	3,605,138	3,767,767
Interest income	A14	939,526	1,016,824	2,807,857	2,776,468
Interest expense	A15	(515,764)	(567,673)	(1,529,766)	(1,615,051)
Net interest income		423,762	449,151	1,278,091	1,161,417
Net income from Islamic Banking business	A16	134,092	121,268	408,664	403,476
Other operating income	A17	53,592	110,778	81,652	325,234
Net income		611,446	681,197	1,768,407	1,890,127
Other operating expenses	A18	(240,596)	(217,871)	(701,940)	(633,087)
Operating profit		370,850	463,326	1,066,467	1,257,040
Allowance for losses on loans, advances and financing	A19	(144,831)	(107,295)	(226,711)	(475,946)
Writeback/(Provision) for commitments and contingencies		1,272	-	(13,570)	299
Impairment writeback/(loss)	A20	7,166	(85,263)	(28,142)	(102,710)
Profit before share in results of associated company and taxation		234,457	270,768	798,044	678,683
Share in results of associated company		(4)	(3)	39	32
Profit before zakat and taxation		234,453	270,765	798,083	678,715
Zakat		(345)	(502)	(374)	(502)
Taxation	A21	(85,840)	(73,085)	(231,433)	(245,868)
Profit after zakat and taxation		148,268	197,178	566,276	432,345

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.

Company No. 8515-D

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

UNAUDITED CONSOLIDATED INCOME STATEMENTS-continued
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008

The Group

	Note	Individual Quarter		Cumulative Quarter	
		31 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
Attributable to:					
Equity holder of the Bank		148,271	197,180	566,285	432,353
Minority interests		(3)	(2)	(9)	(8)
Profit after zakat and taxation		<u>148,268</u>	<u>197,178</u>	<u>566,276</u>	<u>432,345</u>
Earnings per share (sen)					
	A22				
Basic		22.12	29.63	84.59	66.04
Fully diluted		<u>18.07</u>	<u>24.21</u>	<u>69.12</u>	<u>55.57</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.

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

UNAUDITED CONSOLIDATED INCOME STATEMENTS-continued
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008

The Bank

	Note	Individual Quarter		Cumulative Quarter	
		31 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
Revenue		989,807	1,129,221	2,880,311	3,094,189
Interest income	A14	936,965	1,018,830	2,801,540	2,771,132
Interest expense	A15	(515,070)	(571,619)	(1,527,201)	(1,614,343)
Net interest income		421,895	447,211	1,274,339	1,156,789
Other operating income	A17	52,842	110,391	78,771	323,057
Net income		474,737	557,602	1,353,110	1,479,846
Other operating expenses	A18	(183,919)	(167,419)	(536,458)	(484,686)
Operating profit		290,818	390,183	816,652	995,160
Allowance for losses on loans, advances and financing	A19	(37,283)	(66,337)	(69,686)	(362,168)
Writeback/(Provision) for commitments and contingencies		(323)	299	(319)	299
Impairment loss	A20	(104,922)	(85,363)	(147,187)	(102,810)
Profit before taxation		148,290	238,782	599,460	530,481
Taxation	A21	(69,825)	(65,090)	(188,304)	(192,218)
Profit after taxation		78,465	173,692	411,156	338,263
Earnings per share (sen)	A22				
Basic		11.70	26.13	61.44	51.79
Fully diluted		9.56	21.35	50.21	43.58

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.

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 THIRD QUARTER ENDED 31 DECEMBER 2008

The Group	<----- Attributable to Equity Holder of the Bank ----->							Distributable Unappropriated Profits RM'000	Minority Interest RM'000	Total Equity RM'000
	Non-distributable						Available For-Sale Reserve 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				
Balance as at 1 April 2007	610,364	-	710,660	633,222	1,727,830	377,492	6,007	406,591	57	4,472,223
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	-	-	-	-	-	-	-	432,353	(8)	432,345
Effects arising from the pooling of interests	-	-	-	-	135,170	-	-	(135,170)	-	-
Balance as at 31 December 2007	610,364	200,792	710,660	633,222	1,863,000	377,492	1,382	703,774	49	5,100,735

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 THIRD QUARTER ENDED 31 DECEMBER 2008

The Group	-----> Attributable to Equity Holder of the Bank <----->								Distributable Unappropriated Profits RM'000	Minority Interest RM'000	Total Equity RM'000
	Non-distributable						Available For-Sale Reserve RM'000	Other Reserves 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					
Balance as at 1 April 2008	610,364	200,792	710,660	770,898	1,880,135	377,492	(2,090)	-	735,060	41	5,283,352
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	-	-	-	-	-	-	(92,647)	-	-	-	(92,647)
Exchange fluctuation adjustments	-	-	-	-	-	-	-	6,523	-	-	6,523
Unrealised net loss on cash flow hedge	-	-	-	-	-	-	-	(121,312)	-	-	(121,312)
Effects arising from the pooling of interests	-	-	-	-	(1,482,569)	-	-	-	-	-	(1,482,569)
Profit for the period	-	-	-	-	-	-	-	-	566,285	(9)	566,276
Balance as at 31 December 2008	670,364	-	942,844	770,898	397,566	377,492	(94,737)	(114,789)	1,301,345	32	4,251,015

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.

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 THIRD QUARTER ENDED 31 DECEMBER 2008

The Bank	←----- Attributable to Equity Holder of the Bank ----->						Distributable Unappropriated Profits RM'000	Total Equity RM'000
	Non-distributable							
	Share Capital RM'000	ICULS (equity component) RM'000	Share Premium RM'000	Statutory Reserve RM'000	Merger Reserve RM'000	Available For-Sale Reserve RM'000		
Balance as at 1 April 2007								
Issue of Irredeemable Convertible Unsecured Loan Stocks	610,364	-	710,660	585,832	1,044,820	6,007	918,628	3,876,311
Unrealised net loss on revaluation of securities available-for-sale	-	200,792	-	-	-	-	-	200,792
Profit for the period	-	-	-	-	-	(4,625)	338,263	-4,625
Effects arising from the pooling of interests	-	-	-	-	111,070	-	(111,070)	338,263
Balance as at 31 December 2007	610,364	200,792	710,660	585,832	1,155,890	1,382	1,145,821	4,410,741

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 THIRD QUARTER ENDED 31 DECEMBER 2008

	←----- Attributable to Equity Holder of the Bank ----->								Total Equity RM'000
	Non-distributable						Distributable		
	Share Capital RM'000	ICULS (equity component) RM'000	Share Premium RM'000	Statutory Reserve RM'000	Merger Reserve RM'000	Available For-Sale Reserve RM'000	Other Reserves RM'000	Unappro- priated Profits RM'000	
The Bank									
Balance as at 1 April 2008	610,364	200,792	710,660	680,459	1,164,667	(2,090)	-	1,202,508	4,567,360
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	-	-	-	-	-	(98,810)	-	-	(98,810)
Exchange fluctuation adjustments	-	-	-	-	-	-	(46)	-	(46)
Unrealised net loss on cash flow hedge	-	-	-	-	-	-	(121,312)	-	(121,312)
Effects arising from the pooling of interests	-	-	-	-	(1,164,667)	-	-	-	(1,164,667)
Profit for the period	-	-	-	-	-	-	-	411,156	411,156
Balance as at 31 December 2008	670,364	-	942,844	680,459	-	(100,900)	(121,358)	1,613,664	3,685,073

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.

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

**UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008**

	The Group		The Bank	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
Profit before zakat and taxation	798,083	678,715	599,460	530,481
Adjustments for non-cash items	(822,212)	282,702	(489,567)	188,094
Operating profit/(loss) before working capital changes	(24,129)	961,417	109,893	718,575
Changes in working capital:				
Net changes in operating assets	1,311,087	(1,094,957)	2,596,577	(1,488,388)
Net changes in operating liabilities	5,256,325	(1,229,084)	3,054,271	(912,954)
Tax (paid)/refund	(217)	(66,777)	-	(38,214)
Net cash generated from/(used in) operating activities	6,543,066	(1,429,401)	5,760,741	(1,720,981)
Net cash generated from/(used in) investing activities	(4,499,722)	566,239	(4,080,052)	545,416
Net cash generated from/(used in) financing activities	(63,570)	1,020,529	(60,000)	1,020,529
Net increase/(decrease) in cash and cash equivalents	1,979,774	157,367	1,620,689	(155,036)
Cash and cash equivalents at beginning of the period	10,837,946	9,810,285	8,275,239	7,957,447
Cash and cash equivalents at end of the period	12,817,720	9,967,652	9,895,928	7,802,411

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.

**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 Standard (“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
Amendments 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 Group and Bank operations:

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

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

During the financial period, the Group implemented the following changes in accounting policy on treatment of:

- (i) certain incidental expenses incurred as part of the “Zero Entry cost” package offered for housing loans and commercial property loans. These expenses which were previously expensed off to the Income Statement upon incurrence are now capitalized and amortised over the average lock-in period of the loans. The rationale for this change is to match the expenses against the returns earned over the period of the loans. The impact of this change to the preceding years’ financial results was not material. Arising from this change, certain comparative figures have been restated as mentioned in Note A34.

- (ii) employee costs in respect of software development. The change in accounting policy involves the capitalization of directly attributable employee costs for employees involved in the application development stage of a project and such costs will be amortised over the estimated useful life of the computer software which is classified as intangible assets. Previously, costs of employees directly involved in the development of software were expensed off to the Income Statement upon incurrence. This change in accounting policy will be effective for new projects launched from the financial year ending 31 March 2009 and does not have any impact to the financial results ended 31 December 2008.

Pursuant to the Business Transfer Agreement dated 11 March 2008 and the Vesting Order granted by the High Court of Malaya on 9 April 2008, the Bank acquired the assets and assumed the liabilities relating to AmInvestment Bank Berhad’s (AmInvestment Bank) conventional/Islamic Fund-Based Activity (including AmInvestment Bank’s 100% shareholding interest in AmInternational (L) Ltd, a licensed offshore bank). As the vesting of assets and assumption of liabilities were carried by entities under common control, the transaction has been accounted for via the pooling of interest method (“Merger”). Under the pooling of interest method, the results of the business transferred from AmInvestment Bank, together with the assets and liabilities are included into the financial statements of the Bank as if the merger had been effected prior to and throughout the current financial year/period. Pursuant to the Business Transfer, certain Held-for-Trading securities were reclassified to Securities Available for Sale and arising from the Merger, comparative figures of the Bank and the Group have been restated.

