ANNUAL REPORT

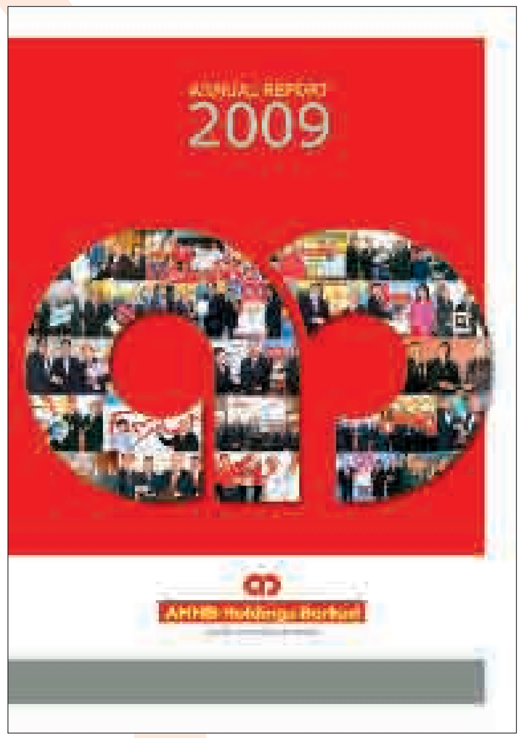
2009

AMMB Holdings Berhad

(223035-V) (Incorporated in Malaysia)

CORPORATE Mission

"To entrench our position as a premier financial services group providing innovative products and services to our customers."



2009 Cover Rationale

At the AmBank Group, we apply creativity, innovation and foresight when we strategise our business growth to maximise our opportunities in an ever-changing, ever-expanding industry. As a Group, we have demonstrated constancy of vision, consistency of purpose, and clear commitment to our shareholders, our customers, our employees and our stakeholders. Our results are the ultimate testament to our success as a premier financial services Group. Ours is a business of customer relationships and ideas: we strive to continue to deliver superior performance to our customers.

CUSTOMER FIRST

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NOTICE OF
Eighteenth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting of AMMB Holdings Berhad ("the Company") will be held at Manhattan II, Level 14, Berjaya Times Square Hotel & Convention Center, No. 1, Jalan Imbi, 55100 Kuala Lumpur on Thursday, 13 August 2009 at 10:00 a.m. for the following purposes:

Item	Agenda	Resolution
	As Ordinary Business	
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2009 and the Reports of the Directors and Auditors thereon.	Resolution No. 1
2.	To approve a first and final dividend of 8.0% less tax for the financial year ended 31 March 2009.	Resolution No. 2
3.	To approve payment of Directors' fees of RM72,000.00 per annum for each Director for the financial year ended 31 March 2009.	Resolution No. 3
4.	To re-elect the following Directors who retire by rotation pursuant to Article 89 of the Company's Articles of Association:	
	a. Y Bhg Tan Sri Dato' Mohd Ibrahim Mohd Zain	Resolution No. 4
	b. Dr Robert John Edgar	Resolution No. 5
	c. Mr Cheah Tek Kuang	Resolution No. 6
5.	To re-elect Mr Mark David Whelan who retires pursuant to Article 97 of the Company's Articles of Association:	Resolution No. 7
6.	To consider and if thought fit, to pass the following resolutions pursuant to Section 129 of the Companies Act, 1965:	
	6.1 "THAT Y Bhg Tan Sri Dato' Azman Hashim, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting."	Resolution No. 8
	6.2 "THAT Y A Bhg Tun Mohammed Hanif Omar, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting."	Resolution No. 9
7.	To re-appoint Messrs Ernst & Young, the retiring Auditors, and to authorise the Directors to determine their remuneration.	Resolution No. 10
	As Special Business To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:	
8.	**Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company, Pursuant to the Company's Executives' Share Scheme** "THAT pursuant to the Company's Executives' Share Scheme ("ESS") as approved at the Extraordinary General Meeting of the Company held on 26 September 2008, the Directors of the Company be and are hereby authorised to allot and issue such number of new ordinary shares in the Company from time to time as may be required for the purpose of the ESS, provided that the total number of new and existing ordinary shares in the Company to be allotted and issued and/or transferred, as the case may be, under the ESS, shall not exceed fifteen percent (15%) in aggregate of the total issued and paid-up ordinary share capital of the Company at any point of time throughout the duration of the ESS."	Resolution No. 11
9.	**Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company to Mr Cheah Tek Kuang, the Group Managing Director of the Company, Pursuant to the Company's Share Scheme** "THAT pursuant to the AMMB Holdings Berhad Share Scheme ("ESS") as approved at the Extraordinary General Meeting of the Company held on 26 September 2008, subject to the passing of the Ordinary Resolution No. 11 above, the Directors of the Company be and are hereby authorised to allot and issue such number of new ordinary shares in the Company to Mr Cheah Tek Kuang, the Group Managing Director of the Company, from time to time pursuant to the ESS, and in accordance with the By-Laws as set out in Appendix I to the Circular to Shareholders dated 4 September 2008."	Resolution No. 12
10.	**Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965** "THAT subject to the approvals from the relevant authorities, where such approval is necessary, full authority be and is hereby given to the Board of Directors pursuant to Section 132D of the Companies Act, 1965 to issue shares in the capital of the Company at any time upon such terms and conditions and for such purposes as the Directors, may, in their discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per cent of the issued share capital of the Company for the time being."	Resolution No. 13
11.	To transact any other business of which due notice shall have been received.	

Notice Of Dividend Entitlement And Payment

NOTICE IS HEREBY GIVEN that the first and final dividend of 8.0% less tax for the financial year ended 31 March 2009, if approved by the shareholders at the Eighteenth Annual General Meeting, will be paid on 4 September 2009 to shareholders whose names appear in the Record of Depositors on 21 August 2009.

A depositor shall qualify for entitlement only in respect of:

a. Shares transferred into the depositor's securities account before 4.00 p.m. on 21 August 2009 in respect of ordinary transfers; and

b. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

RAVINDRA KUMAR THAMBIMUTHU
(LS 0000902)
Group Company Secretary

Kuala Lumpur
22 July 2009

Notes:

(1) A shareholder of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy or an attorney need not be a shareholder of the Company. Under Section 149(1) of the Companies Act, 1965, if a proxy is not a shareholder, he must be an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case.

(2) An Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, may appoint one proxy in respect of each securities account held with ordinary shares of the Company standing to the credit of the securities account. The proxy so appointed shall be the beneficial owner of the shares in the said securities account or a person as provided under Section 149(1) of the Companies Act, 1965.

(3) The instrument appointing a proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.

(4) The instrument appointing the proxy must be deposited at the Registered Office of the Company at 22nd Floor, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur not less than 48 hours before the time appointed for holding the Annual General Meeting. The last day and time for lodging the Form of Proxy is Tuesday, 11 August 2009 at 10:00 a.m.

(5) Only Members whose names appear on the General Meeting Record of Depositors of the Company as at 7 August 2009 shall be eligible to attend the Annual General Meeting.

(6) **Explanatory Note on Resolutions No. 11 and No. 12**
Ordinary Resolutions No. 11 and No. 12 – Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company ("New Scheme Shares") Pursuant to the Company's Executives' Share Scheme and Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company ("New Scheme Shares") to Mr Cheah Tek Kuang, the Group Managing Director of the Company, Pursuant to the Company's Executives' Share Scheme.

The proposed Ordinary Resolutions No. 11 and No. 12 above, if passed will empower the Directors of the Company to issue New Scheme Shares in accordance with the By-Laws as set out in Appendix I to the Circular to Shareholders dated 4 September 2008 (as may be amended in accordance with the provisions of the said By-Laws).

The authority conferred by such renewed mandates/approvals will be effective from the date of the forthcoming Annual General Meeting ("AGM") and unless revoked or varied at a General Meeting, will expire at the next AGM.

