

Company No. 295576–U

Amlslamic Bank Berhad

(Company No. 295576–U)

(Incorporated in Malaysia)

Interim Financial Statements

For the Financial Period

1 April 2008 to

31 December 2008

(In Ringgit Malaysia)

**Amlslamic Bank Berhad
(Incorporated in Malaysia)**

UNAUDITED BALANCE SHEET AS AT 31 DECEMBER 2008

| | Note | 31 December 2008 RM'000 | 31 March 2008 RM'000 |
|--|------|-------------------------------|----------------------------|
| ASSETS | | | |
| Cash and short-term funds | | 2,535,463 | 2,028,092 |
| Securities held-for-trading | A8 | 276,347 | 559,411 |
| Securities available-for-sale | A9 | 602,406 | - |
| Derivative financial assets | | 2,523 | - |
| Financing, advances and other loans | A10 | 9,476,074 | 8,054,961 |
| Other assets | | 79,948 | 92,152 |
| Statutory deposit with Bank Negara Malaysia | | 302,179 | 271,700 |
| Deferred tax asset | | 114,882 | 157,794 |
| Property and equipment | | 376 | 443 |
| Intangible assets | | 600 | 608 |
| TOTAL ASSETS | | 13,390,798 | 11,165,161 |
| LIABILITIES AND EQUITY | | | |
| Deposits from customers | A11 | 7,164,176 | 5,871,116 |
| Deposits and placements of banks and other financial institutions | A12 | 3,770,268 | 2,763,940 |
| Derivative financial liabilities | | 2,520 | - |
| Bills and acceptances payable | | 631,380 | 547,347 |
| Other liabilities | | 176,979 | 146,273 |
| Provision for zakat | | 849 | 601 |
| Subordinated Sukuk Musyarakah | | 400,000 | 400,000 |
| Total Liabilities | | 12,146,172 | 9,729,277 |
| Share capital | | 403,038 | 403,038 |
| Reserves | | 841,588 | 1,032,846 |
| Total Equity | | 1,244,626 | 1,435,884 |
| TOTAL LIABILITIES AND EQUITY | | 13,390,798 | 11,165,161 |
| COMMITMENTS AND CONTINGENCIES | | 4,781,331 | 5,917,312 |
| NET ASSETS PER ORDINARY SHARE (RM) | | 3.09 | 3.56 |

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2008.

Amlslamic Bank Berhad
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UNAUDITED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008

| | Note | Individual Quarter | | Cumulative Quarter | |
|--|------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | 31 December 2008 RM'000 | 31 December 2007 RM'000 | 31 December 2008 RM'000 | 31 December 2007 RM'000 |
| Income derived from investment of depositors' funds and others | A13 | 217,778 | 168,599 | 588,127 | 523,120 |
| Income derived from investment of shareholder's funds | A14 | 29,520 | 45,968 | 126,276 | 140,926 |
| Allowances for losses on financing | A15 | (19,129) | (41,068) | (68,654) | (114,506) |
| Provision for commitment and contingencies | | 1,595 | - | (13,251) | - |
| Impairment loss | | - | - | (18) | - |
| Transfer (to)/from profit equalisation reserve | | (8,302) | (1,813) | (1,463) | 26,396 |
| Total distributable income | | 221,462 | 171,686 | 631,017 | 575,936 |
| Income attributable to the depositors | A16 | (100,120) | (86,168) | (290,275) | (270,354) |
| Total net income | | 121,342 | 85,518 | 340,742 | 305,582 |
| Other operating expenses | A17 | (55,463) | (49,684) | (162,534) | (146,309) |
| Finance cost | | (4,840) | (5,475) | (14,466) | (17,062) |
| Profit before zakat and taxation | | 61,039 | 30,359 | 163,742 | 142,211 |
| Zakat | | (345) | (198) | (374) | (502) |
| Taxation | | (15,912) | (7,912) | (42,912) | (53,407) |
| Profit after zakat and taxation | | 44,782 | 22,249 | 120,456 | 88,302 |
| Earnings per share (sen) | A18 | 11.11 | 5.52 | 29.89 | 21.91 |

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2008.

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**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008**

| | ←-----Non-distributable-----> | | | | Distributable | | Total RM'000 |
|--|-------------------------------|----------------------------|--------------------------------|-----------------------------|--|-------------------------------------|------------------|
| | Share Capital RM'000 | Share Premium RM'000 | Statutory Reserve RM'000 | Merger Reserve RM'000 | Available For-Sale Reserve RM'000 | Unappropriated Profits RM'000 | |
| Balance as at 1 April 2007 | 403,038 | 534,068 | 47,390 | 291,545 | - | 47,389 | 1,323,430 |
| Profit for the period | - | - | - | - | - | 88,302 | 88,302 |
| Effects arising from the pooling of interest | - | - | - | 19,790 | - | (19,790) | - |
| Balance as at 31 December 2007 | 403,038 | 534,068 | 47,390 | 311,335 | - | 115,901 | 1,411,732 |
| Balance as at 1 April 2008 | 403,038 | 534,068 | 90,439 | 317,903 | - | 90,436 | 1,435,884 |
| Unrealised net gain on revaluation of securities available-for-sale | - | - | - | - | 6,189 | - | 6,189 |
| Effects arising from the pooling of interest | - | - | - | (317,903) | - | - | (317,903) |
| Profit for the period | - | - | - | - | - | 120,456 | 120,456 |
| Balance as at 31 December 2008 | 403,038 | 534,068 | 90,439 | - | 6,189 | 210,892 | 1,244,626 |

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2008.