During the financial period, the Bank adopted the guidelines issued by Bank Negara Malaysia (BNM) “Reclassification of Securities under Specific Circumstances”. The provisions in the above Guideline shall override the existing requirements of BNM/GP8 in relation to the reclassification of securities into or out of the Held-For-Trading category and are effective from 1 July 2008 to 31 December 2009. As permitted by the above guideline, during the second quarter of financial year 2009, the Bank had reclassified securities from the Held for Trading category to Available for Sale effective 1 July 2008. The effects of this reclassification are as disclosed in note A33.

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

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.

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 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 2008.

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

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.

(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 arising from the conversion of ICULS amounting to RM232,183,993 was credited to the Share Premium account.

(d) Repayment of RM460 million Subordinated Term Loan

On 30 September 2008, the Bank repaid the RM460 million Subordinated term loan which was drawdown on 30 September 2003. This loan which was obtained from a related company was novated to Quanto Assets Berhad, a special purpose vehicle on 19 May 2006.

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.

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

A7. Dividends Paid

The directors do not recommend the payment of any dividend in respect of the financial period ended 31 December 2008 and no dividends were paid in the current financial period.

A8. Securities Held-for-trading

	The Group		The Bank	
	31 Dec 2008 RM'000	31 March 2008 RM'000	31 Dec 2008 RM'000	31 March 2008 RM'000
At fair value				
Money Market Securities				
Treasury bills	16,749	26,566	16,749	26,566
Islamic Treasury bills	-	78,224	-	-
Malaysian Government Securities	70,038	160,705	70,038	160,705
Malaysian Government Investment Certificates	4,071	323,014	4,071	287,793
Cagamas bonds	-	25,057	-	25,057
Cagamas Mudharabah Bearer Bonds	7,511	37,167	-	35,076
Khazanah bonds	-	59,359	-	45,857
I-Khazanah bonds	979	-	-	-
Negotiable Islamic debt certificate	49,400	313,742	-	-
Negotiable instruments of deposit	-	15,368	-	15,368
Islamic Bank Negara Malaysia Monetary Notes	-	134,107	-	134,107
Bank Negara Malaysia Monetary Notes	880,359	274,645	880,359	274,645
	<u>1,029,107</u>	<u>1,447,954</u>	<u>971,217</u>	<u>1,005,174</u>
Quoted in Malaysia:				
Shares and Unit Trusts	29,971	82,534	29,971	82,464
Quoted Outside Malaysia:				
Shares	-	69,236	-	69,236
Unquoted Outside Malaysia:				
Private debt securities	12,237	-	12,237	-
Unquoted in Malaysia:				
Private debt securities	332,192	4,763,484	113,736	4,646,853
Guaranteed private debt securities	-	177,762	-	177,762
	<u>332,192</u>	<u>4,941,246</u>	<u>113,736</u>	<u>4,824,615</u>
Total securities held-for-trading	<u>1,403,507</u>	<u>6,540,970</u>	<u>1,127,161</u>	<u>5,981,489</u>

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

A9. Securities Available-for-sale

	The Group		The Bank	
	31 Dec 2008 RM'000	31 March 2008 RM'000	31 Dec 2008 RM'000	31 March 2008 RM'000
At fair value				
Money Market Securities:				
Malaysian Government Investment Certificates	35,800	-	-	-
Negotiable Islamic Debt Certificate	105,612	-	-	-
Islamic Khazanah bonds	60,006	-	45,474	-
Negotiable instruments of deposit	431,720	69,762	456,920	69,762
	<u>633,138</u>	<u>69,762</u>	<u>502,394</u>	<u>69,762</u>
Quoted In Malaysia:				
Shares	89,955	22,817	89,911	22,817
Shares with options and/or collateral	12,460	19,570	12,460	19,570
	<u>102,415</u>	<u>42,387</u>	<u>102,371</u>	<u>42,387</u>
Quoted Outside Malaysia:				
Shares	16,425	78	16,425	78
Unquoted Outside Malaysia:				
Shares	972	-	-	-
Unquoted In Malaysia:				
Private debt securities	4,907,506	1,043,777	4,461,044	1,043,777
Guaranteed private debt securities	315,855	96,529	315,855	95,632
	<u>5,223,361</u>	<u>1,140,306</u>	<u>4,776,899</u>	<u>1,139,409</u>
Total securities available-for-sale	<u>5,976,311</u>	<u>1,252,533</u>	<u>5,398,089</u>	<u>1,251,636</u>

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

A10. Securities Held-to-maturity

	The Group		The Bank	
	31 Dec 2008 RM'000	31 March 2008 RM'000	31 Dec 2008 RM'000	31 March 2008 RM'000
At amortised cost				
Quoted In Malaysia:				
Shares	40	218	40	121
Debt securities	29,505	-	1,825	-
Debt securities with options and/or collateral	177,602	251,113	176,631	218,202
Warrants	-	15	-	15
	<u>207,147</u>	<u>251,346</u>	<u>178,496</u>	<u>218,338</u>
Quoted Outside Malaysia:				
Debt securities	6,920	-	-	-
Unquoted In Malaysia:				
Shares	92,445	126,920	90,470	126,503
Debt securities	346,453	427,592	325,189	406,061
Debt securities with options and/or collateral	500,322	631,444	500,322	631,444
	<u>939,220</u>	<u>1,185,956</u>	<u>915,981</u>	<u>1,164,008</u>
Unquoted Outside Malaysia:				
Private debt securities	-	190,331	-	190,331
Shares	17	6,441	17	6,441
	<u>17</u>	<u>196,772</u>	<u>17</u>	<u>196,772</u>
Total	1,153,304	1,634,074	1,094,494	1,579,118
Less: Accumulated impairment losses	<u>(360,207)</u>	<u>(477,538)</u>	<u>(344,068)</u>	<u>(463,754)</u>
Total securities held-to-maturity	<u>793,097</u>	<u>1,156,536</u>	<u>750,426</u>	<u>1,115,364</u>

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

A11. Loans, Advances and Financing

	The Group		The Bank	
	31 Dec 2008 RM'000	31 March 2008 RM'000	31 Dec 2008 RM'000	31 March 2008 RM'000
Overdrafts	1,690,811	1,632,538	1,577,483	1,491,602
Term loan facilities				
– Housing loans/financing	11,476,084	11,314,355	10,728,042	10,502,152
– Hire-purchase receivables	30,604,271	29,984,270	22,916,077	22,283,759
– Other loans/financing	13,553,068	12,080,012	9,362,804	8,757,092
Credit card receivables	1,896,669	1,901,162	1,577,188	1,597,794
Bills receivables	38,675	33,524	37,633	29,762
Trust receipts	526,979	325,968	478,519	279,895
Claims on customers under acceptance credits	2,496,453	2,301,379	1,687,016	1,615,003
Revolving credits	3,372,779	2,984,973	3,111,630	2,825,260
Staff loans	155,018	156,451	154,488	155,954
Total	65,810,807	62,714,632	51,630,880	49,538,273
Unearned interest and unearned income	(6,904,661)	(6,482,805)	(3,787,435)	(3,658,470)
	58,906,146	56,231,827	47,843,445	45,879,803
Less: Islamic financing sold to Cagamas Berhad	(1,255,825)	(1,956,022)	-	-
Gross loans, advances and financing	57,650,321	54,275,805	47,843,445	45,879,803
Allowance for bad and doubtful debts and financing:				
–General	(880,146)	(836,845)	(712,959)	(681,403)
–Specific	(1,435,318)	(1,348,860)	(1,300,447)	(1,195,407)
Net loans, advances and financing	55,334,857	52,090,100	45,830,039	44,002,993

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 Dec 2008 RM'000	31 March 2008 RM'000	31 Dec 2008 RM'000	31 March 2008 RM'000
Domestic banking institutions	13,518	131	13,518	131
Domestic non-bank financial institutions	818,130	832,795	814,076	832,134
Domestic business enterprises				
– Small medium enterprises	6,478,799	5,447,766	5,550,394	4,698,418
– Others	12,046,088	11,288,387	10,623,426	10,281,199
Government and statutory bodies	75,242	111,581	75,242	90,270
Individuals	38,124,233	36,497,158	30,693,620	29,900,143
Other domestic entities	27,471	32,566	24,564	29,384
Foreign entities	66,840	65,421	48,605	48,124
Gross loans, advances and financing	<u>57,650,321</u>	<u>54,275,805</u>	<u>47,843,445</u>	<u>45,879,803</u>

A11b. By interest/profit rate sensitivity

	The Group		The Bank	
	31 Dec 2008 RM'000	31 March 2008 RM'000	31 Dec 2008 RM'000	31 March 2008 RM'000
Fixed rate				
– Housing loans/financing	3,915,396	2,343,023	3,526,622	1,923,634
– Hire purchase receivables	24,286,319	23,104,427	19,154,974	18,648,791
– Other fixed rate loan/financing	8,514,342	8,136,894	4,467,006	4,713,358
Variable rate				
– Base lending rate plus	13,555,990	14,688,695	13,555,990	14,687,528
– Cost plus	6,974,832	5,617,532	6,759,432	5,539,111
– Other variable rates	403,442	385,234	379,421	367,381
Gross loans, advances and financing	<u>57,650,321</u>	<u>54,275,805</u>	<u>47,843,445</u>	<u>45,879,803</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 Dec 2008 RM'000	31 March 2008 RM'000	31 Dec 2008 RM'000	31 March 2008 RM'000
Purchase of securities	1,692,638	1,147,252	1,685,673	1,137,836
Purchase of transport vehicles	24,523,311	24,124,961	18,198,942	17,756,772
Purchase of landed property				
– Residential	11,140,536	10,980,593	10,750,181	10,560,017
– Non-residential	2,836,796	2,312,866	2,597,767	2,167,498
Purchase of fixed assets other than land and building	1,737,491	1,751,237	1,588,624	1,624,960
Personal use	2,316,821	2,079,883	392,095	377,780
Credit card	1,873,417	1,872,322	1,554,884	1,569,270
Purchase of consumer durables	3,465	3,892	2,313	2,708
Construction	1,098,195	838,616	997,128	811,149
Mergers and acquisitions	351,418	278,877	351,418	278,877
Working capital	9,306,869	9,259,667	7,965,315	8,135,256
Other purpose	2,025,189	1,581,661	1,759,105	1,457,680
	<u>58,906,146</u>	<u>56,231,827</u>	<u>47,843,445</u>	<u>45,879,803</u>
Less: Islamic financing sold to Cagamas Berhad	(1,255,825)	(1,956,022)	-	-
Gross loans, advances and financing	<u>57,650,321</u>	<u>54,275,805</u>	<u>47,843,445</u>	<u>45,879,803</u>