(7) **Explanatory Note on Resolution No. 13 – Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965**
Ordinary Resolution No. 13, if passed, will give the Directors of the Company, from the date of the General Meeting, authority to allot and issue ordinary shares from the unissued share capital of the Company up to an aggregate amount not exceeding ten percent (10.0%) of the issued share capital of the Company for the time being, as and when the need or business opportunities arise which the Directors consider would be in the interest of the Company and/or in connection with proposals previously approved by the Shareholders for issuance of shares. This authority, unless revoked or varied at a General Meeting, will expire at the next Annual General Meeting.

The Directors of the Company did not allot, or issue ordinary shares pursuant to the authority given by the Shareholders at the previous Annual General Meeting.

STATEMENT ACCOMPANYING Notice Of Annual General Meeting

Directors who are Seeking Re-Election/Re-appointment at the Eighteenth Annual General Meeting of the Company

The Directors retiring by rotation pursuant to Article 89 of the Company's Article of Association and seeking re-election are as follows:

- Y Bhg Tan Sri Dato' Mohd Ibrahim Mohd Zain
- Dr Robert John Edgar
- Mr Cheah Tek Kuang

Mr Mark David Whelan was appointed to the Board on 2 January 2009, retiring pursuant to Article 97 of the Company's Articles of Association and he is seeking re-election.

Y Bhg Tan Sri Dato' Azman Hashim attained the age of 70 years on 17 July 2009 and Y A Bhg Tun Mohammed Hanif Omar attained the age of 70 years on 16 January 2009, retiring pursuant to Section 129 of the Companies Act, 1965 and they wish to be re-appointed as Directors of the Company to hold office until the next Annual General Meeting.

The details of the aforesaid Directors seeking re-election/re-appointment are set out in their respective profiles which appear in the Profile of Directors and their securities holdings in the Company and its subsidiaries are set out in the Shareholding Structure of this Annual Report.

LETTER TO
Shareholders

The financial year that has just ended on 31 March 2009 saw encouraging results delivered on our commitment to shareholders by consistently achieving higher profits, declaring higher dividends, and strengthening the capital position of AmBank Group.

The strategic alliance and synergy with ANZ brought together the best of AmBank Group to meet our customers' most important needs. With ANZ's current regional footprint, stronger strategic intent for growth in the Asia Pacific and the Group's commitment to its Medium Terms Aspirations, we will have ample opportunities to leverage and expand our business significantly over time.

Dear Shareholder,

For the financial year ended 31 March 2009 ("FY 2009"), I am delighted to report that the Group had reported a record profit after tax and minority interests of RM860.8 million, up 28.8% over the preceding year. This was underpinned by sound business growth, better asset quality as evidenced by lower provisioning charges and reduction in minority interest payout following the privatisation of the investment banking arm. Our performance exceeded market consensus estimates.

The financial year ended 31 March 2009 has been a tumultuous time for the banking industry with global financial markets meltdowns contributing to the demise of some revered global financial institutions. Despite the devastative effects of the global credit crunch, I am pleased that AmBank Group has stayed resilient and delivered good value to our shareholders.

Introduction

AmBank Group remains financially sound amidst the global meltdown and the contraction of the Malaysian economy. Malaysian domestic financial institutions were insulated from the full force of the subprime crisis thanks to the robust regulatory framework of Bank Negara Malaysia and enhanced risk governance frameworks, tools and credit processes. These measures appear to have paid off with the industry average non-performing loan currently at a low circa 2%, but more needs to be done. Malaysia has made significant strides in this aspect and learnt well from the hard lessons of the 1997-1998 Asian financial crises.

AmBank Group's recent financial results can be attributed to our focused execution of our strategy formulated in late 2007 following the entry of our strategic partner, the Australia and New Zealand Banking Group ("ANZ"), support of the Board, and hard work from the management team and staff. AmBank Group's excellent and responsive standards of customer service, disciplined risk practices and commitment to integrity have given confidence to our shareholders and customers in this uncertain turbulent financial and economic environment.

We have recently crossed the second anniversary of the strategic partnership between AmBank Group and ANZ inked on 18 May 2007. This partnership symbolises yet another chapter in the history of AmBank Group, birthing new frontiers for the Group. ANZ has to-date provided expert assistance in a number of areas including retail banking, risk management, financial management, product innovation and channel development.

In the past year, the Group has also successfully commenced the foreign exchange and derivatives unit with technical expertise from ANZ, according further business diversification and new revenue sources. With ANZ's current regional footprint and the stronger strategic intent for growth in the Asia Pacific, AmBank Group will have ample opportunities to leverage and expand its cross-border and trade finance businesses over time.

Other corporate developments completed since 2007 have also positioned AmBank Group on stronger footing. In early 2008, the Group first privatised and then completed its internal restructuring to create a universal banking platform which provides for greater focus and operational integration, and enhanced capital and resource utilisations. In December 2008, the Group completed the separation of its composite life and general insurance businesses. This delineated the path for the entry of a new strategic partner, Friends Provident Fund plc ("FP") in the life insurance business, with a 30% stake. Insurance Australia Group ("IAG") also increased its stake from 30% to 49% in our general insurance arm.

Our Strong Financial Performance

For the financial year ended 31 March 2009, AmBank Group recorded an impressive financial performance vis-à-vis the preceding year. Profit after tax and minority interest at RM860.8 million, represents earnings per share of 31.61 sen, an upside of 11.9% in comparison to last year (for the financial year ended 31 March 2008, earnings per share was at 28.24 sen). Return on equity is up at 11.7% from 11.5% on a year-on-year ("YoY") basis. The growth in profit is backed by strong contributions from the business segments of Retail Banking, Business Banking and Insurance.

Retail Banking contributed a profit after tax and minority interest of RM615.6 million, benefiting from lower provisions and the focus on viable and profitable business segments on a risk-pricing basis. Business Banking's profit after tax and minority interest of RM105.5 million was attributed primarily to growth in SME loans fuelled by the strength of its relationship franchise. Investment Banking reported a profit after tax and minority interest of RM48.0 million, a respectable performance in tough capital and equity market conditions. The insurance business segment contributed profit after tax and minority interest of RM45.1 million mainly due to higher general insurance premiums. Relationship Banking and Regional Business (a newly formed business division in 2008 concentrating on corporate and institutional banking and international businesses) reported profit after tax and minority interest of RM51.2 million.

Total customer deposits registered growth of 15.0% YoY to RM64.1 billion, with AmBank Group continuing to promote cash management services and payroll crediting facilities, and leveraging on its larger distribution footprints to harness deposits, in particular, transactional deposits. Net loans grew a healthy 8.3% with the majority of this growth coming from preferred viable segments and stable economic sectors.

We have had significant decreases to our net non-performing loans. As at 31 March 2009, net NPL ratio stood at 2.6% from 3.7% a year ago. Loan loss coverage improved from 67.3% to 75.1% in the same period.

The Group's capital position has been markedly strengthened. The Group's tier-1 and risk-weighted capital ratio were 9.7% and 15.2% respectively, compared to 8.5% and 14.1% in the previous financial year. They are well above minimum regulatory requirements and higher than industry average, positioning the Group to absorb any adverse impacts from the current economic climate and continue executing on our medium term growth strategies.

In summary, the record financial results from the year that was, is testament of AmBank Group's sound business fundamentals, well crafted and implemented strategies and close collaboration with our strategic partner, ANZ, in delivering maximum value proposition to our stakeholders.

Dividend Payout

For the financial year ended 31 March 2009, the Board of Directors has recommended a first and final dividend of 8.0% less tax, amounting to a payment of RM163.4 million. This represents a 33% increase from the financial year ended 31 March 2008.

Customer Service And Reach

Currently, AmBank Group operates 187 branches with two full-fledged Islamic banking branches. I believe, customers seek convenience in their banking needs with AmBank Group and this core need is further met via our weekend and extended hour banking branches. On Saturdays, our customers can go to 38 AmBank branches nationwide, on Sundays to 56 branches. A total of 20 branches are open for extended hours nationwide.