Amlslamic Bank Berhad
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UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2008

| | 31 December 2008 RM'000 | 31 December 2007 RM'000 |
|--|--|--|
| Profit before zakat and taxation | 163,742 | 142,211 |
| Adjustments for non-cash items | (236,919) | 79,294 |
| Operating (loss)/profit before working capital changes | <u>(73,177)</u> | <u>221,505</u> |
| Changes in working capital: | | |
| Net changes in operating assets | (1,818,618) | (668,125) |
| Net changes in operating liabilities | 2,399,418 | (185,433) |
| Taxes paid | - | (7,031) |
| Zakat paid | (126) | (214) |
| Net cash generated from/(used in) operating activities | <u>507,497</u> | <u>(639,298)</u> |
| Net cash used in investing activities | <u>(126)</u> | <u>(115)</u> |
| Net increase/(decrease) in cash and cash equivalents | 507,371 | (639,413) |
| Cash and cash equivalents at beginning of the period | 2,028,092 | 2,553,260 |
| Cash and cash equivalents at end of the period | <u>2,535,463</u> | <u>1,913,847</u> |

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2008.

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 Bank's annual reporting date, 31 March 2009:

FRS 107 : Cash Flow Statements

FRS 112 : Income Taxes

FRS 118 : Revenue

FRS 119 : Employee Benefits

FRS 134 : Interim Financial Reporting

FRS 137 : Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

FRS 111 : Construction Contracts

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

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

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

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

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

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

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A1. Basis of Preparation (continued)

During the 2nd quarter of financial year 2009, the Bank implemented a change in accounting policy on treatment of 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 incurrance 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 A27.

Pursuant to the Business Transfer Agreement dated 11 March 2008 and the Vesting Order granted by the High Court of Malaya on 7 April 2008, the Bank acquired the assets and assume the liabilities relating to AmlInvestment Bank Berhad’s (AmlInvestment) Islamic Fund-Based Activity. 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 of the business transferred from AmlInvestment, together with the assets and liabilities arising thereto, are included into the financial statements of the Bank as if the merger had been effected prior to and throughout the current financial period. Accordingly comparative figures of the Bank have been restated.

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 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.

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A2. Audit Qualification

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

A3. Seasonality or Cyclicalness of Operations

The operations of the Bank are not materially affected by any 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 the prior financial years that have a material effect on the financial quarter and period ended 31 December 2008.

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

The Bank has not issued any new shares or debentures during the financial period.

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

A7. Dividends Paid

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

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A8. Securities Held-for-trading

| | 31 December 2008 RM'000 | 31 March 2008 RM'000 |
|---|--|-------------------------------------|
| At fair value | | |
| Money Market Securities: | | |
| Malaysia Government Investment Certificates | - | 35,221 |
| Negotiable Islamic debt certificates | 49,399 | 313,742 |
| Islamic Khazanah bonds | 979 | 13,502 |
| Cagamas Mudharabah Bearer Bonds | 7,511 | 2,091 |
| Islamic Treasury Bills | - | 78,224 |
| | <u>57,889</u> | <u>442,780</u> |
| Unquoted securities: | | |
| Private Debt Securities | 218,458 | 29,934 |
| Islamic corporate bonds | - | 86,697 |
| | <u>218,458</u> | <u>116,631</u> |
| Total securities held-for-trading | <u>276,347</u> | <u>559,411</u> |

A9. Securities Available-for-sale

| | 31 December 2008 RM'000 | 31 March 2008 RM'000 |
|---|--|-------------------------------------|
| At fair value | | |
| Money Market Securities: | | |
| Malaysia Government Investment Certificates | 35,799 | - |
| Negotiable Instruments of Deposit | 105,612 | - |
| Islamic Khazanah bonds | 14,532 | - |
| | <u>155,943</u> | <u>-</u> |
| Unquoted securities: | | |
| Private Debt Securities | 446,463 | - |
| Total securities available-for-sale | <u>602,406</u> | <u>-</u> |

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A10. Financing, Advances and Other Loans

| | 31 December 2008 RM'000 | 31 March 2008 RM'000 |
|--|--|-------------------------------------|
| Cash line | 113,328 | 140,936 |
| Term financing | | |
| - House financing | 748,042 | 812,203 |
| - Hire-purchase receivables | 7,688,194 | 7,700,510 |
| - Other term financing | 4,175,309 | 3,305,065 |
| Card receivables | 319,481 | 303,368 |
| Bills receivables | 1,042 | 3,763 |
| Trust receipts | 48,460 | 46,074 |
| Claims on customers under acceptance credits | 809,438 | 686,376 |
| Revolving credits | 247,450 | 145,412 |
| Total | <u>14,150,744</u> | <u>13,143,707</u> |
| Unearned income | <u>(3,117,225)</u> | <u>(2,824,335)</u> |
| | 11,033,519 | 10,319,372 |
| Less: Islamic financing sold to Cagamas Berhad | <u>(1,255,825)</u> | <u>(1,956,022)</u> |
| Gross financing, advances and other loans | 9,777,694 | 8,363,350 |
| Less: Allowance for bad and doubtful debts and financing | | |
| - General | (166,749) | (154,953) |
| - Specific | (134,871) | (153,436) |
| Net financing, advances and other loans | <u>9,476,074</u> | <u>8,054,961</u> |

A10a. By contract

| | 31 December 2008 RM'000 | 31 March 2008 RM'000 |
|---|--|-------------------------------------|
| Bai' Bithaman Ajil | 1,468,043 | 1,187,106 |
| Istisna | 623 | 1,398 |
| Ijarah/Al-Ijarah Thumma Al-Bai' | 4,975,211 | 4,326,729 |
| Musyarakah | 15,202 | 17,418 |
| Murabahah | 1,039,242 | 834,492 |
| Other Islamic concept | 2,279,373 | 1,996,207 |
| Gross financing, advances and other loans | <u>9,777,694</u> | <u>8,363,350</u> |