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

A11. Loans, Advances and Financing (continued)

A11d. Non-performing loans by purpose

	The Group		The Bank	
	31 Dec 2008 RM'000	31 March 2008 RM'000	31 Dec 2008 RM'000	31 March 2008 RM'000
Purchase of securities	88,829	97,862	88,188	96,949
Purchase of transport vehicles	448,698	428,615	324,727	303,707
Purchase of landed property				
– Residential	968,032	962,785	905,907	881,418
– Non-residential	331,595	334,169	309,705	305,131
Purchase of fixed assets other than land and building	23,003	44,119	20,654	36,916
Personal use	23,334	35,246	22,777	34,794
Credit card	65,809	66,011	55,363	55,432
Purchase of consumer durables	550	485	550	485
Construction	210,210	201,276	189,905	179,398
Working capital	723,789	941,624	691,854	916,777
Other purpose	143,777	180,492	140,386	176,356
	<u>3,027,626</u>	<u>3,292,684</u>	<u>2,750,016</u>	<u>2,987,363</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 Dec 2008 RM'000	31 March 2008 RM'000	31 Dec 2008 RM'000	31 March 2008 RM'000
Gross				
Balance at 1 April	3,292,684	5,152,411	2,987,363	4,649,327
Non-performing during the period/year	978,970	1,319,462	828,088	1,113,394
Reclassification to performing loans, advances and financing	(541,625)	(757,158)	(481,336)	(653,641)
Amount recovered	(315,261)	(513,158)	(290,767)	(442,281)
Debt equity conversion	-	(86,725)	-	(86,725)
Amount written off	(603,426)	(1,274,107)	(509,616)	(1,044,670)
Sale of non-performing loans	-	(547,859)	-	(547,859)
Factored loan from related company	196,730	-	196,730	-
Repurchase of loan	19,554	-	19,554	-
Exchange fluctuation adjustment	-	(215)	-	(215)
Reclassification from trade receivable	-	33	-	33
Balance at end of period/year	3,027,626	3,292,684	2,750,016	2,987,363
Less: Specific allowance	(1,435,318)	(1,348,860)	(1,300,447)	(1,195,407)
Non-performing loans, advances and financing - net	1,592,308	1,943,824	1,449,569	1,791,956
Gross loans, advances and financing	57,650,321	54,275,805	47,843,445	45,879,803
Add: Islamic financing sold to Cagamas Berhad	1,255,825	1,956,022	-	-
Balance as the end of period/year	58,906,146	56,231,827	47,843,445	45,879,803
Less: Specific allowance	(1,435,318)	(1,348,860)	(1,300,447)	(1,195,407)
Loans, advances and financing (including Islamic financing sold to Cagamas Berhad)	57,470,828	54,882,967	46,542,998	44,684,396
Ratio of net non-performing loans, advances and financing to total loans, advances and financing (including Islamic financing sold to Cagamas Berhad) - net	2.77%	3.54%	3.11%	4.01%

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 Dec 2008 RM'000	31 March 2008 RM'000	31 Dec 2008 RM'000	31 March 2008 RM'000
General Allowance				
Balance at 1 April	836,845	771,017	681,403	630,262
Allowance made during the period/year	43,262	66,062	31,556	51,375
Exchange fluctuation adjustments	39	(234)	-	(234)
Balance at end of period/year	<u>880,146</u>	<u>836,845</u>	<u>712,959</u>	<u>681,403</u>
% of total loans less specific allowance	<u>1.53%</u>	<u>1.52%</u>	<u>1.53%</u>	<u>1.52%</u>
Specific Allowance				
Balance at 1 April	1,348,860	2,083,017	1,195,407	1,829,318
Allowance made during the period/year	750,530	1,181,796	636,481	964,117
Amount written back in respect of recoveries during the period/year	<u>(257,255)</u>	<u>(413,905)</u>	<u>(220,117)</u>	<u>(335,005)</u>
Net charge to income statements	493,275	767,891	416,364	629,112
Debt equity conversion	-	(17,190)	-	(17,190)
Factored loan from related company	118,730	-	118,730	-
Amount written off/ Adjustment to Asset Deficiency Account	<u>(525,547)</u>	<u>(1,265,864)</u>	<u>(430,054)</u>	<u>(1,026,839)</u>
Reclassification from sundry receivables	-	838	-	838
Sale of non-performing loans	-	<u>(219,832)</u>	-	<u>(219,832)</u>
Balance at end of period/year	<u>1,435,318</u>	<u>1,348,860</u>	<u>1,300,447</u>	<u>1,195,407</u>

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

A12. Deposits from Customers

	The Group		The Bank	
	31 Dec 2008 RM'000	31 March 2008 RM'000	31 Dec 2008 RM'000	31 March 2008 RM'000
Demand deposits	3,350,009	2,908,460	2,691,433	2,387,896
Savings deposits	3,370,191	3,340,718	2,505,897	2,539,686
Other deposits	6,803,652	4,047,540	6,766,102	4,047,540
Fixed deposits	37,138,471	37,304,961	31,201,178	32,276,206
Negotiable certificates of deposits	6,493	16,652	-	10,103
	<u>50,668,816</u>	<u>47,618,331</u>	<u>43,164,610</u>	<u>41,261,431</u>
<u>By type of customers</u>				
Individuals	24,811,560	23,634,465	23,008,817	22,010,689
Business enterprises	18,056,282	15,576,434	14,501,886	12,641,127
Government and other statutory bodies	6,963,167	6,358,023	5,056,543	4,968,233
Others	837,807	2,049,409	597,364	1,641,382
	<u>50,668,816</u>	<u>47,618,331</u>	<u>43,164,610</u>	<u>41,261,431</u>

A13. Deposits and Placements of Banks and Other Financial Institutions

	The Group		The Bank	
	31 Dec 2008 RM'000	31 March 2008 RM'000	31 Dec 2008 RM'000	31 March 2008 RM'000
Licensed banks	3,524,914	1,723,106	2,678,333	1,158,483
Licensed merchant banks	1,745,212	1,409,898	1,425,496	716,019
Licensed finance companies	-	803,632	-	803,632
Other financial institutions	12,371,321	11,012,892	9,827,655	9,495,703
Bank Negara Malaysia ("BNM")	904,790	1,386,398	902,804	1,383,975
	<u>18,546,237</u>	<u>16,335,926</u>	<u>14,834,288</u>	<u>13,557,812</u>

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

A14. Interest Income

	Individual Quarter		Cumulative Quarter	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
The Group				
Loans and advances				
– Interest income other than recoveries from NPLs	758,725	701,130	2,220,536	2,061,831
– Recoveries from NPLs	43,368	64,877	167,068	201,285
Money at call, deposit and placements with financial institutions	80,647	81,528	235,541	209,874
Securities held-for-trading	6,333	65,783	41,746	190,573
Securities available-for-sale	66,482	37,632	177,318	76,951
Securities held-to-maturity	5,785	84,571	27,507	106,988
Others	110	769	293	1,217
	961,450	1,036,290	2,870,009	2,848,719
Interest suspended	(23,593)	(24,274)	(71,279)	(81,589)
Amortisation of premium less accretion of discount - net	1,669	4,808	9,127	9,338
	<u>939,526</u>	<u>1,016,824</u>	<u>2,807,857</u>	<u>2,776,468</u>
The Bank				
Loans and advances				
– Interest income other than recoveries from NPLs	758,286	699,988	2,219,331	2,057,022
– Recoveries from NPLs	43,368	64,400	167,068	200,808
Money at call, deposit and placements with financial institutions	79,785	84,720	231,735	208,305
Securities held-for-trading	6,332	65,099	41,756	189,889
Securities available-for-sale	66,482	37,724	177,318	76,951
Securities held-to-maturity	4,576	85,122	26,298	106,929
Others	60	730	186	918
	958,889	1,037,783	2,863,692	2,840,822
Interest suspended	(23,593)	(23,761)	(71,279)	(79,028)
Amortisation of premium less accretion of discount - net	1,669	4,808	9,127	9,338
	<u>936,965</u>	<u>1,018,830</u>	<u>2,801,540</u>	<u>2,771,132</u>

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

A15. Interest Expense

	Individual Quarter		Cumulative Quarter	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
The Group				
Deposits from customers	358,564	383,794	1,033,356	1,080,638
Deposits and placements of banks and other financial institutions	104,063	106,119	328,756	289,722
Recourse obligation of loans sold to Cagamas Berhad	1,226	2,542	4,146	13,142
Subordinated term loans	-	7,987	15,770	23,843
Subordinated bonds	-	4,009	1,263	11,980
Hybrid securities	12,208	11,385	34,220	34,727
Medium term notes	20,838	-	61,464	-
Exchangeable bonds	7,565	7,565	22,614	18,749
Irredeemable Convertible Unsecured Loan Stocks	-	1,943	995	4,815
Others	11,300	42,329	27,182	137,435
	<u>515,764</u>	<u>567,673</u>	<u>1,529,766</u>	<u>1,615,051</u>
The Bank				
Deposits from customers	357,704	382,405	1,030,229	1,075,498
Deposits and placements of banks and other financial institutions	103,887	113,673	328,816	294,583
Recourse obligation of loans sold to Cagamas Berhad	1,226	2,542	4,146	13,142
Subordinated term loans	11,963	19,371	49,745	58,570
Subordinated bonds	-	4,009	1,263	11,980
Medium term notes	20,838	-	61,464	-
Exchangeable bonds	7,565	7,565	22,614	18,749
Irredeemable Convertible Unsecured Loan Stocks	-	1,943	995	4,815
Others	11,887	40,111	27,929	137,006
	<u>515,070</u>	<u>571,619</u>	<u>1,527,201</u>	<u>1,614,343</u>

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

A16. Net Income from Islamic Banking Business

	Individual Quarter		Cumulative Quarter	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
The Group				
Income derived from investment of depositors' funds and others	218,562	169,097	589,616	524,924
Income derived from investment of shareholders' funds	29,122	46,041	126,013	141,141
Transfer from profit equalisation reserve	(8,292)	(1,849)	(1,487)	26,287
Income attributable to depositors	(100,460)	(86,546)	(291,012)	(271,814)
Finance cost	(4,840)	(5,475)	(14,466)	(17,062)
	<u>134,092</u>	<u>121,268</u>	<u>408,664</u>	<u>403,476</u>