The Group has expansionary plans to open up an additional 10 new branches and grow nationwide distribution footprints over the course of the next two years which will enable faster growth in deposits, lending and other income. This is a bold step for the Group; we are on track to deliver on the announcement made earlier to the public on our branch expansion and domestic footprints enlargement, to provide better sales and service capabilities to customers.

With the partnership with 7-Eleven, our market reach is widened further as AmBank Group offers its customers greater accessibility and convenience in banking. At present, AmBank Group has 218 automated teller machines at 7-Eleven convenience stores nationwide. Total ATM count stands at 611.

The AmBank brand is perceived by our customers as having a good range of products and providing ease of banking.

Market Recognition

AmBank Group hauls an impressive list of accolades, which augurs well for the Group's standing in the financial community. Amongst the key notable awards garnered are the following.

- At the Edge-Lipper-Starmine Awards in February 2009, AmInvestment Bank was hailed the Best Fund Group (Bond). In addition, AmInvestment Bank won awards for the following categories for their funds:
    - Best Bond Malaysian Ringgit Fund (3 years category): AmDynamic Bond
    - Best Bond Malaysian Ringgit Fund (5 years category): AmDynamic Bond
    - Best Bond Malaysian Ringgit Islamic Fund (3 years category): AmBon Islam
- AmBank (M) Berhad won the Automotive Finance Company of the Year (Malaysia) Award at the 2008 Frost & Sullivan ASEAN Automotive Awards in June 2008.
- AmAssurance Berhad was the winner of the Superior Company category for a well-established company with a steady record in profits at the 3rd Business of the Year Award 2007 in October 2008.
- At the BrandLaureate Award 2007-2008 in June 2008, AmBank Group won the BrandLaureate Conglomerate Award, as testament of an organisation that has a basket of successful brands.
- AmInvestment Bank Group received the Best Multi-Channel Capability Project Award at the Asian Banker IT Implementation Awards 2007 in recognition of the Group's new online trading and investment system for retail and institutional clients through internet and mobile devices.
- At the RAM League Awards 2009, AmInvestment Bank received the following accolades:
    - 2nd place: Lead Manager Award, Number of Deals
    - 2nd place: Lead Manager Award, Islamic, Number of Deals
    - 3rd place: Lead Manager Award, Islamic, Issue Value

- Blueprint Award: New Real Estate Benchmark Deal (RM300 million Sukuk Ijarah issued by Al-'Aqar Capital Sdn Bhd)

Talent Management

For sustainable growth, the Group places great emphasis on developing the pipeline of future leaders. We have always practiced a merit-based culture to inspire and reward our staff. As a result, during the financial year, the Group commenced the Employee Share Option Scheme award in the form of scheme shares and options to be vested upon fulfilment of service period and specific performance targets. These awards were made to deserving employees based on past performance, and with the objective of motivating them towards higher performance goals and creation of long-term shareholder value.

Serving The Community

AmBank Group believes in giving back to society meaningfully to contribute to the development of the nation and people. AmBank Group has donated to various charity organisations supporting the physically handicapped, children in need, education bodies, health and youth activities and participated in preservation of the environment.

Economic Prospects In Financial Year 2010

The economic and financial crisis has evolved into a global phenomenon with advanced and emerging economies alike experiencing synchronised recession. Major stimulus packages have been unveiled by governments worldwide to rescue distressed countries from falling deeper into recession, and to repair the damaged balance sheets of bailed-out financial institutions. These monetary and fiscal policies are key to restoring economic stability and nurturing confidence back into the financial market.

Malaysia, being an export-led country, is experiencing significant downside risk to economic growth in 2009. The decline in export-led demand has been accompanied by a decline in foreign direct investments. As external demand contracted sharply in the fourth quarter of 2008, this has led to weaker labour conditions and domestic consumption. Latest government announcement forecasts real GDP growth between -4% to -5% for 2009.

Malaysia has spearheaded two economic stimulus packages to mitigate risks of a further downturn: the first announced on 4 November 2008 amounting to RM7 billion and the second, a bigger amount of RM60 billion announced on 10 March 2009. The Central Bank is keen in supporting the domestic economic growth by easing financial intermediation by reducing the Overnight Policy Rate to 2.0% and the Statutory Reserve Requirement to 1%.

Strategic Priorities For Financial Year Ending 31 March 2010 ("FY 2010")

The Group believes that focused execution of its strategic agenda will enable it to stay resilient and build on its head-start advantage since 2008. The negative economic outlook and the bearish financial market fundamentals will lead to slower loans growth and potentially rising non-performing loans albeit from a historically low base. For FY 2010, AmBank Group is gearing up for differentiated growth in its business segments, de-risking its balance sheet, and diversifying into new businesses and income streams.

Key priorities for the next financial year 2010 are:

- Maintain profitable growth and rebalancing focus;
- Dynamic focus on volume versus price trade offs and growth in viable segments;
- Enhance asset quality focus (restructuring, rescheduling and collections activities);
- Target operating costs efficiencies whilst investing for the medium term; and
- Increase emphasis on risk and financial governance and infrastructure.

AmBank Group, whilst committed to its medium term aspirations previously communicated in late 2007, recognises that achieving these aspirations will now take longer, given the material changes to the macro-economic conditions. ANZ, one of the 11 AA rated banks worldwide and our partner, is fully supportive of our growth endeavours.

Acknowledgments

Ladies and Gentlemen,

On behalf of the Board, I would like to express my sincere gratitude to our many stakeholders, especially our strategic partners ANZ, IAG and FP, business partners and valued customers, for their confidence, patronage and trust in the AmBank brand. The many successes of the Group thus far are made possible only with the efforts and sacrifices of the 10,000 strong management and staff, and their unwavering commitment.

I thank the various regulatory bodies and authorities including the Ministry of Finance, Bank Negara Malaysia, Securities Commission, Bursa Malaysia Securities Berhad and the Minority Shareholders Watchdog Group for their guidance and invaluable advice. Last but not least, my utmost appreciation to the shareholders of AmBank Group whose support made FY 2009 a year of record success.

Thank you.

Yours sincerely,

Azman Hashim
Non-Independent Non-Executive Chairman

Kuala Lumpur
9 July 2009

OUR

Philosophy

The strategies we embrace and the actions we take are well aligned to value creation for all our stakeholders.

The AmBank Way

A Culture Of Excellence And Professionalism

Customer Priority

Our clients are our reason for existence. We are committed to them and we will strive to provide outstanding service to all our customers.

Integrity

Integrity and honesty are paramount in everything we do when we conduct our business. We treat all our business partners and competitors with unwavering grace and honour.

Speed And Creativity

We strive to be fearless, responsive and nimble in our approach to doing business. We are not afraid to pioneer new ideas and approaches.

Quality

Any output or deliverable we produce serves to represent the AmBank Group. We know we must never compromise on what we need to do to preserve the reputation of the Group.

Initiative

We are empowered to take responsibility for what we do, going the extra mile and applying sound judgement in the process.

Vision And Goal-Orientation

We are a winning team. Our victories and goals are achieved through a strong sense of purpose, ownership and commitment.

Teamwork

Teamwork is the essence of our success. We willingly come together in formal and informal teams, valuing our colleagues and cooperating wholeheartedly with them.

Open-Mindedness

The spirit of open communication is important to us. We will give and receive criticism constructively. We will always treat each other with respect and good humour.

Self-Realisation

We will coach, develop and mould our people to allow them to realise their highest potential. We will facilitate their ability to meaningfully contribute to the AmBank Group.

CORPORATE Developments

Completion Of The Privatisation Of AmInvestment Group Berhad ("AIGB") And Group Restructuring Exercise

AIGB privatisation was completed in January 2008, as part of the move towards establishment of the universal banking platform. The privatisation paved the way for the Group Restructuring Exercise to streamline corporate structure into four business groups: Banking, Asset Management, Capital and Insurance. The restructuring was finalised with the business transfer of the fund-based activities of AmInvestment Bank Berhad ("AmInvestment") to AmBank (M) Berhad and AmIslamic Bank Berhad on 12 April 2008.