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A10. Financing, Advances and Other Loans (continued)

A10b. By type of customer

| | 31 December 2008 RM'000 | 31 March 2008 RM'000 |
|---|--|-------------------------------------|
| Domestic non-bank financial institutions | 4,054 | 661 |
| Domestic business enterprises | | |
| - Small medium enterprises | 928,405 | 749,348 |
| - Others | 1,407,707 | 988,733 |
| Government and statutory bodies | - | 21,311 |
| Individuals | 7,430,084 | 6,596,518 |
| Other domestic entities | 2,907 | 3,182 |
| Foreign entities | 4,537 | 3,597 |
| Gross financing, advances and other loans | <u>9,777,694</u> | <u>8,363,350</u> |

A10c. By profit rate sensitivity

| | 31 December 2008 RM'000 | 31 March 2008 RM'000 |
|---|--|-------------------------------------|
| Fixed rate | | |
| - House financing | 388,267 | 418,918 |
| - Hire purchase receivables | 5,131,324 | 4,455,609 |
| - Other fixed rate financing | 4,047,268 | 3,422,932 |
| Variable rate | | |
| - Base lending rate plus | - | 1,167 |
| - Cost plus | 201,702 | 64,724 |
| - Other variables rates | 9,133 | - |
| Gross financing, advances and other loans | <u>9,777,694</u> | <u>8,363,350</u> |

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A10. Financing, Advances and Other Loans (continued)

A10d. By loan purpose

| | 31 December 2008 RM'000 | 31 March 2008 RM'000 |
|---|--|-------------------------------------|
| Purchase of securities | 6,965 | 9,416 |
| Purchase of transport vehicles | 6,324,345 | 6,368,163 |
| Purchase of landed property | | |
| - Residential | 389,848 | 420,105 |
| - Non-residential | 239,029 | 145,368 |
| Purchase of fixed assets other than land and building | 148,867 | 126,277 |
| Personal use | 1,924,727 | 1,702,103 |
| Credit cards | 318,533 | 303,053 |
| Purchase of consumer durables | 1,153 | 1,184 |
| Construction | 101,067 | 27,467 |
| Working capital | 1,312,967 | 1,092,858 |
| Other purpose | 266,018 | 123,378 |
| | <u>11,033,519</u> | <u>10,319,372</u> |
| Less: Islamic financing sold to Cagamas Berhad | (1,255,825) | (1,956,022) |
| Gross financing, advances and other loans | <u>9,777,694</u> | <u>8,363,350</u> |

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A10e(i). Movements in non-performing financing, advances and other loans (“NPL”) are as follows:

| | 31 December 2008 RM'000 | 31 March 2008 RM'000 |
|---|--|-------------------------------------|
| Gross | | |
| Balance at 1 April | 305,321 | 503,084 |
| Non-performing during the period/year | 150,883 | 206,068 |
| Reclassification to performing financing | (60,289) | (103,518) |
| Amount recovered | (24,494) | (70,877) |
| Amount written off | (93,810) | (229,436) |
| Balance at end of period/year | <u>277,611</u> | <u>305,321</u> |
| Less: Specific allowance | (134,871) | (153,436) |
| Non-performing financing, advances and other loans - net | <u>142,740</u> | <u>151,885</u> |
| | | |
| Gross financing, advances and other loans | 9,777,694 | 8,363,350 |
| Add: Islamic financing sold to Cagamas Berhad | 1,255,825 | 1,956,022 |
| | <u>11,033,519</u> | <u>10,319,372</u> |
| Less: Specific allowance | (134,871) | (153,436) |
| Financing, advances and other loans (including Islamic financing sold to Cagamas Berhad) | <u>10,898,648</u> | <u>10,165,936</u> |
| | | |
| Ratio of non-performing financing - net | <u>1.31%</u> | <u>1.49%</u> |

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A10e(ii). Movements in the allowance for bad and doubtful financing accounts are as follows:

| | 31 December 2008 RM'000 | 31 March 2008 RM'000 |
|---|--|-------------------------------------|
| General Allowance | | |
| Balance at 1 April | 154,953 | 139,511 |
| Allowance made during the period/year | 11,796 | 15,442 |
| Balance at end of period/year | <u>166,749</u> | <u>154,953</u> |
| | | |
| % of net financing, advances and other loans (including Islamic financing sold to Cagamas Berhad) | <u>1.5%</u> | <u>1.5%</u> |
| | | |
| Specific Allowance | | |
| Balance at 1 April | <u>153,436</u> | <u>253,697</u> |
| Allowance made during the period/year | 114,049 | 217,278 |
| Amount written back in respect of recoveries during the period/year | <u>(37,138)</u> | <u>(78,514)</u> |
| Net charge to income statement | 76,911 | 138,764 |
| Amount written off/Adjustment to Asset Deficiency Account | <u>(95,476)</u> | <u>(239,025)</u> |
| Balance at end of period/year | <u>134,871</u> | <u>153,436</u> |

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A10f. Non-performing financing by purpose

| | 31 December 2008 RM'000 | 31 March 2008 RM'000 |
|---|--|-------------------------------------|
| Purchase of securities | 641 | 913 |
| Purchase of transport vehicles | 123,971 | 124,907 |
| Purchase of landed property | | |
| - Residential | 62,125 | 81,367 |
| - Non-residential | 21,889 | 29,038 |
| Purchase of fixed assets other than land and building | 2,349 | 7,203 |
| Personal use | 558 | 452 |
| Credit cards | 10,446 | 10,580 |
| Construction | 20,306 | 21,878 |
| Working capital | 31,934 | 24,847 |
| Other purpose | 3,392 | 4,136 |
| | <u>277,611</u> | <u>305,321</u> |