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

A17. Other Operating Income

	Individual Quarter		Cumulative Quarter	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
The Group				
(a) <u>Fee Income:</u>				
Commissions	12,930	19,555	43,067	41,180
Guarantee fees	6,949	5,139	20,135	14,481
Other fee income	34,808	26,199	109,949	86,570
	<u>54,687</u>	<u>50,893</u>	<u>173,151</u>	<u>142,231</u>
(b) <u>Investment income:</u>				
Net gain/(loss) on sale of:				
Securities held-for-trading	12,340	(20,505)	(52,250)	54,461
Securities available-for-sale	(12,539)	1,820	(2,507)	25,765
Securities held-to-maturity	12,216	56,042	34,560	86,506
Net loss on revaluation of securities held-for-trading	(1,166)	(9,694)	(27,244)	(79,642)
Net gain/(loss) on revaluation of derivatives	(26,710)	22,265	(60,640)	64,496
Gross dividend income from:				
Securities held-for-trading	(3,881)	2,673	670	9,621
Securities available-for-sale	5,955	-	6,758	774
Securities held-to-maturity	250	320	5,260	4,977
Others	(1)	-	5	-
	<u>(13,536)</u>	<u>52,921</u>	<u>(95,388)</u>	<u>166,958</u>
(c) <u>Other Income:</u>				
Rental income	1,322	851	3,120	2,732
Gain on disposal of property and equipment	3	66	514	78
Gain on disposal of foreclosed properties	103	758	136	758
Foreign exchange gain/(loss)	11,624	5,103	99	11,980
Other operating income/(charge)	(611)	186	20	497
	<u>12,441</u>	<u>6,964</u>	<u>3,889</u>	<u>16,045</u>
	<u>53,592</u>	<u>110,778</u>	<u>81,652</u>	<u>325,234</u>

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

A17. Other Operating Income (continued)

	Individual Quarter		Cumulative Quarter	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
The Bank				
(a) <u>Fee Income:</u>				
Commissions	12,930	19,449	43,067	41,074
Guarantee fees	6,551	4,914	18,623	13,188
Other fee income	34,718	25,926	109,695	85,853
	<u>54,199</u>	<u>50,289</u>	<u>171,385</u>	<u>140,115</u>
(b) <u>Investment income:</u>				
Net gain/(loss) on sale of:				
Securities held-for-trading	12,813	(20,570)	(51,777)	54,117
Securities available-for-sale	(12,539)	3,852	(2,507)	25,765
Securities held-to-maturity	12,216	54,009	34,560	86,506
Net loss on revaluation of securities held-for-trading	(1,166)	(9,598)	(27,244)	(79,320)
Net gain/(loss) on revaluation of derivatives	(26,710)	23,034	(60,640)	65,847
Gross dividend income from:				
Securities held-for-trading	(3,881)	2,673	670	9,621
Securities available-for-sale	5,955	(1)	6,758	774
Securities held-to-maturity	250	322	5,260	4,977
Others	(1)	-	5	-
	<u>(13,063)</u>	<u>53,721</u>	<u>(94,915)</u>	<u>168,287</u>
(c) <u>Other Income:</u>				
Rental income	628	656	1,988	2,162
Gain on disposal of property and equipment	3	77	456	78
Gain on disposal of foreclosed properties	103	758	136	758
Foreign exchange gain/(loss)	11,698	4,890	386	11,657
Other operating income/(charge)	(726)	-	(665)	-
	<u>11,706</u>	<u>6,381</u>	<u>2,301</u>	<u>14,655</u>
	<u>52,842</u>	<u>110,391</u>	<u>78,771</u>	<u>323,057</u>

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

A18. Other Operating Expenses

	Individual Quarter		Cumulative Quarter	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
The Group				
Personnel costs				
– Salaries, contributions, allowances and bonuses	111,405	105,319	333,023	297,710
– Others	15,702	5,448	29,047	16,726
Establishment costs				
– Depreciation	9,902	9,307	28,942	28,465
– Rental	13,400	12,528	38,045	35,587
– Cleaning, maintenance and security	4,537	5,311	13,725	15,054
– Computerisation cost	9,911	11,496	38,128	31,540
– Amortisation of intangible assets	6,195	5,378	17,834	15,250
– Amortisation of prepaid land lease payments	25	26	75	80
– Property and Equipment Written Off	-	3	-	3
– Others	5,367	4,566	15,113	14,049
Marketing and communication expenses				
– Commission	3,288	1,688	8,134	5,111
– Advertising and marketing	8,878	11,552	30,981	34,103
– Communication	11,840	10,851	32,735	35,229
– Others	1,708	1,890	5,257	5,714
Administration and general expenses				
– Professional services	18,348	25,075	56,010	50,437
– Shared service cost charged	13,596	3,678	38,984	37,021
– Others	6,494	3,755	15,907	11,008
	<u>240,596</u>	<u>217,871</u>	<u>701,940</u>	<u>633,087</u>

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

A18. Other Operating Expenses (continued)

	Individual Quarter		Cumulative Quarter	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
The Bank				
Personnel costs				
– Salaries, contributions, allowances and bonuses	109,479	103,426	326,967	292,407
– Others	15,636	5,429	28,660	16,255
Establishment costs				
– Depreciation	9,743	9,148	28,466	27,998
– Rental	13,131	12,743	38,220	36,370
– Cleaning, maintenance and security	4,445	5,174	13,292	14,570
– Computerisation cost	9,717	11,376	36,918	31,233
– Amortisation of intangible assets	6,158	5,352	17,726	15,194
– Amortisation of prepaid land lease payments	20	21	60	65
– Others	5,088	4,360	14,382	13,418
Marketing and communication expenses				
– Commission	2,842	1,687	7,688	5,105
– Advertising and marketing	7,904	10,174	27,457	29,782
– Communication	11,486	10,450	31,606	33,774
– Others	1,675	1,861	5,138	5,636
Administration and general expenses				
– Professional services	17,913	24,256	55,085	48,067
– Shared service cost charged	13,056	3,067	37,407	34,179
– Shared service cost recoveries (Subsidiary)	(50,357)	(44,698)	(147,304)	(130,012)
– Others	5,983	3,593	14,690	10,645
	<u>183,919</u>	<u>167,419</u>	<u>536,458</u>	<u>484,686</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 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
The Group				
Allowance for bad and doubtful debts and financing:				
Specific allowance				
– made in the financial period	280,572	266,035	750,530	1,001,875
– written back	(63,289)	(87,385)	(257,255)	(312,903)
General allowance	5,997	11,329	43,262	36,390
Bad debts and financing recovered - net	(78,449)	(82,684)	(309,826)	(248,807)
Amount recovered from Danaharta	-	-	-	(609)
	<u>144,831</u>	<u>107,295</u>	<u>226,711</u>	<u>475,946</u>
The Bank				
Allowance for bad and doubtful debts and financing:				
Specific allowance				
– made in the financial period	243,986	207,025	636,481	821,877
– written back	(52,072)	(70,207)	(220,117)	(248,606)
General allowance	5,308	6,657	31,556	26,816
Bad debts and financing recovered - net	(159,939)	(77,138)	(378,234)	(237,310)
Amount recovered from Danaharta	-	-	-	(609)
	<u>37,283</u>	<u>66,337</u>	<u>69,686</u>	<u>362,168</u>

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

A20. Impairment Loss

	Individual Quarter		Cumulative Quarter	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
Impairment Loss / (Writeback)				
The Group				
Securities	11,300	83,739	46,186	92,034
Amount recoverable under asset-backed securitisation transaction	(17,000)	7,000	(17,000)	7,000
Property and equipment	2,236	-	2,236	-
Prepaid land lease payments	254	-	254	-
Sundry receivables	(3,956)	(5,476)	(3,534)	3,676
	<u>(7,166)</u>	<u>85,263</u>	<u>28,142</u>	<u>102,710</u>
The Bank				
Securities	11,300	83,739	46,186	92,034
Subsidiary companies	108,157	-	115,157	-
Amount recoverable under asset-backed securitisation transaction	(17,000)	-	(17,000)	7,000
Property and equipment	2,236	-	2,236	-
Prepaid land lease payments	254	-	254	-
Sundry receivables	(25)	1,624	354	3,776
	<u>104,922</u>	<u>85,363</u>	<u>147,187</u>	<u>102,810</u>

A21. Taxation

	Individual Quarter		Cumulative Quarter	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
The Group				
Estimated current tax payable	118	19,522	232	46,615
Net transfer from deferred taxation	85,722	53,574	231,201	199,538
	<u>85,840</u>	<u>73,096</u>	<u>231,433</u>	<u>246,153</u>
Tax recovered in respect of prior year	-	-	-	(266)
Prior year tax expense in respect of business vested over	-	(11)	-	(19)
	<u>85,840</u>	<u>73,085</u>	<u>231,433</u>	<u>245,868</u>

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

A21. Taxation (continued)

	Individual Quarter		Cumulative Quarter	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
The Bank				
Estimated current tax payable	15	17,745	15	39,474
Net transfer from deferred taxation	69,810	47,345	188,289	153,010
	<u>69,825</u>	<u>65,090</u>	<u>188,304</u>	<u>192,484</u>
Tax recovered in respect of prior year	-	-	-	(266)
Prior year tax expense in respect of business vested over	-	-	-	-
	<u>69,825</u>	<u>65,090</u>	<u>188,304</u>	<u>192,218</u>

The total tax charge of the Group and the Bank for the period ended 31 December 2008 reflects an effective tax rate which is higher than the statutory tax rate due mainly to disallowances of certain expenses.

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.