AmInvestment has also embarked on an internal reorganisation exercise with the intention to re-align the shareholding structure of certain operating subsidiaries ("Proposed Internal Transfer") to constitute the Asset Management and Capital business groups, which involve the following:

i. AmInvestment to acquire from AmSecurities Holding Sdn Bhd ("AMSH") the following companies:
   a. AmFutures Sdn Bhd, a licensed futures broker wholly-owned by AMSH;
   b. AmResearch Sdn Bhd, a wholly-owned subsidiary of AMSH involved in investment advice; and
   c. PT. AmCapital Indonesia, a 95.58% owned Indonesian subsidiary of AMSH licensed to carry on stockbroking, underwriting and investment management.

ii. AIGB to acquire from AmInvestment the following companies:
   a. AmInvestment Management Sdn Bhd, AmInvestment's wholly-owned asset management subsidiary; and
   b. AmInvestment Services Berhad, AmInvestment's wholly-owned unit trust management subsidiary.

Save for the proposed transfer of PT. AmCapital Indonesia to AmInvestment, the Proposed Internal Transfer had been completed on 1 April 2009.

The new structure provides the foundation for greater integration of business focus and operations, increased concerted effort on cross-selling, enhanced asset-liability management, improved industry-specific risk management and higher efficiency in resource allocation and utilisation. The capital position of the Group has strengthened, which provides it with the resilience essential to operate in a tougher landscape in 2009.

Restructuring Of The Group's Insurance Business

The Group had on 17 November 2008 incorporated a wholly owned subsidiary under the name of AMAB Holdings Sdn Bhd ("AMAB Holdings"), which functions as an insurance holding company to hold AMMB Holdings Berhad's ("AHB") investments in AmAssurance Berhad ("AmAssurance") and AmG Insurance Berhad ("AmG").

Following that, in December 2008, the Group completed the restructuring of its insurance business, which encompassed the following:

i. Split of the composite insurance business of AmLife Insurance Berhad ("AmLife", formerly AmAssurance Berhad) via transfer of its general insurance business to AmG; and

ii. Restructuring of the shareholding of AmG and AmLife via:
   a. increase of equity interest by 19.0% of IAG International Pty Ltd ("IAG") in AmG, from 30.0% to 49.0%;
   b. sale of 30.0% equity interest of IAG in AmLife to AHB; and
   c. subsequent sale of the 30.0% equity interest in AmLife held by AHB to Friends Provident Public Limited Company ("FP").

The conclusion of the insurance business transformation has delineated the path for greater specialisation within the general and life insurance businesses in AHB Group respectively. It commemorated the entry of a new strategic partner, FP, in the life insurance business, whilst the strategic involvement of IAG in the general insurance business has increased. The Group is optimistic that the partnerships will revitalise its reputation in the local insurance arena, benefiting from knowledge transfer, technical expertise exchange and the international presence of IAG and FP.

Effectively AMAB Holdings Sdn Bhd to date owns 70.0% of AmLife and 51.0% of AmG. At present, AmG is in progress of conducting the due diligence for a potential acquisition of the general insurance business of another domestic insurance company along with a stake in its Takaful operations.

Proposed Bumiputera Issue Of 96,300,000 New Ordinary Shares At Par Value Of RM1.00 Each In The Company

In January 2009, AHB proposed to undertake Special Issue Shares of 96,300,000 new ordinary shares of RM1.00 each to Identified Bumiputera Shareholders who qualify under the Capital Markets and Services Act, 2007.

The rationale behind the Proposed Special Issue is to reinstate Bumiputera equity in AHB to the level prior to equity participation by Australia and New Zealand Banking Group Limited ("ANZ") as per the equity condition imposed by the Securities Commission ("SC") in its approval to AHB in respect of the equity participation by ANZ in 2007.

On 13 April 2009, SC had granted the approval to proceed with the Proposed Special Issue conditional on the allocation of the Special Issue Shares to Identified Bumiputera Shareholders being approved by the Ministry of Finance ("MOF"). In the event that the Special Issues Shares are not fully subscribed by the Identified Bumiputera Shareholders, or the MOF is unable to allocate the Special Issue Shares within a year, the Bumiputera equity condition imposed by the SC will be removed.

AHB held its twenty-third extraordinary general meeting on 25 May 2009 where the shareholders had voted in favour of the Proposed Special Issue. Subsequently AHB announced that the Special Issue Share would be priced at RM2.77 per share, a 15.0% discount to the volume weighted average market price for five market days up to and including 25 May 2009. The new shares issued will be eventually listed and quoted on Bursa Malaysia Securities Berhad upon completion of the Proposed Special Issue.

OUR History

AmBank Group has enjoyed considerable success over the last three decades. Together, we have built one of the largest and fastest-growing financial institutions in the country

Tracing our early history, Arab-Malaysian Development Bank Berhad was incorporated on 5 August 1975 as a joint venture between Malaysian Industrial Development Finance Berhad, with a 55.0% shareholding, Arab Investments for Asia (Kuwait) with a 33.0% shareholding, and the National Commercial Bank (Saudi Arabia) holding 12.0%.

We commenced operations on 1 April 1976, and in December 1983 became known as Arab-Malaysian Merchant Bank Berhad, a name by which we were known for over three decades until our recent rebranding in June 2002. Today, we have grown into a Group with a staff strength of almost 10,000. With our extensive nationwide branch network, ATMs, and Internet banking services, we are proud to acknowledge that the AmBank Group, as one of the largest financial services group in the country, is only a brick and click away.

1976
- The Group commenced operations on 1 April 1976 as a joint venture comprising Arab and Malaysian shareholders.

1977
- The Group acquired a 70.0% shareholding in Malaysian Industrial Finance Company Limited ("MIFCL"), which was later renamed Arab-Malaysian Finance Berhad ("AMFB").

1980
- AMMB co-lead managed the USD200.0 million, 12-Year Syndicated Term Loan for the Government of Malaysia.
- AMMB initiated the formation of Malaysian Kuwaiti Investment Company Sdn Bhd, a joint venture between Perbadanan Nasional Berhad and Kuwait Real Estate Investment Consortium and Public Institution for Social Security, Kuwait.
- AMMB acted as Adviser to Kuwait Real Estate Investment Consortium, Singapore.
- AMFB became the first private sector institution in Malaysia to issue public bonds – RM20.0 million 8.5% Guaranteed Bonds 1987, listed on the KLSE. The Bonds, guaranteed by the Bank, marked a new chapter in the history of private sector fund raising in the capital markets.

1982
- Y Bhg Tan Sri Dato' Azman Hashim acquired 100.0% shareholding in the Group.
- The Group acquired the remaining 30.0% shareholding of AMFB, making it a wholly owned finance company subsidiary.

1983
- The Group established a credit and leasing company, Arab-Malaysian Credit Berhad.

1984
- The Group launched the first venture capital company to undertake private equity investments – Malaysian Ventures Berhad.
- The Group arranged the first leveraged lease facility in the country for Sistem Televisyen Malaysia Berhad – TV3.
- AMMB completed its Government assigned study on the privatisation of Jabatan Telekom.
- In 1984, the Group acquired Arab-Malaysian Insurance Berhad, a general insurance company formerly known as Teguh Insurance Company Sdn Bhd.

1985
- The Group acquired Perima Assurance Berhad, a life insurance company. Both the life and general insurance companies were later merged in 1987, holding composite insurance licences, and the entity's name changed to Arab-Malaysian Eagle Assurance Berhad (now known as AmAssurance Berhad).

1986
- The Group acquired a stockbroking firm, Kris Securities Sdn Bhd, later renamed as AmSecurities Sdn Bhd.
- The Group relocated to its corporate headquarters at Jalan Raja Chulan.
- In December 1986, Antah Holdings Berhad and the Tokai Bank Limited, Japan acquired 20.0% shareholding each in the Group.
- Launched Arab-Malaysian Unit Trusts Berhad, to manage unit trust funds.