A11. Deposits from Customers

| | 31 December 2008 RM'000 | 31 March 2008 RM'000 |
|---------------------------------------|--|-------------------------------------|
| (i) <u>By type of deposits</u> | | |
| <u>Non-Mudharabah</u> | | |
| Demand deposit | 658,576 | 520,564 |
| Savings deposit | 864,294 | 801,032 |
| Negotiable instruments of deposit | 6,494 | 6,549 |
| | <u>1,529,364</u> | <u>1,328,145</u> |
| <u>Mudharabah</u> | | |
| General investment deposit | 5,597,262 | 4,118,186 |
| Others | 37,550 | 424,785 |
| | <u>5,634,812</u> | <u>4,542,971</u> |
| | <u>7,164,176</u> | <u>5,871,116</u> |
| (ii) <u>By type of customers</u> | | |
| Business enterprises | 3,216,264 | 2,450,922 |
| Individuals | 1,801,203 | 1,622,378 |
| Government and other statutory bodies | 1,906,624 | 1,389,789 |
| Others | 240,085 | 408,027 |
| | <u>7,164,176</u> | <u>5,871,116</u> |

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A12. Deposits and Placements of Banks and Other Financial Institutions

| | 31 December 2008 RM'000 | 31 March 2008 RM'000 |
|------------------------------|--|-------------------------------------|
| <u>Non-Mudharabah</u> | | |
| Licensed Islamic banks | 633,230 | 392,984 |
| Licensed banks | 278,516 | 157,466 |
| Licensed merchant banks | 319,716 | 662,466 |
| Other financial institutions | 470,203 | 640,262 |
| Bank Negara Malaysia | 1,987 | 2,423 |
| | <u>1,703,652</u> | <u>1,855,601</u> |
| <u>Mudharabah</u> | | |
| Licensed merchant banks | - | 31,413 |
| Other financial institutions | 2,066,616 | 876,926 |
| | <u>2,066,616</u> | <u>908,339</u> |
| | <u>3,770,268</u> | <u>2,763,940</u> |

A13. Income Derived From Investment of Depositors' Funds and Others

| | Individual Quarter | | Cumulative Quarter | |
|------------------------------------|--|--|--|--|
| | 31 December 2008 RM'000 | 31 December 2007 RM'000 | 31 December 2008 RM'000 | 31 December 2007 RM'000 |
| Income derived from investment of: | | | | |
| - General investment deposits | 130,247 | 82,993 | 334,029 | 255,214 |
| - Other deposits | 87,531 | 85,606 | 254,098 | 267,906 |
| | <u>217,778</u> | <u>168,599</u> | <u>588,127</u> | <u>523,120</u> |

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A13. Income Derived From Investment of Depositors' Funds and Others (continued)

| | Individual Quarter | | Cumulative Quarter | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2008 RM'000 | 31 December 2007 RM'000 | 31 December 2008 RM'000 | 31 December 2007 RM'000 |
| Income derived from investment of general investment deposits | | | | |
| <u>Finance income and hibah:</u> | | | | |
| Financing, advances and other loans | 110,597 | 70,717 | 281,658 | 206,721 |
| Securities held-for- trading | 1,785 | 2,428 | 5,966 | 5,357 |
| Money at call and deposits with financial institutions | 11,352 | 6,729 | 28,669 | 32,135 |
| | <u>123,734</u> | <u>79,874</u> | <u>316,293</u> | <u>244,213</u> |
| Accretion of discount less amortisation of premium | 502 | (30) | 1,448 | 283 |
| | <u>124,236</u> | <u>79,844</u> | <u>317,741</u> | <u>244,496</u> |
| <u>Fee and commission income:</u> | | | | |
| Commission | 1,132 | 683 | 2,923 | 1,708 |
| Other fee income | 5,007 | 3,500 | 13,018 | 10,281 |
| | <u>6,139</u> | <u>4,183</u> | <u>15,941</u> | <u>11,989</u> |
| <u>Gain/(Loss) arising from sale of securities:</u> | | | | |
| Net gain/(loss) from sale of securities held-for- trading | 630 | (288) | 1,939 | 56 |
| <u>Others:</u> | | | | |
| Loss on revaluation of securities held-for- trading | (801) | (720) | (1,781) | (1,307) |
| Others | 43 | (26) | 189 | (20) |
| | <u>(758)</u> | <u>(746)</u> | <u>(1,592)</u> | <u>(1,327)</u> |
| Total | <u>130,247</u> | <u>82,993</u> | <u>334,029</u> | <u>255,214</u> |

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A13. Income Derived From Investment of Depositors' Funds and Others (continued)

| | Individual Quarter | | Cumulative Quarter | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2008 RM'000 | 31 December 2007 RM'000 | 31 December 2008 RM'000 | 31 December 2007 RM'000 |
| Income derived from investment of other funds | | | | |
| <u>Finance income and hibah:</u> | | | | |
| Financing, advances and other loans | 74,437 | 74,551 | 214,259 | 229,639 |
| Securities held-for- trading | 1,122 | 853 | 4,539 | 2,698 |
| Money at call and deposits with financial institutions | 7,654 | 6,121 | 21,809 | 22,401 |
| | <u>83,213</u> | <u>81,525</u> | <u>240,607</u> | <u>254,738</u> |
| Accretion of discount less amortisation of premium | 328 | (44) | 1,101 | 315 |
| | <u>83,541</u> | <u>81,481</u> | <u>241,708</u> | <u>255,053</u> |
| <u>Fee and commission income:</u> | | | | |
| Commission | 761 | (730) | 2,224 | 1,907 |
| Other fee income | 3,353 | 5,156 | 9,902 | 11,479 |
| | <u>4,114</u> | <u>4,426</u> | <u>12,126</u> | <u>13,386</u> |
| <u>Gain/(Loss) arising from sale of securities:</u> | | | | |
| Net gain/(loss) from sale of securities held-for- trading | 405 | (332) | 1,475 | 63 |
| <u>Others:</u> | | | | |
| (Loss)/Gain on revaluation of securities held-for- trading | (554) | 60 | (1,355) | (574) |
| Others | 25 | (29) | 144 | (22) |
| | <u>(529)</u> | <u>31</u> | <u>(1,211)</u> | <u>(596)</u> |
| Total | <u>87,531</u> | <u>85,606</u> | <u>254,098</u> | <u>267,906</u> |