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

	Individual Quarter		Cumulative Quarter	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
The Group				
Net profit attributable to shareholder of the Bank	148,271	197,180	566,285	432,353
Effect of savings on interest on ICULS (net of tax)	-	1,457	746	3,611
	<u>148,271</u>	<u>198,637</u>	<u>567,031</u>	<u>435,964</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	60,000	60,000	49,745
Weighted average number of ordinary shares in issue	<u>670,364</u>	<u>670,364</u>	<u>670,364</u>	<u>660,109</u>
Basic earnings per share (sen)	<u>22.12</u>	<u>29.63</u>	<u>84.59</u>	<u>66.04</u>

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

A22. Earnings Per Share (EPS) (continued)

(a) Basic

	Individual Quarter		Cumulative Quarter	
	31 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
The Bank				
Net profit attributable to shareholder of the Bank	78,465	173,692	411,156	338,263
Effect of savings on interest on ICULS (net of tax)	-	1,457	746	3,611
	<u>78,465</u>	<u>175,149</u>	<u>411,902</u>	<u>341,874</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	60,000	60,000	49,745
Weighted average number of ordinary shares in issue	<u>670,364</u>	<u>670,364</u>	<u>670,364</u>	<u>660,109</u>
Basic earnings per share (sen)	<u>11.70</u>	<u>26.13</u>	<u>61.44</u>	<u>51.79</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 Dec 2008 RM'000	31 Dec 2007 RM'000	31 Dec 2008 RM'000	31 Dec 2007 RM'000
The Group				
Net profit attributable to shareholder of the Bank (as in (a) above)	148,271	198,637	567,031	435,964
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue (as in (a) above)	610,364	610,364	610,364	610,364
Adjusted for the effect of ICULS	60,000	60,000	60,000	49,745
Adjusted for the effect of INCPS	150,000	150,000	150,000	124,364
Adjusted weighted average number of ordinary shares in issue	820,364	820,364	820,364	784,473
Fully diluted earnings per share (sen)	18.07	24.21	69.12	55.57
	RM'000	RM'000	RM'000	RM'000
The Bank				
Net profit attributable to shareholder of the Bank (as in (a) above)	78,465	175,149	411,902	341,874
	'000	'000	'000	'000
Weighted average number of ordinary shares in issue (as in (a) above)	610,364	610,364	610,364	610,364
Adjusted for the effect of ICULS	60,000	60,000	60,000	49,745
Adjusted for the effect of INCPS	150,000	150,000	150,000	124,364
Adjusted weighted average number of ordinary shares in issue	820,364	820,364	820,364	784,473
Fully diluted earnings per share (sen)	9.56	21.35	50.21	43.58

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

A23a. Performance Review for the period ended 31 December 2008

The Group registered a profit before zakat and taxation (“pre-tax profit”) of RM798.1 million representing a 18% increase compared to the pre-tax profit for the corresponding period last year.

The significant increase in pre-tax profit was attributable to increase in net interest income arising from loan growth and a 52% reduction in loan loss provision due to intensive recovery efforts.

The performance for the period was however impacted by volatility in interest rates. Accordingly, the Group incurred loss on disposal and revaluation loss on securities held for trading amounting to RM79.5 million. Operating expenses increased by 11% principally due to the growing scale of business operations.

Net non-performing loans of the Group continue to improve to 2.77 % from 3.54% in March 2008 and the risk weighted capital ratio of the Bank remains strong at 12.19 % as at 31 December 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

The impact of the financial meltdown that began in the USA since 2007 has spiralled worldwide. The effects of the global economic downturn are expected to fully precipitate nationally in the calendar year 2009. Given the scale of the global economy downturn at unprecedented momentum, the national Real GDP forecast for 2009 is projected at circa 3%, with downward bias. Industry lending growth is forecasted to taper off to circa 6% in 2009. The economy is anticipated to begin rebound towards mid 2010.

Under tougher market conditions, the Group’s business opportunities will be focused on higher profitability segments. Business/SME and Retail banking will be the main growth drivers. The Group is poised to weather global, regional and domestic volatilities. In the past year, the AMMB Holdings Berhad Group has taken steps to strengthen its position; it will continue to leverage its strategic partnership with the Australia and New Zealand Banking Group (ANZ) to enlarge business presence and improve operating infrastructure and had also undertaken the internal restructuring of business activities to facilitate growth.

Moving ahead, the Group will pursue greater brand recognition to grow customer base, assets and deposits portfolio. Added emphasis will be placed on garnering low-cost transactional deposits and improving the cost of funding framework. The Group is confident of achieving the market consensus estimates on its profits for the financial year ending 31 March 2009, barring major negative economic impacts lasting longer and deeper.

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

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

	Conventional Banking RM'000	Islamic Banking RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
The Group					
31 December 2008					
Revenue					
<u>External revenue</u>					
Interest income	2,808,201	-	-	(344)	2,807,857
Fee income	173,028	-	123	-	173,151
Investment and other operating income	(92,191)	-	372	(717)	(92,536)
Income from Islamic Banking					
Financing income	-	681,067	-	-	681,067
Investment and Fees on financing	-	34,562	-	-	34,562
Others (Subsidiaries) – Rental	-	-	1,037	-	1,037
	<u>2,889,038</u>	<u>715,629</u>	<u>1,532</u>	<u>(1,061)</u>	<u>3,605,138</u>
<u>Inter-segment revenue</u>					
Interest Income	-	-	34,638	(34,638)	-
Others (Subsidiaries) – Rental	-	-	946	(946)	-
	<u>-</u>	<u>-</u>	<u>35,584</u>	<u>(35,584)</u>	<u>-</u>
Total revenue	<u>2,889,038</u>	<u>715,629</u>	<u>37,116</u>	<u>(36,645)</u>	<u>3,605,138</u>
Results					
Profit before share in results of associated company and taxation	613,537	164,207	14,358	5,942	798,044
Share of profits of associated company	-	-	-	39	39
Profit before zakat and taxation	613,537	164,207	14,358	5,981	798,083
Zakat	-	(374)	-	-	(374)
Taxation	(188,319)	(42,912)	(202)	-	(231,433)
Profit after zakat and taxation	<u>425,218</u>	<u>120,921</u>	<u>14,156</u>	<u>5,981</u>	<u>566,276</u>
Total Assets	<u>68,669,382</u>	<u>13,425,448</u>	<u>781,266</u>	<u>(1,664,266)</u>	<u>81,211,830</u>

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

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

	Conventional Banking RM'000	Islamic Banking RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
The Group					
31 December 2007					
Revenue					
<u>External revenue</u>					
Interest income	2,776,314	-	192	(38)	2,776,468
Fee income	141,985	-	246	-	142,231
Investment and other operating income	182,330	-	370	57	182,757
Income from Islamic Banking :					
Financing income	-	617,505	-	-	617,505
Investment and Fees on financing	-	48,560	-	-	48,560
Others (Subsidiaries) – Rental	-	-	246	-	246
	<u>3,100,629</u>	<u>666,065</u>	<u>1,054</u>	<u>19</u>	<u>3,767,767</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>3,100,629</u>	<u>666,065</u>	<u>37,593</u>	<u>(36,520)</u>	<u>3,767,767</u>
Results					
Profit before share in results of associated company and taxation	534,356	142,655	1,692	(20)	678,683
Share of profits of associated company	-	-	-	32	32
Profit before zakat and taxation	534,356	142,655	1,692	12	678,715
Zakat	-	(502)	-	-	(502)
Taxation	(192,233)	(53,407)	(228)	-	(245,868)
Profit after zakat and taxation	<u>342,123</u>	<u>88,746</u>	<u>1,464</u>	<u>12</u>	<u>432,345</u>
Total Assets	<u>64,765,856</u>	<u>10,420,486</u>	<u>748,339</u>	<u>(1,904,292)</u>	<u>74,030,389</u>

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

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

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.

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 Events

- (a) The Bank and AmInvestment Bank Berhad ("AmInvestment") had on 11 March 2008 entered into a business transfer agreement for the transfer of the assets and liabilities relating to the investment, treasury and credit/lending activities or businesses (the "Fund-Based Activity") of AmInvestment to the Bank. The assets vested includes AmInvestment's 100% shareholding in AmInternational (L) Ltd, a licensed off-shore bank.

The transfer of the Fund-Based Activity was in relation to a group restructuring exercise approved by the Minister of Finance as announced by AMMB Holdings Berhad, the Bank's ultimate holding company, on 11 March 2008 to Bursa Malaysia Securities Berhad. The transfer of the Fund-Based Activity was effected pursuant to section 50 of the Banking and Financial Institutions Act, 1989 by way of vesting orders obtained from High Courts. The vesting of the Fund-Based Activity, came into effect on 12 April 2008 and the net assets vested amounted to RM1,370 million.

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

A27. Significant Events (continued)

The amounts of assets and liabilities vested by AmInvestment 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 asset	15,439	15,344
Investment in subsidiary companies	33,020	33,020
Total assets	13,320,243	12,442,474
Liabilities		
Deposits from customers	6,760,077	6,285,951
Deposits and placement 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
Reserve	24,153	24,153
Total liabilities and reserve	11,949,695	11,386,780
Cash paid for net assets vested	1,370,548	1,055,694
Commitments and contingencies vested	46,950,718	45,302,157

* The Group comprise the Bank and AmIslamic Bank Berhad

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

A27. Significant Events (continued)

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>
Net assets vested	81,535
Cash paid	<u>(33,020)</u>
Excess of net assets vested over amount paid	<u>48,515</u>

- (b) During the financial period, the Bank set-up an offshore branch in Labuan upon obtaining a licence to carry on offshore banking business in Labuan. The Bank also entered into a Business Transfer agreement with AmInvestment Bank Berhad (AmInvestment) which involves the transfer of assets and liabilities in relation to the business carried on by the Labuan Offshore Branch of AmInvestment to the Bank's newly set-up offshore branch in Labuan. On 26 September 2008, AmInvestment transferred assets and liabilities to the Bank as follows :

	RM'000
Assets	
Cash and short-term funds	30,358
Securities held-for-trading	52,666
Total assets	<u>83,024</u>
Liability	
Other liability	<u>(1,374)</u>
Net assets vested	<u>81,650</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 31 December 2008.

Company No. 8515–D

**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:

The Group	Principal	Credit	Risk	Principal	Credit	Risk
	Amount	Equivalent	Weighted	Amount	Equivalent	Weighted
	RM'000	Amount*	Amount	RM'000	Amount*	Amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	2,536,886	2,536,886	2,489,312	1,826,396	1,602,082	1,483,023
Certain transaction-related contingent items	1,453,150	726,575	707,802	595,159	297,580	296,855
Short-term self-liquidating trade-related contingencies	517,067	103,346	103,361	584,432	116,886	113,419
Obligations under underwriting agreements	632,000	316,000	316,000	2,057,000	1,028,500	945,300
Unpaid portion of partly paid shares	150	150	150	150	150	150
Irrevocable commitments to extend credit:						
– maturing less than one year	10,787,102	2,157,487	2,020,705	8,639,981	1,558,976	1,422,930
– maturing more than one year	2,383,171	1,191,586	1,093,631	2,526,822	1,263,411	1,138,013
– unutilised credit card lines	4,152,199	830,439	620,666	4,006,449	801,290	598,888
Forward purchase commitments						
– less than one year	44,482	92	33	338,081	338,081	30,108
Foreign exchange related contracts:						
– less than one year	2,319,869	97,999	53,012	5,762,191	102,655	34,932
Cross currency swap						
– less than one year	446,607	10,685	5,856	145,123	13,628	2,725
– maturing more than one year to less than five years	368,149	29,757	14,878	479,524	62,515	12,503
Interest rate swap contracts:						
– maturing within one year	4,845,694	11,872	5,363	24,396,063	58,439	18,936
– maturing more than one year to less than five years	16,916,911	716,477	327,029	18,257,202	547,171	132,707
– maturing more than five years	2,598,488	372,644	120,256	2,005,988	302,666	116,500
Interest rate futures:						
– maturing within one year	10,000	2,197	1,098	120,000	163,256	81,628
– maturing more than one year to less than five years	60,000	27,083	13,542	150,000	31,554	15,776
Sell and buy back agreement	226,647	5,108	3,189	1,216,782	1,216,782	879,744
Islamic financing sold to Cagamas Berhad with recourse	1,233,443	1,233,443	934,583	1,863,857	1,863,857	1,404,403
Equity options	-	-	-	13,867	-	-
Any commitments that are unconditionally cancelled at any time by the Group	30,014	100	100	23,625	-	-
Total	51,562,029	10,369,926	8,830,566	75,008,692	11,369,479	8,728,540