1987
- On 22 January 1987, AMMB launched the first unit trust to invest 90.0% in Malaysian Government securities, called the Arab-Malaysian Gilts, to provide tax-exempt income to individual investors on their short term funds.
- In July 1987, AMMB launched the AMIGOS (Arab-Malaysian Individuals' Government Securities) programme to enable retail investors to invest in government securities.
- AMMB sponsored the establishment of The Malaysia Fund Inc, a close-ended investment fund listed on the New York Stock Exchange, to invest in equities of Malaysian companies listed on the KLSE. The Malaysia Fund raised USD87.0 million.

1988
- AMMB became the first merchant bank to be listed on the KLSE.
- AMMB was appointed as Adviser to the Government to formulate the National Privatisation Masterplan.
- AMMB launched the first equity unit trust fund, called the Arab-Malaysian First Fund.

1989
- On 21 April 1989, AMMB together with the Nikko Securities Co. Ltd Tokyo and the International Finance Corporation, Washington launched a US Dollar denominated unit trust fund, The Malaysia Growth Fund, aimed primarily at Japanese investors.
- On 28 September 1989, the Arab-Malaysian Property Trust became the first property trust to be listed on the KLSE.

1990
- AMMB was appointed as Adviser and Managing Underwriter for the flotation of Telekom Malaysia Berhad.
- AMFB acquired First Malaysia Finance Berhad.

1991
- In July 1991, the Group acquired a 49.0% equity stake in Fraser International Pte Ltd, the holding company of Fraser Securities, Singapore.
- AMMB, in collaboration with The Nikko Securities Co. Ltd. in Japan, sponsored the establishment of Malaysia Fund (Labuan), the first offshore unit trust fund in the Federal Territory of Labuan.
- Incorporation of AMMB Holdings Berhad, as the vehicle for the implementation of a corporate restructuring scheme. Pursuant to the restructuring scheme, AMMB Holdings Berhad became the holding company of the Arab-Malaysian Banking Group, and assumed the listing status of AMMB.
- Arab-Malaysian Finance Berhad, the Group's finance company, was listed on the KLSE.
- Establishment of AMMB Labuan (L) Ltd to provide offshore funds management.

1992
- AMMB Holdings Berhad won the Asian Management Award for Financial Management from Asian Institute of Management.

1993
- AMMB launched Tabung Ittikal Arab-Malaysian, the first Islamic Unit Trust Fund on 12 January 1993.
- AMMB was Co-Manager of General Electric Corporation's USD300.0 million Dragon Bonds Issue.

- AMMB acted as Manager and Arranger for the RM240.0 million Syndicated Credit Facility for the construction of Menara Kuala Lumpur.

1994

- On 1 August 1994, the Group ventured into commercial banking with the acquisition of the Malaysian operations of Security Pacific Asian Bank Limited from Bank of America (Asia) Limited. Commencement of commercial banking operations under Arab-Malaysian Bank Berhad.

1995

- On 1 April 1995, AMMB International (L) Ltd commenced offshore banking operations in Labuan, the first merchant bank to offer offshore banking services.
- AMMB Futures Sdn Bhd commenced futures broking business.

1996

- AMMB Holdings Berhad's annual report won the 'Overall Award for the Most Outstanding Annual Report' for six consecutive years from 1991 to 1996 in the NACRA competition.
- Macquarie Bank Limited, Australia acquired 30.0% shareholding in AMMB Futures Sdn Bhd.
- Macquarie Bank Limited, Australia acquired 30.0% shareholding in AMMB Asset Management Sdn Bhd and Arab-Malaysian Unit Trusts Berhad.
- The 1996 Far Eastern Economic Review Survey of Asia's 200 Leading Companies ranked AMMB first in the overall category of "Innovative in Responding to Customer Needs" and third in terms of "Overall Leadership".
- Visa International awarded the AmBank Al-Taslif VISA Card the "1996 Member Excellence Award for the Most Creative Card Programme in Asia".

1997

- AMMB Securities (HK) Limited commenced stock broking operations in Hong Kong.
- The Group's website was awarded the 'Internet Website of the Year' for 1997 by the Association of Computer Industry Malaysia ("PIKOM").

1998

- AMFB acquired the assets and liabilities of Abrar Finance Berhad, in line with the Government's plan to consolidate the industry.
- AMMB received 'Derivatives OTC National Award' from Malaysian Monetary Exchange Berhad.

2000

- CFO Asia selected AMMB Holdings Bhd Annual Report FY 2000, as one of the top three annual reports in Malaysia.

2001

- AMFB acquired MBf Finance Berhad.
- AmBank and AMFB together with the State Government of Selangor Darul Ehsan, launched Tabung Perumahan Ehsan, a special housing loan scheme for the lower income group in the State.

2002

- Merger of Arab-Malaysian Finance Berhad and MBf Finance Berhad, following the vesting of the assets and liabilities of AMFB into MBf Finance Berhad. MBf Finance Berhad changed its name to AmFinance Berhad. AMFB was converted into a holding company.
- Re-branding and changing of the name from "Arab-Malaysian Banking Group" to "AmBank Group" with new Group corporate colours of vibrant red, representing prosperity and good fortune and bright yellow symbolising commitment and unity – reflecting our new corporate identity and herald the transformation towards a more customer-centric organisation.

2003

- Bangunan AmFinance, now known as Menara AmBank, was officially launched by the then Prime Minister, Y A Bhg Tun Dr Mahathir Mohamad.

2005

- Completed privatisation of AMFB Holdings Berhad.
- Listed AmInvestment Group Berhad ("AIGB") on Bursa Malaysia on 18 May 2005, the Group's investment banking operations.
- On 1 June 2005, the merger of AmBank and AmFinance took place to create AmBank (M) Berhad, the sixth largest domestic bank in the country.

2006

- In January 2006, AmPrivate Equity, a private equity fund, was launched.
- On 10 March 2006, Insurance Australia Group Limited, Australia acquired 30.0% shareholding in AmAssurance Berhad.
- On 20 April 2006, Am ARA REIT Managers Sdn Bhd was incorporated with AIGB holding 70.0% equity and ARA Asset Management (Malaysia) Limited 30.0%, to manage the AmFIRST REIT to be listed on Bursa Malaysia.
- On 1 June 2006, AmIslamic Bank commenced operations, with the vesting of the Islamic assets and liabilities of AmBank (M) Berhad into a separate subsidiary company.
- On 21 December 2006, AmFIRST REIT listed on Bursa Malaysia.
- The AmInvestment Group was awarded seven RAM League Awards by Rating Agency Malaysia for its outstanding achievements in the domestic bond market.

2007

- The AmBank Group completed the integration exercise of AmSecurities Sdn Bhd into AmInvestment Bank on 3 March 2007. The AmInvestment Bank began operating as a full-fledged investment bank effective 5 March 2007, offering both merchant banking and stockbroking services.
- On 18 May 2007, AmBank Group commemorated the entry of Australia and New Zealand Banking Group Limited as its strategic partner and major investor.
- On 19 June 2007, AMMB Holdings Berhad proposed the privatisation of AIGB and the proposed rights issue of up to 326,887,241 new shares, on the basis of one (1) new share for every eight (8) existing ordinary shares and every eight (8) Converting Preference Share in the company at an issue price of RM3.40 per share.
- The signing of a Memorandum of Understanding ("MOU") between AmInvestment Bank Berhad and Woori Investment & Securities Co Ltd, on 29 November 2007 to promote the parties mutual interests for cooperation in the investment banking business.