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A14. Income Derived From Investment of Shareholder's Funds

| | Individual Quarter | | Cumulative Quarter | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2008 RM'000 | 31 December 2007 RM'000 | 31 December 2008 RM'000 | 31 December 2007 RM'000 |
| <u>Finance income and hibah:</u> | | | | |
| Financing, advances and other loans | 19,097 | 34,063 | 101,457 | 97,197 |
| Securities held-for- trading | 356 | 1,463 | 2,149 | 2,695 |
| Securities available-for- sale | 5,221 | - | 6,766 | - |
| Money at call and deposits with financial institutions | 2,332 | 5,200 | 10,327 | 15,913 |
| | <u>27,006</u> | <u>40,726</u> | <u>120,699</u> | <u>115,805</u> |
| Amortisation of premium less accretion of discount | (294) | (13) | (290) | 133 |
| | <u>26,712</u> | <u>40,713</u> | <u>120,409</u> | <u>115,938</u> |
| <u>Fee and commission income:</u> | | | | |
| Commission | 195 | 326 | 1,053 | 803 |
| Other fee income | 851 | 1,779 | 4,689 | 6,478 |
| | <u>1,046</u> | <u>2,105</u> | <u>5,742</u> | <u>7,281</u> |
| <u>Gain/(Loss) arising from sale of securities:</u> | | | | |
| Net gain from sale of securities held-for- trading | 55 | 3,554 | 698 | 18,378 |
| <u>Others:</u> | | | | |
| Gain/(Loss) on revaluation of securities held-for- trading | 1,658 | (392) | (641) | (662) |
| Others | 49 | (12) | 68 | (9) |
| | <u>1,707</u> | <u>(404)</u> | <u>(573)</u> | <u>(671)</u> |
| Total | <u>29,520</u> | <u>45,968</u> | <u>126,276</u> | <u>140,926</u> |

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A15. Allowance for Losses on Financing

| | Individual Quarter | | Cumulative Quarter | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2008 RM'000 | 31 December 2007 RM'000 | 31 December 2008 RM'000 | 31 December 2007 RM'000 |
| Allowance for bad and doubtful debts and financing: Specific allowance - made in the financial period/year | 36,586 | 58,625 | 114,049 | 179,595 |
| - written back | (11,217) | (16,792) | (37,138) | (63,912) |
| General allowance | 731 | 4,782 | 11,796 | 10,319 |
| Bad debts and financing recovered - net | (6,971) | (5,547) | (20,053) | (11,496) |
| | <u>19,129</u> | <u>41,068</u> | <u>68,654</u> | <u>114,506</u> |

A16. Income attributable to depositors

| | Individual Quarter | | Cumulative Quarter | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2008 RM'000 | 31 December 2007 RM'000 | 31 December 2008 RM'000 | 31 December 2007 RM'000 |
| Deposit from customers | | | | |
| - Mudharabah | 50,292 | 36,607 | 140,449 | 103,589 |
| - Non-Mudharabah | 4,189 | 3,443 | 11,966 | 9,797 |
| | <u>54,481</u> | <u>40,050</u> | <u>152,415</u> | <u>113,386</u> |
| Deposits and placements of banks and other financial institutions | | | | |
| - Mudharabah | 16,007 | 12,179 | 38,542 | 41,176 |
| - Non-Mudharabah | 14,996 | 11,904 | 44,360 | 38,424 |
| | <u>31,003</u> | <u>24,083</u> | <u>82,902</u> | <u>79,600</u> |
| Others | <u>14,636</u> | <u>22,035</u> | <u>54,958</u> | <u>77,368</u> |
| | <u>100,120</u> | <u>86,168</u> | <u>290,275</u> | <u>270,354</u> |

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A17. Other Operating Expenses

| | Individual Quarter | | Cumulative Quarter | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2008 RM'000 | 31 December 2007 RM'000 | 31 December 2008 RM'000 | 31 December 2007 RM'000 |
| Personnel costs | | | | |
| – Salaries, contribution, allowances and bonuses | 1,465 | 1,407 | 4,580 | 4,058 |
| – Others | 23 | 11 | 100 | 235 |
| Establishment costs | | | | |
| – Depreciation | 31 | 28 | 93 | 78 |
| – Rental | 247 | 235 | 718 | 580 |
| – Cleaning, maintenance and security | 5 | 5 | 17 | 17 |
| – Computerisation cost | 186 | 103 | 1,185 | 268 |
| – Amortisation of intangible assets | 37 | 27 | 108 | 57 |
| – Others | 31 | 37 | 86 | 77 |
| Marketing and communication expenses | | | | |
| – Commission | 445 | - | 445 | - |
| – Advertising and marketing | 969 | 1,379 | 3,524 | 4,321 |
| – Communication | 340 | 388 | 1,091 | 1,409 |
| – Others | 23 | 28 | 81 | 46 |
| Administration and general expenses | | | | |
| – Professional services | 377 | 652 | 782 | 1,975 |
| – Others | 927 | 686 | 2,421 | 3,176 |
| Shared service cost | 50,357 | 44,698 | 147,305 | 130,012 |
| | 55,463 | 49,684 | 162,536 | 146,309 |

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A18. Earnings Per Share (EPS)

Basic/Diluted

Basic earnings per share is calculated by dividing the net profit for the financial period attributable to shareholder of the Bank by the weighted average number of ordinary shares in issue during the financial period.