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

A29. Commitments and Contingencies (continued)

The Bank	As at 31 December 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	2,090,875	2,090,875	2,044,010	1,630,287	1,405,973	1,310,289
Certain transaction-related contingent items	1,275,456	637,728	618,955	519,315	259,658	258,933
Short-term self-liquidating trade-related contingencies	440,087	88,017	88,032	511,855	102,371	98,922
Obligations under underwriting agreements	233,000	116,500	116,500	1,720,000	860,000	776,800
Unpaid portion of partly paid shares	150	150	150	150	150	150
Irrevocable commitments to extend credit:						
– maturing less than one year	9,191,491	1,838,298	1,708,535	7,372,281	1,320,436	1,187,891
– maturing more than one year	2,055,847	1,027,924	954,181	2,195,808	1,097,904	1,001,434
– unutilised credit card lines	3,648,427	729,685	545,379	3,454,995	690,999	516,523
Forward purchase commitments						
– less than one year	44,482	92	33	338,081	338,081	30,108
Foreign exchange related contracts:						
– less than one year	2,319,869	97,999	53,012	5,762,191	102,655	34,932
Cross currency swap						
– less than one year	446,607	10,685	5,856	145,123	13,628	2,725
– maturing more than one year to less than five years	368,149	29,757	14,878	479,524	62,515	12,503
Interest rate swap contracts:						
– maturing within one year	4,845,694	11,872	5,363	24,396,063	58,439	18,936
– maturing more than one year to less than five years	16,916,911	716,477	327,029	18,257,202	547,171	132,707
– maturing more than five years	2,598,488	372,644	120,256	2,005,988	302,666	116,500
Interest rate futures:						
– maturing within one year	10,000	2,197	1,098	120,000	163,256	81,628
– maturing more than one year to less than five years	60,000	27,083	13,542	150,000	31,554	15,776
Equity options	-	-	-	13,867	-	-
Any commitments that are unconditionally cancelled at any time by the Group	19,165	-	-	18,650	-	-
Total	46,564,698	7,797,983	6,616,809	69,091,380	7,357,456	5,596,757

* 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.

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.

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

A30. Risk Management Policy on Financial Derivatives (continued)

Risk associated with financial derivatives

As derivatives are contracts that transfer risks, they expose the holder to the same type 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.

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 31 December 2008, value at risk of foreign exchange-related derivative contracts used for trading purposes of the Group and the Bank was RM 17,031,000 (RM 5,824,000 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 RM 46,329,000 (RM 22,382,000 as at 31 March 2008).

The value at risk of the equity derivative related contracts used for trading purposes of the Group and the Bank was RM 230,000 (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.

**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 2008, the Group and the Bank has a counterparty credit risk of RM258,118,000 (RM102,867,000 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.

(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 derivatives 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 (“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 12.19 % (including the operations of AmInternational (L) Ltd) exceeds the minimum requirements of BNM.

	The Bank	
	31 Dec 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	678,174	515,197
Share premium	942,844	710,660
Statutory reserve	680,459	680,459
Other reserves	9,366	-
Unappropriated profit	1,652,716	1,202,508
	<u>4,783,923</u>	<u>3,869,188</u>
Less: Deferred tax asset	(263,402)	(435,028)
Total Tier 1 capital	<u>4,520,521</u>	<u>3,434,160</u>
<u>Tier 2 capital</u>		
Irredeemable Convertible Unsecured Loan Stocks	-	291,586
Innovative Tier 1 capital	71,926	234,903
Subordinated term loans	-	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	713,397	620,566
Total Tier 2 capital	<u>2,820,323</u>	<u>3,242,055</u>
Less: Excess Tier 2 Capital	-	(377,920)
Maximum allowable Tier 2 Capital	<u>2,820,323</u>	<u>2,864,135</u>
	7,340,844	6,298,295
Less: Investment in subsidiary companies	(816,849)	(813,849)
Less: Other deduction	(38)	(11)
Capital base	<u>6,523,957</u>	<u>5,484,435</u>
Risk weighted assets	<u>53,529,273</u>	<u>42,302,146</u>

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

A31. Capital Adequacy (continued)

Capital Ratios

	The Bank	
	31 Dec 2008	31 March 2008
Core capital ratio	8.44%	8.12%
Risk-weighted capital ratio	12.19%	12.96%

	31 Dec 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%	9,920,913	-	8,728,568	-
10%	-	-	-	-
20%	6,474,403	1,294,881	1,496,469	299,294
35%	2,882,849	1,008,997	2,786,942	975,430
50%	6,000,736	3,000,368	3,552,309	1,776,154
75%	25,888,084	19,416,063	25,533,893	19,150,419
100%	18,990,236	18,990,236	13,004,428	13,004,428
150%	2,699,656	4,049,484	1,967,652	2,951,478
	<u>72,856,877</u>	<u>47,760,029</u>	<u>57,070,261</u>	<u>38,157,203</u>
Add: Total Risk Weighted Assets Equivalent for market risks		2,243,543		1,346,789
Add: Total Risk Weighted Assets Equivalent for operational risks		3,517,238		2,783,680
Add: Large Exposure Risk Requirements for equity holdings		8,463		14,474
		<u>53,529,273</u>		<u>42,302,146</u>

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

A31. Capital Adequacy (continued)

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

	The Group	
	31 Dec 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	727,390	548,463
Share premium	942,844	710,660
Statutory reserve	770,898	770,898
Capital reserve	377,492	377,492
Merger reserve	397,566	349,050
Exchange fluctuation reserve	(46)	-
Unappropriated profit	1,206,266	735,060
Minority interests	-	41
	5,242,774	4,252,028
Less: Deferred tax asset	(394,196)	(596,127)
Total Tier 1 capital	4,848,578	3,655,901
<u>Tier 2 capital</u>		
Irredeemable Convertible Unsecured Loan Stocks	-	291,586
Innovative Tier 1 capital	22,710	201,637
Subordinated term loans	-	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	880,146	775,232
Total Tier 2 capital	3,337,856	3,763,455
Less: Excess Tier 2 Capital	(10,712)	(667,050)
	3,327,144	3,096,405
Less: Investment in subsidiary companies	(32,779)	-
Less: Other deduction	(38)	(11)
Capital base	8,142,905	6,752,295
Risk weighted assets	64,432,946	51,602,922
Capital Ratios		
Core capital ratio	7.52%	7.08%
Risk-weighted capital ratio	12.64%	13.09%

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

A31. Capital Adequacy (continued)

	31 Dec 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%	12,674,735	-	10,458,252	-
10%	-	-	-	-
20%	7,018,509	1,403,702	1,554,816	310,963
35%	3,053,774	1,068,821	2,954,558	1,034,095
50%	6,243,760	3,121,880	3,654,044	1,827,022
75%	34,447,652	25,835,739	33,860,931	25,395,698
100%	21,854,947	21,854,947	14,973,469	14,973,469
150%	2,825,738	4,238,607	2,059,953	3,089,929
	<u>88,119,115</u>	<u>57,523,696</u>	<u>69,516,023</u>	<u>46,631,176</u>
Add: Total Risk Weighted Assets Equivalent for market risks		2,548,833		1,384,350
Add: Total Risk Weighted Assets Equivalent for operational risks		4,351,954		3,572,922
Add: Large Exposure Risk Requirements for equity holdings		8,463		14,474
		<u>64,432,946</u>		<u>51,602,922</u>

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

Company No. 8515–D

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

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.

31 December 2008

	←-----Non-Trading Book-----→						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 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				
The Group										
ASSETS										
Cash and short-term funds	9,776,312	-	-	-	-	-	3,041,408	-	12,817,720	3.16
Deposits and placements with banks and other financial institutions	-	323,800	100,100	103,700	120,499	-	-	-	648,099	3.29
Securities held-for-trading	-	-	-	-	-	-	276,346	1,127,161	1,403,507	3.47
Securities available-for-sale	81,551	420,547	110,571	150,222	1,600,594	2,919,453	693,373	-	5,976,311	4.42
Securities held-to-maturity	38,727	-	91,292	37,481	401,900	102,275	121,422	-	793,097	3.13
Derivative financial assets	-	-	-	-	-	-	492,982	-	492,982	-
Loans, advances and financing										
– Performing	20,854,267	1,503,439	603,466	403,679	6,766,079	14,991,482	9,500,282	-	54,622,694	7.00
– Non-performing*	-	-	-	-	-	-	712,163	-	712,163	-
Other non-interest sensitive balances	-	-	-	-	-	-	3,745,257	-	3,745,257	-
TOTAL ASSETS	30,750,857	2,247,786	905,429	695,082	8,889,072	18,013,210	18,583,233	1,127,161	81,211,830	

Company No. 8515–D

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

A32. (Cont)

31 December 2008

	←-----Non-Trading Book-----→						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 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				
The Group										
LIABILITIES AND EQUITY										
Deposits from customers	17,110,245	6,679,119	5,900,358	8,902,721	2,153,344	-	9,923,029	-	50,668,816	3.23
Deposits and placements of banks and other financial institutions	8,076,693	2,673,856	1,015,843	986,150	1,304,187	728,000	3,761,508	-	18,546,237	3.35
Derivative financial liabilities	-	-	-	-	-	-	539,253	-	539,253	-
Bills and acceptances payables	469,287	570,271	14,740	-	-	-	631,382	-	1,685,680	3.43
Recourse obligation of loan sold to Cagamas Berhad	-	-	-	-	159,434	-	-	-	159,434	3.98
Medium term notes	-	-	-	-	-	1,460,000	-	-	1,460,000	5.66
Hybrid securities	-	-	-	-	-	815,550	-	-	815,550	6.52
Subordinated bonds	-	-	-	-	-	-	400,000	-	400,000	4.81
Exchangeable bonds	-	-	-	-	-	575,000	-	-	575,000	5.22
Irredeemable Non-Cumulative Convertible Preference shares	-	-	-	-	-	-	150,000	-	150,000	-
Term loan	294,100	-	-	-	-	-	-	-	294,100	4.91
Other non-interest sensitive balances	-	-	-	-	-	-	1,666,745	-	1,666,745	-
Total Liabilities	25,950,325	9,923,246	6,930,941	9,888,871	3,616,965	3,578,550	17,071,917	-	76,960,815	