2008

- Completed the AMMB Holdings Berhad ("AMMB") rights issue and privatisation of AIGB on 15 January 2008, with AIGB effectively becoming a wholly-owned subsidiary of AMMB.
- Completed the transfer of the Fund Based Activities of AmInvestment Bank to AmBank (M) Berhad and AmIslamic Bank Berhad on 12 April 2008 as part of AMMB's internal corporate restructuring post the AIGB privatisation.
- Establishment of AmG Insurance Berhad to facilitate the separation of the composite insurance business of AmAssurance Berhad into general insurance and life insurance business.
- Malaysian Ventures Management Incorporated Sdn Bhd ("MVMI"), the private equity fund management subsidiary of AMMB, entered into a joint venture agreement with Konzen Capital Pte Ltd, a member of Konzen Group, to manage a USD320 million Pioneering Water Fund in Asia.
- AmBank and ANZ enter into a technical services agreement to establish the AmBank Group foreign exchange, interest rate and commodities derivatives business.
- Islamic Stockbroking (window service) launched under the brand of AmIslamic, the universal brand of Islamic products and services across all subsidiaries of the AmBank Group.
- On 9 December 2008, Friends Provident plc acquired 30.0% stake in AmLife Insurance Berhad (formerly known as AmAssurance Berhad).
- IAG increased its stakeholding in AmG Insurance Berhad to 49.0% from 30.0%.

2009

- AmIslamic Funds Management Sdn Bhd obtains license for Islamic funds management from the Securities Commission to carry out management of offshore and domestic Islamic financial instruments for institutional and retail investors.
- AmCapital (B) Sdn Bhd officially opened on 11 May 2009, bringing expertise in funds management, Islamic finance and investment advisory to Brunei Darussalam.

CORPORATE
Structure

Subsidiaries And Associated Companies

The following are the Company's subsidiaries and associated companies grouped under the major business lines.

COMPANIES	EFFECTIVE SHAREHOLDINGS (%)
Commercial and Retail Banking	
AmBank (M) Berhad	100.00
AmIslamic Bank Berhad	100.00
AmInternational (L) Ltd	100.00
AmTrade Services Limited	100.00
AmMortgage One Berhad	100.00
Capital Market	
AmInvestment Bank Berhad	100.00
AmFutures Sdn Bhd	100.00
PT. AmCapital Indonesia	99.00
AmFraser Securities Pte Ltd	100.00
AmResearch Sdn Bhd	100.00
Life and General Insurance	
AmLife Insurance Berhad (formerly known as AmAssurance Berhad)	70.00
AmG Insurance Berhad	51.00
Asset Management	
AmInvestment Services Berhad	100.00
AmInvestment Management Sdn Bhd	100.00
AmIslamic Funds Management Sdn Bhd	100.00
AmPrivate Equity Sdn Bhd	80.00
Am ARA REIT Managers Sdn Bhd	70.00
Malaysian Ventures Management Incorporated Sdn Bhd	100.00
AmCapital (B) Sdn Bhd	100.00
Trustee/Custodian/Investment Services	
AmTrustee Berhad	80.00
AMMB Nominees (Tempatan) Sdn Bhd	100.00
AMMB Nominees (Asing) Sdn Bhd	100.00
AMSEC Nominees (Tempatan) Sdn Bhd	100.00
AMSEC Nominees (Asing) Sdn Bhd	100.00
AM Nominees (Tempatan) Sdn Bhd	100.00
AM Nominees (Asing) Sdn Bhd	100.00
MBf Trustees Berhad	60.00
MBf Nominees (Tempatan) Sdn Bhd	100.00
AmFraser Nominees Pte Ltd	100.00

COMPANIES	EFFECTIVE SHAREHOLDINGS (%)
Investment Holding Companies/Others	
AMFB Holdings Berhad	100.00
AmInvestment Group Berhad	100.00
AmSecurities Holding Sdn Bhd	100.00
Am ARA REIT Holdings Sdn Bhd	70.00
AMAB Holdings Sdn Bhd	100.00
AMBB Capital (L) Ltd	100.00
AmFraser International Pte Ltd	100.00
AmEquities Sdn Bhd	100.00
AmProperty Holdings Sdn Bhd	100.00
Bougainvillaea Development Sdn Bhd	100.00
MBf Information Services Sdn Bhd	100.00
Arab-Malaysian Credit Berhad	100.00
AmPremier Capital Berhad	100.00
Dormant	
AmProperty Trust Management Berhad	100.00
AMMB Consultant Sdn Bhd	100.00
AMSEC Holdings Sdn Bhd	100.00
MBf Equity Partners Sdn Bhd	100.00
AMCB Mezzanine Sdn Bhd	100.00
AMMB Factors Sdn Bhd	100.00
Annling Sdn Bhd	100.00
Crystal Land Sdn Bhd	97.87
Everflow Credit & Leasing Corporation Sdn Bhd	100.00
Natprop Sdn Bhd	100.00
AmCredit & Leasing Sdn Bhd	100.00
Komuda Credit & Leasing Sdn Bhd	100.00
Lekir Development Sdn Bhd	100.00
Li & Ho Sdn Bhd	100.00
Malco Properties Sdn Bhd	81.51
MBf Nominees (Asing) Sdn Bhd	100.00
Teras Oak Pembangunan Sdn Bhd	100.00
Arab-Malaysian Services Berhad	70.00
AmManagement Services Sdn Bhd	100.00
AmSecurities (HK) Limited	100.00
AmCapital (L) Inc.	100.00
AMMB Labuan (L) Ltd	100.00
AMMB Properties Sdn Bhd	100.00
Malaysian Ventures (Two) Sdn Bhd*	34.67
South Johor Securities Nominees (Asing) Sdn Bhd	100.00
South Johor Securities Nominees (Tempatan) Sdn Bhd	100.00
Economical Enterprises Sdn Bhd	100.00
Fraser Financial Planners Pte Ltd	100.00
Fraser Financial Services Pte Ltd	100.00
Fraser-AMMB Research Pte Ltd	100.00

* under members' voluntary liquidation.

BOARD OF Directors

Y Bhg Tan Sri Dato' Azman Hashim
Non-Independent Non-Executive Chairman

Y Bhg Dato' Azlan Hashim
Non-Independent Non-Executive Deputy Chairman

Y A Bhg Tun Mohammed Hanif Omar
Senior Independent Non-Executive Director

Y Bhg Tan Sri Datuk Dr Aris Othman
Independent Non-Executive Director

Y Bhg Tan Sri Datuk Clifford Francis Herbert
Independent Non-Executive Director

Y Bhg Tan Sri Dato' Mohd Ibrahim Mohd Zain
Independent Non-Executive Director

Y Bhg Dato' Izham Mahmud
Independent Non-Executive Director

Mr Alexander Vincent Thursby
Non-Independent Non-Executive Director

Dr Robert John Edgar
Non-Independent Non-Executive Director

Mr Mark David Whelan
Non-Independent Non-Executive Director

Mr Cheah Tek Kuang
Group Managing Director

Mr Soo Kim Wai
Non-Independent Non-Executive Director

Mr Wayne Hugh Stevenson
(Alternate Director to Mr Alexander Vincent Thursby, Dr Robert John Edgar and Mr Mark David Whelan)

CORPORATE Information

Group Company Secretary
Ravindra Kumar Thambimuthu
LLB (Melbourne), LLB (Hons), LLM (London), Dip. Air & Space Law (London)
ravindra-kumar@ambankgroup.com

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Telephone No: 603-2036 2633
Facsimile No: 603-2031 6453
Telex: MA 31167 & 31169 ABMAL
Cable: ARABMAL

Registrar
Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur, Malaysia
Telephone No: 603-2721 2222
Facsimile No: 603-2721 2530

Auditors
Messrs Ernst & Young
Chartered Accountants

Principal Banker
AmBank (M) Berhad

Stock Exchange Listing
Main Market of Bursa Malaysia Securities Berhad (13.02.92)

Website
www.ambankgroup.com

Investor Relations
ir@ambankgroup.com

ORGANISATION Structure

AMMB Holdings Berhad

- **AmBank (M) Berhad**
- **AmInvestment Group Berhad**
- **AmIslamic Bank Berhad**
- **AmLife Insurance Berhad**
- **AmG Insurance Berhad**

RETAIL BANKING
- Auto Financing
- Mortgages and other Consumer Loans
- Credit Cards and Line of Credit
- Asset Financing and Small Business
- Personal Financing
- Retail Distribution (Bancassurance, Wealth Management, Internet Banking, Mobile Banking, Electronic Banking)
- Deposits (Savings Accounts, Demand Deposits and Fixed Term Deposits)