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

| | Individual Quarter | | Cumulative Quarter | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2008 RM'000 | 31 December 2007 RM'000 | 31 December 2008 RM'000 | 31 December 2007 RM'000 |
| Net profit attributable to shareholder of the Bank | 44,782 | 22,249 | 120,456 | 88,302 |
| Number of ordinary shares at beginning of period represent weighted average number of ordinary shares in issue | 403,038 | 403,038 | 403,038 | 403,038 |
| Basic/Diluted earnings per share (sen) | 11.11 | 5.52 | 29.89 | 21.91 |

A19a. Performance Review for the Period ended 31 December 2008

The Bank recorded a Pre-tax profit of RM163.7 million for the period ended 31 December 2008 as compared to RM142.2 million for the corresponding period in the previous year.

The increase in pre-tax profit is mainly attributable to increase in net interest income arising from growth of financing, advances and other loans and lower loan loss provision due to intensive recovery effort, off-set with higher operating expenses in tandem with the expanding business operations and lower write-back from profit equalisation reserve.

In the opinion of the Directors, the results of the Bank for the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

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A19b. 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 Bank's business opportunities will be focused on higher profitability segments. Business/SME and Retail banking will be the main growth drivers. The Bank 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 Bank 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 Bank 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.

A20. Valuation of Property and Equipment

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

A21. Events Subsequent To Balance Sheet Date

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

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A22. Significant Events

On 12 April 2008, the Bank completed the Business Transfer for a cash consideration of RM314.9 million based on the book value of the assets and liabilities as at 11 April 2008 pursuant to the Business Transfer Agreement dated 11 March 2008 entered into with AmInvestment Bank Berhad. The amounts of assets and liabilities vested by AmInvestment Bank Berhad are as follows:

| | RM'000 |
|---|----------------|
| Assets | |
| Cash and short-term funds | 446,220 |
| Securities held-for-trading | 342,742 |
| Loans, advances and financing | 71,409 |
| Other assets | 2,803 |
| Statutory deposit with Bank Negara Malaysia | 14,500 |
| Deferred tax assets | 95 |
| Total assets | <u>877,769</u> |
| Liabilities | |
| Deposits from customers | 474,126 |
| Deposits and placements of banks and other financial institutions | 84,925 |
| Other liabilities | 3,864 |
| Total liabilities | <u>562,915</u> |
| Net assets vested over | 314,854 |
| Commitments and contingencies vested | 1,648,561 |
| Cash paid for net assets vested | <u>314,854</u> |

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 Bank as if the merger had been effected prior to and throughout the current financial period. Accordingly comparative figures of the Bank have been restated.

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A23. Commitments and contingencies

In the normal course of business, the Bank makes various commitments and incurs 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 Bank's assets.

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

| | 31 December 2008 | | | 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 | 230,111 | 230,111 | 230,111 | 196,109 | 196,109 | 172,734 |
| Certain transaction-related contingent items | 177,694 | 88,847 | 88,847 | 75,844 | 37,922 | 37,922 |
| Irrevocable commitments to extend credit: | | | | | | |
| - maturing less than one year | 1,595,611 | 319,189 | 312,170 | 1,267,700 | 238,540 | 235,039 |
| - maturing more than one year | 327,325 | 163,663 | 139,450 | 331,014 | 165,507 | 136,579 |
| - unutilised credit card lines | 503,772 | 100,754 | 75,287 | 551,454 | 110,291 | 82,365 |
| Short-term self-liquidating trade-related contingencies | 76,979 | 15,329 | 15,329 | 72,577 | 14,515 | 14,497 |
| Sell and buy back agreements | 226,647 | 5,108 | 3,189 | 1,216,782 | 1,216,782 | 879,744 |
| Obligations under underwriting agreements | 399,000 | 199,500 | 199,500 | 337,000 | 168,500 | 168,500 |
| 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 |
| Others | 10,749 | - | - | 4,975 | - | - |
| | 4,781,331 | 2,355,944 | 1,998,466 | 5,917,312 | 4,012,023 | 3,131,783 |

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

A24. 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. The Bank's involvement in financial derivatives is limited to options.

As part of the asset and liability exposure management, the Bank uses derivatives to manage the Bank's market risk exposure. As the value of these financial derivatives are principally driven by interest rate and foreign rate factors, the Bank uses them to reduce the overall interest rate and foreign exchange rate exposures of the Bank. 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 Bank. The Bank 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 Bank.

Risk associated with financial derivatives

As derivatives are contracts that transfer risks, they expose the holder to the same types of market and credit risk as other financial instruments, and the Bank manages these risks in a consistent manner under the overall risk management framework.

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.

A24. Risk Management Policy on Financial Derivatives (Continued)

(ii) Cash flow hedge

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

(iii) Derivatives that do not qualify for hedge accounting

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

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A25. Capital Adequacy

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

The risk weighted capital adequacy ratio of the Bank at 14.92% exceeds the minimum requirements of BNM.

| | The Bank | |
|---|--|-------------------------------------|
| | 31 December 2008 RM'000 | 31 March 2008 RM'000 |
| <u>Tier 1 capital</u> | | |
| Paid-up share capital | 403,038 | 403,038 |
| Share premium | 534,068 | 534,068 |
| Statutory reserve | 90,439 | 90,439 |
| Unappropriated profit | 166,110 | 90,436 |
| | 1,193,655 | 1,117,981 |
| Less: Deferred tax asset | (130,794) | (157,699) |
| Total Tier 1 capital | 1,062,861 | 960,282 |
| <u>Tier 2 capital</u> | | |
| Subordinated Sukuk Musyarakah | 400,000 | 400,000 |
| General allowance for bad and doubtful debts and financing | 166,749 | 154,666 |
| | 566,749 | 554,666 |
| Capital base | 1,629,610 | 1,514,948 |
| Risk-weighted assets: | 10,919,874 | 9,303,783 |
| Capital Ratios | | |
| Core capital ratio | 9.73% | 10.32% |
| Risk-weighted capital ratio | 14.92% | 16.28% |

* The capital ratios are compliance ratios, as such the comparatives are not adjusted for restatement of comparatives arising from the pooling of interest method.