Company No. 8515–D

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

A32. (Cont)

31 December 2008

	←-----Non-Trading Book-----→						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 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				
The Group										
Total Liabilities	25,950,325	9,923,246	6,930,941	9,888,871	3,616,965	3,578,550	17,071,917	-	76,960,815	
Minority interests	-	-	-	-	-	-	32	-	32	
Shareholder's Equity	-	-	-	-	-	-	4,250,983	-	4,250,983	
TOTAL LIABILITIES AND EQUITY	25,950,325	9,923,246	6,930,941	9,888,871	3,616,965	3,578,550	21,322,932	-	81,211,830	
On-balance sheet interest sensitivity gap	4,800,532	(7,675,460)	(6,025,512)	(9,193,789)	5,272,107	14,434,660	(2,739,699)	1,127,161	-	
Off-balance sheet interest sensitivity gap **	(234,217)	(3,707,707)	798,500	855,000	2,936,911	(718,487)	-	-	(70,000)	
Total interest sensitivity gap	<u>4,566,315</u>	<u>(11,383,167)</u>	<u>(5,227,012)</u>	<u>(8,338,789)</u>	<u>8,209,018</u>	<u>13,716,173</u>	<u>(2,739,699)</u>	<u>1,127,161</u>	<u>(70,000)</u>	

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

** This comprises interest rate swap and interest rate futures.

Company No. 8515–D

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

A32. (Cont)

31 March 2008

	←-----Non-Trading Book-----→						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 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				
The Group										
ASSETS										
Cash and short-term funds	8,417,816	-	-	-	-	-	2,420,130	-	10,837,946	3.36
Deposits and placements with banks and other financial institutions	-	1,265,820	63,880	-	-	-	-	-	1,329,700	3.50
Securities held-for-trading	-	-	-	-	-	-	559,481	5,981,489	6,540,970	3.54
Securities available-for-sale	-	-	-	85,726	524,807	598,639	43,361	-	1,252,533	4.88
Securities held-to-maturity	49,341	-	43,201	7,540	522,241	357,727	176,486	-	1,156,536	3.95
Derivative financial assets	-	-	-	-	-	-	307,651	-	307,651	-
Loans, advances and financing										
- Performing	18,320,688	2,271,525	560,661	514,773	6,979,694	14,311,130	8,023,714	-	50,982,185	6.62
- Non-performing*	-	-	-	-	-	-	1,107,915	-	1,107,915	-
Amount due from originators	-	6,430	26,042	-	2,668	-	-	-	35,140	4.33
Other non-interest sensitive balances	-	-	-	-	-	-	3,427,011	-	3,427,011	-
TOTAL ASSETS	26,787,845	3,543,775	693,784	608,039	8,029,410	15,267,496	16,065,749	5,981,489	76,977,587	

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

A32. (Cont)

31 March 2008

	←-----Non-Trading Book-----→						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 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				
The Group										
LIABILITIES AND EQUITY										
Deposits from customers	17,418,365	6,326,123	5,784,561	7,272,321	2,549,721	-	8,267,240	-	47,618,331	3.33
Deposits and placements of banks and other financial institutions	7,047,591	2,110,803	1,818,092	1,024,623	935,144	589,200	2,810,473	-	16,335,926	3.36
Derivative financial liabilities	-	-	-	-	-	-	352,007	-	352,007	-
Bills and acceptances payables	415,618	676,830	269,448	-	-	-	547,347	-	1,909,243	3.59
Recourse obligation of loan sold to Cagamas Berhad	-	70,070	26,042	-	147,867	-	-	-	243,979	3.93
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	-
Term loan	-	-	-	271,490	-	-	-	-	271,490	5.45
Other non-interest sensitive balances	-	-	-	-	-	-	1,497,186	-	1,497,186	-
Total Liabilities	25,081,574	9,183,826	8,360,898	8,568,434	3,632,732	2,842,518	14,024,253	-	71,694,235	
Minority interests	-	-	-	-	-	-	41	-	41	
Shareholder's Equity	-	-	-	-	-	200,792	5,082,519	-	5,283,311	
TOTAL LIABILITIES AND EQUITY	25,081,574	9,183,826	8,360,898	8,568,434	3,632,732	3,043,310	19,106,813	-	76,977,587	

Company No. 8515–D

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

A32. (Cont)

31 March 2008

	←-----Non-Trading Book-----→						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 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				
The Group										
On-balance sheet interest sensitivity gap	1,706,271	(5,640,051)	(7,667,114)	(7,960,395)	4,396,678	12,224,186	(3,041,064)	5,981,489	-	
Off-balance sheet interest sensitivity gap **	1,025,431	5,435,660	(2,645,648)	(1,531,181)	(2,820,000)	498,800	-	-	(36,938)	
Total interest sensitivity gap	<u>2,731,702</u>	<u>(204,391)</u>	<u>(10,312,762)</u>	<u>(9,491,576)</u>	<u>1,576,678</u>	<u>12,722,986</u>	<u>(3,041,064)</u>	<u>5,981,489</u>	<u>(36,938)</u>	

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

** This comprises interest rate swap and interest rate futures.

Company No. 8515–D

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

A32. (Cont)

31 December 2008

	←-----Non-Trading Book-----→						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 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				
The Bank										
ASSETS										
Cash and short-term funds	9,420,724	-	-	-	-	-	475,204	-	9,895,928	3.16
Deposits and placements with banks and other financial institutions	-	323,800	100,000	112,393	120,499	-	-	-	656,692	3.29
Securities held-for-trading	-	-	-	-	-	-	-	1,127,161	1,127,161	3.47
Securities available-for-sale	81,551	420,547	110,571	150,222	1,625,793	2,919,453	89,952	-	5,398,089	4.42
Securities held-to-maturity	30,657	-	91,292	37,481	401,900	102,275	86,821	-	750,426	3.03
Derivative financial assets	-	-	-	-	-	-	490,459	-	490,459	-
Loans, advances and financing										
– Performing	20,836,420	1,503,439	592,857	403,679	6,766,057	14,990,976	-	-	45,093,428	7.01
– Non-performing*	-	-	-	-	-	-	736,611	-	736,611	-
Other non-interest sensitive balances	-	-	-	-	-	-	4,068,033	-	4,068,033	-
TOTAL ASSETS	30,369,352	2,247,786	894,720	703,775	8,914,249	18,012,704	5,947,080	1,127,161	68,216,827	-

Company No. 8515–D

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

A32. (Cont)

31 December 2008

	←-----Non-Trading Book-----→						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 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				
The Bank										
LIABILITIES AND EQUITY										
Deposits from customers	16,776,349	6,674,251	5,899,451	8,902,721	2,153,344	-	2,758,494	-	43,164,610	3.24
Deposits and placements of banks and other financial institutions	8,112,876	2,673,856	1,015,843	986,150	1,304,187	728,000	13,376	-	14,834,288	3.35
Derivative financial liabilities	-	-	-	-	-	-	536,732	-	536,732	-
Bills and acceptances payables	469,287	570,271	14,740	-	-	-	-	-	1,054,298	3.43
Recourse obligation of loan sold to Cagamas Berhad	-	-	-	-	159,434	-	-	-	159,434	3.98
Medium term notes	-	-	-	-	-	1,460,000	-	-	1,460,000	5.66
Subordinated term loans	-	-	-	-	-	815,550	-	-	815,550	6.52
Exchangeable bonds	-	-	-	-	-	575,000	-	-	575,000	5.22
Irredeemable Non-Cumulative Convertible Preference shares	-	-	-	-	-	-	150,000	-	150,000	-
Term loan	294,100	-	-	-	-	-	-	-	294,100	4.91
Other non-interest sensitive balances	-	-	-	-	-	-	1,487,742	-	1,487,742	-
Total Liabilities	25,652,612	9,918,378	6,930,034	9,888,871	3,616,965	3,578,550	4,946,344	-	64,531,754	-
Shareholder's Equity	-	-	-	-	-	-	3,685,073	-	3,685,073	-
TOTAL LIABILITIES AND EQUITY	25,652,612	9,918,378	6,930,034	9,888,871	3,616,965	3,578,550	8,631,417	-	68,216,827	-

Company No. 8515–D

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

A32. (Cont)

31 December 2008

	←-----Non-Trading Book-----→						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 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				
The Bank										
On-balance sheet interest sensitivity gap	4,716,740	(7,670,592)	(6,035,314)	(9,185,096)	5,297,284	14,434,154	(2,684,337)	1,127,161	-	
Off-balance sheet interest sensitivity gap **	(234,217)	(3,707,707)	798,500	855,000	2,936,911	(718,487)	-	-	(70,000)	
Total interest sensitivity gap	<u>4,482,523</u>	<u>(11,378,299)</u>	<u>(5,236,814)</u>	<u>(8,330,096)</u>	<u>8,234,195</u>	<u>13,715,667</u>	<u>(2,684,337)</u>	<u>1,127,161</u>	<u>(70,000)</u>	

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

** This comprises interest rate swap and interest rate futures.

Company No. 8515–D

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

A32. (Cont)

31 March 2008

	←-----Non-Trading Book-----→						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 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				
The Bank										
ASSETS										
Cash and short-term funds	7,884,412	-	-	-	-	-	390,827	-	8,275,239	3.41
Deposits and placements with banks and other financial institutions	-	1,265,820	69,351	2,500	622	-	-	-	1,338,293	3.50
Securities held-for-trading	-	-	-	-	-	-	-	5,981,489	5,981,489	3.55
Securities available-for-sale	-	-	-	85,726	524,807	598,639	42,464	-	1,251,636	4.89
Securities held-to-maturity	40,760	-	43,201	7,540	522,241	357,727	143,895	-	1,115,364	3.91
Derivative financial assets	-	-	-	-	-	-	307,651	-	307,651	-
Loans, advances and financing										
- Performing	18,286,591	2,267,111	554,040	501,530	6,973,167	14,309,066	-	-	42,891,505	6.63
- Non-performing*	-	-	-	-	-	-	1,111,488	-	1,111,488	-
Amount due from originators	-	6,430	26,042	-	2,668	-	-	-	35,140	4.33
Other non-interest sensitive balances	-	-	-	-	-	-	3,731,756	-	3,731,756	-
TOTAL ASSETS	26,211,763	3,539,361	692,634	597,296	8,023,505	15,265,432	5,728,081	5,981,489	66,039,561	