BUSINESS BANKING
- Commercial Banking
- SME Financing
- Trade Finance and Services
- Factoring
- Cash Management
- Transactional Banking
- Deposits

INVESTMENT BANKING
- Corporate Finance
- Debt Capital Markets
- Equity Capital Markets
- Equity Derivatives
- Structured Finance
- Funds Management
- Stockbroking
- Futures Broking
- Private Banking
- Research

RELATIONSHIP BANKING AND REGIONAL BUSINESS
- Corporate and Institutional Lending
- Private Equity
- REITs Management
- Regional Business
- Trustee Services

MARKETS BUSINESS
- Treasury Fixed Income
- Proprietary Fixed Income
- Markets FX, Interest Rate and Commodities Derivatives

ISLAMIC BANKING
Retail Banking
- Auto Financing
- Home Financing
- Card Services
- Asset Financing and Small Business
- Personal Financing
- Retail Distribution (Bancatakaful, Wealth Management, Internet Banking, Mobile Banking, Electronic Banking Centres)
- Deposits (Savings, Demand, Investments and Structured products)
- Remittance Services

Business Banking
- Commercial Banking
- SME Financing
- Trade Finance and Services
- Factoring
- Deposits

Markets Business
- Treasury Fixed Income
- Proprietary Fixed Income
- Markets FX, Interest Rate and Commodities Derivatives

INSURANCE
- Life Insurance
- General Insurance

PROFILE OF Directors

Y Bhg Tan Sri Dato' Azman Hashim
Non-Independent Non-Executive Chairman

Y Bhg Tan Sri Dato' Azman Hashim, a Malaysian, aged 70, was appointed to the Board of AMMB Holdings Berhad on 15 August 1991 and has been the Chairman of the Company since 1991. He is the Non-Independent Non-Executive Chairman of the Company. He is a member of the Company's Group Nomination Committee and Group Remuneration Committee.

He also sits as Chairman of the Board of several subsidiaries of AMMB Holdings Berhad, namely AmInvestment Group Berhad, AMFB Holdings Berhad, AmBank (M) Berhad, AmInvestment Bank Berhad, AmIslamic Bank Berhad, AmProperty Trust Management Berhad, AmG Insurance Berhad and AmLife Insurance Berhad.

Y Bhg Tan Sri Dato' Azman Hashim, a Chartered Accountant (FCPA), a Fellow of the Institute of Chartered Accountants and a Fellow of the Institute of Chartered Secretaries and Administrators, has been in the banking industry since 1960 when he joined Bank Negara Malaysia and served there until 1964. He practised as a Chartered Accountant in Azman Wong Salleh and Co. from 1964 to 1971. He then joined the Board of Malayan Banking Berhad from 1966 until 1980 and was its Executive Director from 1971 until 1980. He was the Executive Chairman of Kwong Yik Bank Berhad, a subsidiary of Malayan Banking Berhad, from 1980 until April 1982 when he acquired AmInvestment Bank Berhad.

Y Bhg Tan Sri Dato' Azman Hashim is the Executive Chairman of AmcorpGroup Berhad and RCE Capital Berhad, and Chairman of Malaysian South-South Corporation Berhad, MCM Technologies Berhad and the Islamic Banking and Finance Institute Malaysia Sdn Bhd. He serves as a member on the Board of Pembangunan MasMelayu Berhad. Y Bhg Tan Sri Dato' Azman Hashim is also involved in several charitable organisations as Chairman of AmGroup Foundation, Yayasan Azman Hashim, ECM Libra Foundation and Perdana Leadership Foundation, and Trustee for Yayasan Perpaduan Nasional, Malaysian Liver Foundation, Yayasan Tuanku Najihah, Yayasan Canselor Open University Malaysia and Yayasan Wakaf Malaysia.

Y Bhg Tan Sri Dato' Azman Hashim is the Chairman of the Malaysian Investment Banking Association, the Malaysia Productivity Corporation, East-Asia Business Council and Chairman Emeritus of the Pacific Basin Economic Council (PBEC) International and Co-Chairman of Malaysia – Singapore Roundtable. He is President of the Malaysia South-South Association, Malaysia-Japan Economic Association, Malaysian Prison FRIENDS Club and Non-Aligned Movement's (NAM) Business Council and Treasurer, Malaysia-Australia Foundation. He is a Member of the APEC Business Advisory Council, The Trilateral Commission (Asia-Pacific Group), the Malaysian-British and Malaysia-China Business Councils, and the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) Business Advisory Council. He is also the Leader of the ASEAN-Japanese Business Meeting (Malaysia Committee, Keizai Doyukai) and is on the Board of Advisors, AIM Centre for Corporate Social Responsibility. He is the Pro-Chancellor, Open University of Malaysia and Member, Governing Body of the Asian Productivity Organisation and International Advisory Panel, Bank Negara Malaysia International Centre for Education in Islamic Finance (INCEIF).

PROFILE OF DIRECTORS

Y Bhg Dato' Azlan Hashim
Non-Independent Non-Executive Deputy Chairman

Y Bhg Dato' Azlan Hashim, a Malaysian, aged 67, was appointed to the Board of AMMB Holdings Berhad on 12 February 1992 and has been the Deputy Chairman of the Company since 1992. He is the Chairman of the Group Information Technology Committee and a member of the Company's Audit and Examination Committee.

Y Bhg Dato' Azlan served the Malayan Railways from 1966 to 1971, where he was the Chief Accountant for two years. In 1972, he became a Partner of a public accounting firm, Azman Wong Salleh & Co., and was a Senior Partner there prior, to joining the AMDB Berhad's Board from 1982 to July 2007.

Y Bhg Dato' Azlan is currently the Non-Executive Chairman of AmFraser International Pte Ltd, AmFraser Securities Pte Ltd and AmInternational (L) Ltd, and Executive Chairman of Global Carriers Berhad. He also serves on the Boards of Metrod (M) Berhad, Paramount Corporation Berhad, Sapura Industrial Berhad, Kesas Holdings Berhad, Kumpulan Perangsang Selangor Berhad, Syarikat Permodalan & Perusahaan Selangor Berhad and Kumpulan Hartanah Selangor Berhad. He is a Trustee of AmGroup Foundation.

Y Bhg Dato' Azlan is a Fellow of the Institute of Chartered Accountants (Ireland), Economic Development Institute, World Bank, Washington D.C., USA and Institute of Bankers Malaysia. He is also a Certified Public Accountant.

Y A Bhg Tun Mohammed Hanif Omar
Senior Independent Non-Executive Director

Y A Bhg Tun Mohammed Hanif Omar, a Malaysian, aged 70, was appointed to the Board of AMMB Holdings Berhad on 6 May 1994 and is the Senior Independent Non-Executive Director of the Company. He is also a Board member of AMMB Holdings Berhad's subsidiaries namely AMFB Holdings Berhad, AmBank (M) Berhad, AmIslamic Bank Berhad and AmInvestment Bank Berhad. He is the Chairman of the Company's Group Nomination Committee.

He was the Inspector-General of the Malaysian Police for 20 years until his retirement in January 1994. Y A Bhg Tun Mohammed Hanif is also currently the Chairman of General Corporation Berhad, and Deputy Chairman of Genting Berhad and Genting Malaysia Berhad (formerly known as Resorts World Berhad). He has been the President of the Malaysian Institute of Management since 2001.

He received his BA from the then University of Malaya, Singapore in 1959, LLB (Hons) from Buckingham University, United Kingdom in 1986 and Certificate of Legal Practice (Honours) from the Legal Qualifying Board in 1987.

Y Bhg Tan Sri Datuk Dr Aris Othman
Independent Non-Executive Director

Y Bhg Tan Sri Datuk Dr Aris Othman, a Malaysian, aged 64, was appointed to the Board of AMMB Holdings Berhad on 1 April 2004. He is the Chairman of the Company's Audit and Examination Committee, and a member of the Group Nomination Committee, Group Remuneration Committee and Group Risk Management Committee.