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A25. Capital Adequacy (continued)

Breakdown of gross risk-weighted assets in the various categories of risk-weights:

| | December 2008 | | March 2008 | |
|---|---------------------|-----------------------------|---------------------|-----------------------------|
| | Principal RM'000 | Risk- Weighted RM'000 | Principal RM'000 | Risk- Weighted RM'000 |
| 0% | 2,753,822 | - | 1,729,684 | - |
| 10% | - | - | - | - |
| 20% | 552,077 | 110,415 | 65,748 | 13,150 |
| 35% | 170,925 | 59,824 | 167,616 | 58,664 |
| 50% | 269,195 | 134,598 | 101,735 | 50,868 |
| 75% | 8,559,568 | 6,419,676 | 8,327,038 | 6,245,279 |
| 100% | 2,864,711 | 2,864,711 | 1,970,568 | 1,970,568 |
| 150% | 126,082 | 189,123 | 92,301 | 138,451 |
| | <u>15,296,380</u> | <u>9,778,347</u> | <u>12,454,690</u> | <u>8,476,980</u> |
| Add: Total risk weighted assets equivalent for market risks | | 305,290 | | 37,561 |
| Add: Total risk weighted assets equivalent for operational risks | | <u>836,237</u> | | <u>789,242</u> |
| | | <u>10,919,874</u> | | <u>9,303,783</u> |

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A26. The following table shows the profit rate sensitivity gap, by time bands, on which profit rates of instruments are next repriced on a contractual basis or, if earlier, the dates on which the instruments mature.

31 December 2008

| | Up to 1 month | >1 to 3 months | >3 to 6 months | >6 to 12 months | 1 to 5 years | Over 5 years | Non- profit sensitive | Trading Book | Total | Effective profit rate |
|--|------------------|-------------------|-------------------|--------------------|------------------|------------------|-----------------------------|-----------------|-------------------|-----------------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | % |
| ASSETS | | | | | | | | | | |
| Cash and short-term funds | 2,525,640 | - | - | - | - | - | 9,823 | - | 2,535,463 | 3.26 |
| Securities held-for-trading | - | - | - | - | - | - | - | 276,347 | 276,347 | 3.81 |
| Securities available-for-sale | - | - | 7,402 | 31,159 | 439,503 | 124,342 | - | - | 602,406 | 4.10 |
| Derivative financial assets | - | - | - | - | - | - | 2,523 | - | 2,523 | - |
| Financing, advances and other loans | | | | | | | | | | |
| – Performing | 473,570 | 481,677 | 217,233 | (338,195) | 2,383,629 | 6,282,170 | - | - | 9,500,084 | 7.88 |
| – Non-performing * | - | - | - | - | - | - | (24,010) | - | (24,010) | - |
| Other non-profit sensitive balances | - | - | - | - | - | - | 497,985 | - | 497,985 | - |
| TOTAL ASSETS | 2,999,210 | 481,677 | 224,635 | (307,036) | 2,823,132 | 6,406,512 | 486,321 | 276,347 | 13,390,798 | |
| LIABILITIES AND EQUITY | | | | | | | | | | |
| Deposits from customers | 4,006,098 | 1,028,009 | 615,109 | 636,850 | 219,534 | - | 658,576 | - | 7,164,176 | 2.97 |
| Deposits and placements of banks and other financial institutions | 1,255,226 | 842,136 | 522,573 | 691,286 | 453,007 | - | 6,040 | - | 3,770,268 | 3.58 |
| Derivative financial liabilities | - | - | - | - | - | - | 2,520 | - | 2,520 | - |
| Bills and acceptances payable | 220,531 | 312,868 | 97,981 | - | - | - | - | - | 631,380 | 3.29 |
| Subordinated Sukuk Musyarakah | - | - | - | - | 400,000 | - | - | - | 400,000 | 4.80 |
| Other non-profit sensitive balances | - | - | - | - | - | - | 177,828 | - | 177,828 | - |
| Total Liabilities | 5,481,855 | 2,183,013 | 1,235,663 | 1,328,136 | 1,072,541 | - | 844,964 | - | 12,146,172 | |
| Total Equity | - | - | - | - | - | - | 1,244,626 | - | 1,244,626 | |
| TOTAL LIABILITIES AND EQUITY | 5,481,855 | 2,183,013 | 1,235,663 | 1,328,136 | 1,072,541 | - | 2,089,590 | - | 13,390,798 | |
| On-balance sheet profit sensitivity gap | (2,482,645) | (1,701,336) | (1,011,028) | (1,635,172) | 1,750,591 | 6,406,512 | (1,603,269) | 276,347 | - | |
| Off-balance sheet profit sensitivity gap | - | - | - | - | - | - | - | - | - | |
| Total profit sensitivity gap | (2,482,645) | (1,701,336) | (1,011,028) | (1,635,172) | 1,750,591 | 6,406,512 | (1,603,269) | 276,347 | - | |