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

A32. (Cont)

31 March 2008

	←-----Non-Trading Book-----→						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 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				
The Bank										
LIABILITIES AND EQUITY										
Deposits from customers	16,935,996	6,324,091	5,784,561	7,272,421	2,549,721	-	2,394,641	-	41,261,431	3.33
Deposits and placements of banks and other financial institutions	7,048,939	2,110,803	1,818,092	1,024,623	935,144	589,200	31,011	-	13,557,812	3.36
Derivative financial liabilities	-	-	-	-	-	-	352,007	-	352,007	-
Bills and acceptances payables	415,618	676,830	269,448	-	-	-	-	-	1,361,896	3.59
Recourse obligation of loan sold to Cagamas Berhad	-	70,070	26,042	-	147,867	-	-	-	243,979	3.93
Term loan	-	-	-	-	-	-	-	-	-	-
Subordinated term loans	-	-	460,000	-	-	689,469	-	-	1,149,469	6.87
Medium term notes	-	-	-	-	-	860,000	-	-	860,000	5.27
Subordinated bonds	200,000	-	-	-	-	-	-	-	200,000	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	-
Term loan	-	-	-	271,490	-	-	-	-	271,490	5.45
Other non-interest sensitive balances	-	-	-	-	-	-	1,357,513	-	1,357,513	-
Total Liabilities	24,600,553	9,181,794	8,360,898	8,568,534	3,632,732	2,842,518	4,285,172	-	61,472,201	
Shareholder's Equity	-	-	-	-	-	200,792	4,366,568	-	4,567,360	
TOTAL LIABILITIES AND EQUITY	24,600,553	9,181,794	8,360,898	8,568,534	3,632,732	3,043,310	8,651,740	-	66,039,561	

Company No. 8515–D

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

A32. (Cont)

31 March 2008

	←-----Non-Trading Book-----→						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 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				
The Bank										
On-balance sheet interest sensitivity gap	1,611,210	(5,642,433)	(7,668,264)	(7,971,238)	4,390,773	12,222,122	(2,923,659)	5,981,489	-	
Off-balance sheet interest sensitivity gap **	1,025,431	5,435,660	(2,645,648)	(1,531,181)	(2,820,000)	498,800	-	-	(36,938)	
Total interest sensitivity gap	<u>2,636,641</u>	<u>(206,773)</u>	<u>(10,313,912)</u>	<u>(9,502,419)</u>	<u>1,570,773</u>	<u>12,720,922</u>	<u>(2,923,659)</u>	<u>5,981,489</u>	<u>(36,938)</u>	

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

** This comprises interest rate swap and interest rate futures.

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

A33. Reclassification of securities

During the 2nd quarter of financial year 2009, the Bank adopted Bank Negara Malaysia's Circular on the Reclassification of Securities under Specific Circumstances which allow banking institutions to reclassify securities in held-for-trading category under the Revised Guidelines of Financial reporting for Licensed Institutions (BNM/GP 8). The provisions in this Circular shall override the existing requirements of BNM/GP8 in relation to the reclassification of securities into or out of the held-for-trading category and are effective from 1 July 2008 until 31 December 2009. The effects of the reclassification were as follows:

	Before reclassification	Increase/ (Decrease) reclassification	After reclassification
	RM'000	RM'000	RM'000
Effect on Balance Sheet as at 30 September 2008			
The Group and the Bank			
Securities held-for-trading	1,678,356	(500,787)	1,177,569
Securities available for sale	4,956,006	500,787	5,456,793
Available for sale reserve	(134,342)	(22,200)	(156,542)
Unappropriated profits	1,135,875	17,200	1,153,075

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

A33. Reclassification of securities (continued)

	Before reclassification	Increase/ (Decrease) reclassification	After reclassification
	RM'000		
Effect on Income Statement for the period ended 30 September 2008			
The Group and the Bank			
Revenue	2,342,136	22,200	2,364,336
Other operating income	5,860	22,200	28,060
Taxation	(140,593)	(5,000)	(145,593)
Profit after taxation	400,808	17,200	418,008

There was no reclassification of securities in the current financial quarter. The balances relating to securities reclassified in the previous quarter are:

	Carrying value RM'000	Fair value RM'000	Mark-to-market loss taken up in Available for sale reserve RM'000
The Group and the Bank as at 31 December 2008			
Securities reclassified	483,456	428,204	55,252

The carrying value and fair value as at 30 September 2008 for securities reclassified are RM 581,453,000 and RM 500,787,000 respectively.

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

A34. Restatement of Comparatives

The Group and the Bank had reviewed and changed the presentation of certain balances as follows:

During the 4th quarter of financial year 2008

- (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).

During the 2nd quarter of financial year 2009

- (i) certain balances which represent cash held by outsourcers and were previously included in Other assets are now reclassified and presented as part of cash and short term funds
- (ii) credit card receivables under instalment payment scheme which were previously classified under Other Assets have been reclassified as part of Loans, advances and financing
- (iii) certain incidental expenses which were incurred in the acquisition of housing loans and commercial property loans and were previously taken up under Other operating expenses are now deducted against interest income earned from the said loans.

On 12 April 2008, the Group had completed the Business Transfer 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.

As the vesting of assets and assumption of liabilities were carried by entities under common control, the transaction has been accounted for via the pooling of interest method. Under the pooling of interest method, the results and financial position of the business transferred from AmInvestment Bank, together with the assets and liabilities arising thereto, are included into the financial statements of the Group and the Bank as if the merger had been effected prior to and throughout the current financial year/period. Accordingly comparative figures of the Group and the Bank have been restated.

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

A34. Restatement of Comparatives (continued)

The comparative amounts which have been restated are as follows:

	As previously stated RM'000	Effect of change arising from pooling of interest method RM'000	Effect of other reclassification RM'000	As restated RM'000
The Group				
Balance Sheet as at 31 March 2008				
ASSETS				
Cash and short-term funds	8,933,353	1,817,531	87,062	10,837,946
Deposits and placements with banks and other financial institutions	1,968,500	(638,800)	-	1,329,700
Securities held for trading	1,771,247	4,769,723	-	6,540,970
Securities available-for-sale	119,413	1,133,120	-	1,252,533
Securities held-to-maturity	656,680	499,856	-	1,156,536
Derivative financial assets	71,663	235,988	-	307,651
Loans, advances and financing	47,949,516	4,045,948	94,636	52,090,100
Other assets	863,115	239,566	(181,698)	920,983
Statutory deposit with Bank Negara Malaysia	1,526,507	133,690	-	1,660,197
Deferred tax asset	629,628	15,439	-	645,067
Property and equipment	168,764	510	-	169,274
Intangible assets	61,484	2	-	61,486
LIABILITIES				
Deposits from customers	41,535,545	6,082,786	-	47,618,331
Deposits and placements of banks and other financial institutions	12,316,385	4,019,541	-	16,335,926
Derivative financial liabilities	85,659	266,348	-	352,007
Recourse obligation on loans sold to Cagamas Berhad	208,839	35,140	-	243,979
Other liabilities	1,451,003	46,183	-	1,497,186
Term loan	-	271,490	-	271,490
Reserves	3,141,862	1,531,085	-	4,672,947

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

A34. Restatement of Comparatives (continued)

The comparative amounts which have been restated are as follows: (continued)

	As previously stated RM'000	Effect of change arising from pooling of interest method RM'000	Effect of other reclassification RM'000	As restated RM'000
The Group				
Income Statement for the financial period ended 31 December 2007				
Interest Income	2,701,997	381,379	(306,908)	2,776,468
Interest Expense	(1,628,098)	(282,369)	295,416	(1,615,051)
Net income from Islamic Banking	374,727	28,834	(85)	403,476
Other operating income	248,715	76,519	-	325,234
Other operating expenses	(633,756)	(39,194)	39,863	(633,087)
Allowance for losses on loans, advances and financing	(483,186)	35,526	(28,286)	(475,946)
Impairment loss	(83,248)	(19,462)	-	(102,710)
Provision for commitments and contingencies	-	299	-	299
Taxation	(199,506)	(46,362)	-	(245,868)

The Bank**Balance Sheet as at 31 March 2008****ASSETS**

Cash and short-term funds	7,411,342	776,835	87,062	8,275,239
Deposits and placements with banks and other financial institutions	1,977,093	(638,800)	-	1,338,293
Securities held for trading	1,671,478	4,310,011	-	5,981,489
Securities available-for-sale	119,413	1,132,223	-	1,251,636
Securities held-to-maturity	656,462	458,902	-	1,115,364
Derivative financial assets	71,663	235,988	-	307,651
Loans, advances and financing	39,948,718	3,994,954	59,321	44,002,993
Other assets	751,059	235,483	(146,383)	840,159
Statutory deposit with Bank Negara Malaysia	1,269,307	119,190	-	1,388,497
Deferred tax asset	468,529	15,344	-	483,873
Investment in subsidiary companies	813,849	33,020	-	846,869

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

A34. Restatement of Comparatives (continued)**The Bank**

The comparative amounts which have been restated are as follows: (continued)

	As previously stated RM'000	Effect of change arising from pooling of interest method RM'000	Effect of other reclassification RM'000	As restated RM'000
Balance Sheet as at 31 March 2008				
LIABILITIES				
Deposits from customers	36,106,940	5,154,491	-	41,261,431
Deposits and placements of banks and other financial institutions	9,816,197	3,741,615	-	13,557,812
Derivative financial liabilities	85,659	266,348	-	352,007
Recourse obligation on loans sold to Cagamas Berhad	208,839	35,140	-	243,979
Other liabilities	1,318,114	39,399	-	1,357,513
Term loan	-	271,490	-	271,490
Reserves	2,792,329	1,164,667	-	3,956,996
Income Statement for the financial period ended 31 December 2007				
Interest Income	2,701,843	376,197	(306,908)	2,771,132
Interest Expense	(1,628,510)	(281,249)	295,416	(1,614,343)
Other operating income	247,796	75,261	-	323,057
Other operating expenses	(484,580)	(34,179)	34,073	(484,686)
Allowance for losses on loans, advances and financing	(373,264)	33,677	(22,581)	(362,168)
Impairment loss	(83,348)	(19,462)	-	(102,810)
Provision for commitments and contingencies	-	299	-	299
Taxation	(152,744)	(39,474)	-	(192,218)