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| | Up to 1 month RM'000 | >1 to 3 months RM'000 | >3 to 6 months RM'000 | >6 to 12 months RM'000 | 1 to 5 years RM'000 | Over 5 years RM'000 | Non- profit sensitive RM'000 | Trading Book RM'000 | Total RM'000 | Effective profit rate % |
|--|----------------------------|-----------------------------|-----------------------------|------------------------------|---------------------------|---------------------------|---------------------------------------|---------------------------|-------------------|----------------------------------|
| ASSETS | | | | | | | | | | |
| Cash and short-term funds | 2,025,510 | - | - | - | - | - | 2,582 | - | 2,028,092 | 3.57 |
| Securities held-for-trading | - | - | - | - | - | - | - | 559,411 | 559,411 | 3.71 |
| Securities available-for-sale | - | - | - | - | - | - | - | - | - | - |
| Financing, advances and other loans | | | | | | | | | | |
| – Performing | 487,922 | 335,401 | 45,374 | (361,227) | 1,568,823 | 5,981,737 | - | - | 8,058,030 | 7.85 |
| – Non-performing * | - | - | - | - | - | - | (3,069) | - | (3,069) | - |
| Other non-profit sensitive balances | - | - | - | - | - | - | 522,697 | - | 522,697 | - |
| TOTAL ASSETS | 2,513,432 | 335,401 | 45,374 | (361,227) | 1,568,823 | 5,981,737 | 522,210 | 559,411 | 11,165,161 | |
| LIABILITIES AND EQUITY | | | | | | | | | | |
| Deposits from customers | 3,104,951 | 943,067 | 733,130 | 436,840 | 132,564 | - | 520,564 | - | 5,871,116 | 2.92 |
| Deposits and placements of banks and other financial institutions | 701,252 | 473,508 | 332,455 | 750,132 | 502,489 | - | 4,104 | - | 2,763,940 | 3.63 |
| Bills and acceptances payable | 178,556 | 258,988 | 109,803 | - | - | - | - | - | 547,347 | 3.58 |
| Subordinated Sukuk Musyarakah | - | - | - | - | 400,000 | - | - | - | 400,000 | 4.80 |
| Other non-profit sensitive balances | - | - | - | - | - | - | 146,874 | - | 146,874 | - |
| Total Liabilities | 3,984,759 | 1,675,563 | 1,175,388 | 1,186,972 | 1,035,053 | - | 671,542 | - | 9,729,277 | |
| Total Equity | - | - | - | - | - | - | 1,435,884 | - | 1,435,884 | |
| TOTAL LIABILITIES AND EQUITY | 3,984,759 | 1,675,563 | 1,175,388 | 1,186,972 | 1,035,053 | - | 2,107,426 | - | 11,165,161 | |
| On-balance sheet profit sensitivity gap | (1,471,327) | (1,340,162) | (1,130,014) | (1,548,199) | 533,770 | 5,981,737 | (1,585,216) | 559,411 | - | |
| Off-balance sheet profit sensitivity gap | - | - | - | - | - | - | - | - | - | |
| Total profit sensitivity gap | (1,471,327) | (1,340,162) | (1,130,014) | (1,548,199) | 533,770 | 5,981,737 | (1,585,216) | 559,411 | - | |

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

A27. Restatement Of Comparatives

- 1) On 12 April 2008, the Bank completed the Business Transfer for a cash consideration of RM314.9 million 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 Bank as if the merger had been effected prior to and throughout the current financial period. Accordingly comparative figures of the Bank have been restated.

- 2) The Bank also had reviewed and changed the presentation of certain balances as follows:
 - (i) During the 4th quarter of financial year 2008, the Bank had reviewed and changed the presentation of Non-recoverable expenses for financing accounts. These expenditure items which were previously included in other operating expenses are now presented within Allowances of losses on financing. The classification is to conform with current period presentation which better reflects the nature of expenses.

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A27. Restatement Of Comparatives (continued)

- (ii) During the 2nd quarter of financial year 2009
- (a) credit card receivables under instalment payment scheme which were previously classified under Other Assets have been reclassified as part of Financing, advances and other loans.
- (b) 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.

Restatement of comparative figures of the Bank arising from the above is 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 |
|---|-----------------------------------|--|--|-----------------------|
| Balance Sheet as at 31 March 2008 | | | | |
| Assets | | | | |
| Cash and short-term funds | 1,521,441 | 506,651 | - | 2,028,092 |
| Securities held-for-trading | 99,699 | 459,712 | - | 559,411 |
| Financing, advances and other loans | 8,000,798 | 18,848 | 35,315 | 8,054,961 |
| Other assets | 124,678 | 2,789 | (35,315) | 92,152 |
| Statutory deposit with Bank Negara Malaysia | 257,200 | 14,500 | - | 271,700 |
| Deferred tax asset | 157,699 | 95 | - | 157,794 |
| Liabilities | | | | |
| Deposits from customers | 5,446,331 | 424,785 | - | 5,871,116 |
| Deposits and placements of banks and other financial institutions | 2,508,781 | 255,159 | - | 2,763,940 |
| Other liabilities | 141,525 | 4,748 | - | 146,273 |
| Equity | | | | |
| Reserves | 714,943 | 317,903 | - | 1,032,846 |

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A27. Restatement Of Comparatives (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 |
|---|-----------------------------------|--|--|-----------------------|
| Income Statement for the financial period ended 31 December 2007 | | | | |
| Income derived from investment of depositors' funds and others | 507,843 | 15,362 | (85) | 523,120 |
| Income derived from investment of shareholder's funds | 112,855 | 28,071 | - | 140,926 |
| Allowance for losses on financing | (109,922) | 1,121 | (5,705) | (114,506) |
| Income attributable to depositors | (255,305) | (15,049) | - | (270,354) |
| Other operating expenses | (149,257) | (2,842) | 5,790 | (146,309) |
| Taxation | (46,534) | (6,873) | - | (53,407) |