Y Bhg Tan Sri Datuk Dr Aris is also a Board member of the Company's subsidiary namely, AmInvestment Bank Berhad. He is also a director of YTL Power International Berhad. He is currently the Chairman of Malaysia Airports Holdings Berhad.

Y Bhg Tan Sri Datuk Dr Aris had served in various positions in the Economic Planning Unit, Prime Minister's Department from 1966 to 1986. He was seconded to Bank Bumiputra Malaysia Berhad, Kuala Lumpur as Chief General Manager (Corporate Planning, Financial Subsidiaries, Treasury and Human Resources) from 1986 to 1989. From 1989 to 1999, Y Bhg Tan Sri Datuk Dr Aris was with the Ministry of Finance, during which he had served as Executive Director (South-East Asia Group) of the World Bank from 1991 to 1994 and Secretary General to the Treasury from 1998 to mid-1999. This was followed by a career in banking, where he had held the positions of Executive Chairman and Managing Director/Chief Executive Officer of Bank Pembangunan dan Infrastruktur Malaysia Berhad.

Y Bhg Tan Sri Datuk Dr Aris holds a PhD in Development Economics and a M.A. in Political Economy both from Boston University, Massachusetts, a M.A. in Development Economics from Williams College, Massachusetts, and a Bachelor of Arts (Honours) in Analytical Economics from University of Malaya.

Y Bhg Tan Sri Datuk Clifford Francis Herbert
Independent Non-Executive Director

Y Bhg Tan Sri Datuk Clifford Francis Herbert, a Malaysian, aged 67, was appointed to the Board of AMMB Holdings Berhad on 16 April 2004. He is the Chairman of the Company's Group Risk Management Committee, and a member of the Company's Audit and Examination Committee and Group Nomination Committee.

Y Bhg Tan Sri Datuk Clifford joined the Malaysian Civil Service in 1964 as Assistant Secretary in the Public Services Department from 1964 to 1968. Subsequently, he served in the Ministry of Finance from 1975 to 1997, culminating as Secretary General to the Treasury. He retired from the civil service in 1997.

As Secretary General in the Ministry of Finance, he was also appointed as alternate Governor of the World Bank. From 1994 to 2000, Y Bhg Tan Sri Datuk Clifford was Chairman of KL International Airport Berhad which built the Kuala Lumpur International Airport. He had been a Board member of numerous statutory bodies and government related public companies among them being Kumpulan Khazanah Nasional Berhad, Malaysia Airline System Berhad, Petroliam Nasional Berhad, Bank Negara Malaysia, the Securities Commission and Chairman of Percetakan Nasional Malaysia Berhad. Additionally, Y Bhg Tan Sri Datuk Clifford is also involved in several NGOs.

Y Bhg Tan Sri Datuk Clifford at present sits on the Boards of Genting Malaysia Berhad (formerly known as Resorts World Berhad), Shell Refining Company (Federation of Malaya) Berhad, AmInvestment Bank Berhad, AmBank (M) Berhad and AmIslamic Bank Berhad.

Y Bhg Tan Sri Datuk Clifford holds a Masters of Public Administration from University of Pittsburgh, USA and a Bachelor of Arts (Honours) in Economics from University of Malaya.

Y Bhg Tan Sri Dato' Mohd Ibrahim Mohd Zain
Independent Non-Executive Director

Y Bhg Tan Sri Dato' Mohd Ibrahim Mohd Zain, a Malaysian, aged 65, was appointed to the Board of AMMB Holdings Berhad on 16 April 2004.

He is currently the Chairman of Kawan Food Berhad ("KFB") and was appointed to the Board of KFB on 1 June 2005. He is a director of Tamadan Bonded Warehouse Berhad.

Upon his graduation in 1965, he was attached to University Technology MARA as a lecturer where he was later appointed as a Council member/Director, a position he held until October 2006. His career in banking includes positions he had held as Chief Executive of Amanah International Finance Berhad, Amanah Chase Merchant Bank Berhad and Oriental Bank Berhad, and Chairman of Bank Kerjasama Raykat (M) Berhad. He was also the former Chairman and Chief Executive Officer of Setron (Malaysia) Berhad, and Chairman of Pan Malaysian Industries Berhad, Bescorp Industries Berhad, Chemical Company of Malaysia Berhad, Pan Malaysia Capital Berhad and Pan Malaysia Holdings Berhad.

Y Bhg Tan Sri Dato' Mohd Ibrahim graduated from the British Institute of Management and Institute of Marketing in the United Kingdom, and holds a Masters in Business Administration from the University of Ohio, USA.

Y Bhg Dato' Izham Mahmud
Independent Non-Executive Director

Y Bhg Dato' Izham Mahmud, a Malaysian, aged 68, was appointed to the Board of AMMB Holdings Berhad on 16 October 2003. He is the Chairman of the Company's Group Remuneration Committee and a member of the Audit and Examination Committee.

Y Bhg Dato' Izham joined the Malaysian civil service in 1965 and had served for almost a decade, mainly at the Federal Treasury. His career in merchant banking began in 1974 with Aseambankers Malaysia Berhad, where he later became the Managing Director, a position that he held for over 17 years.

He is currently the Executive Chairman of Deleum Berhad and its group of companies. He is also a director of AmInvestment Bank Berhad.

He holds a Bachelor of Science (Honours) in Economics from Queen's University, Belfast, Northern Ireland and a Master of Arts in Economic Development from Vanderbilt University, USA.

PROFILE OF DIRECTORS

Mr Alexander Vincent Thursby
Non-Independent Non-Executive Director

Mr Alexander Vincent Thursby, a British, aged 49, was appointed to the Board of AMMB Holdings Berhad on 2 January 2008. He is currently CEO, Asia Pacific, Europe & America, Australia and New Zealand Banking Group Limited ("ANZ").

Prior to this, Mr Thursby was the Senior Managing Director and Group Head of Corporate and Institutional Client Relationships in Standard Chartered Bank plc ("SCB") from mid-2005 to 2007. He has been with SCB for more than two decades holding various senior positions, inter-alia, as:

- Regional Head, Corporation and Institutional Client Relationships in North East Asia and Greater China
- CEO, UAE and Regional Head, Corporate Banking, Middle East South Asia (MESA)
- Chief of Staff to Group CEO and Executive Director
- Regional Head, Corporate and Institutional Banking and Strategy in Africa, London
- Senior Manager, Derivatives, South East Asia, Singapore
- President Director (CEO), Standard Chartered Leasing, Indonesia

He was a director and committee member in a number of companies in the SCB Group. He is a Life Member of the British Chamber of Commerce, Hong Kong.

He holds a Bachelor of Business Administration degree from Kuring-Gai College of Education, Sydney and has attended the London Business School – International Business Consortium and Insead, France – Senior International Management Programmes.

Dr Robert John Edgar
Non-Independent Non-Executive Director

Dr Robert John Edgar, an Australian, aged 63, was appointed to the Board of AMMB Holdings Berhad on 15 August 2007. He is a member of the Company's Audit and Examination Committee, Group Nomination Committee and Group Remuneration Committee.

Dr Edgar was the Deputy Chief Executive Officer before he retired from Australia and New Zealand Banking Group Limited ("ANZ") on 8 May 2009. Prior to this, he was the Senior Managing Director of ANZ. In addition to being generally responsible for ANZ Group's operations and performance, he was specifically responsible for ANZ's joint venture with the ING Group, ING Australia, Private Banking, and Boards of ANZ's joint ventures in Asia. He was also responsible for leading ANZ Group's strategic agenda.

He was a director of a number of companies in the ANZ Group and Chairman of Esanda Finance, ING Australia and ANZIB Special Asset Management Ltd and a Director of ANZ National Bank Limited (New Zealand), ANZ Royal Bank (Cambodia) Ltd and Bank of Tianjin (China).

He joined ANZ in 1984 as a Senior Economist. He was previously Group Executive, Strategic Planning and Development, General Manager of South Asia at ANZ Grindlays Bank, Managing Director of Esanda Finance Corporation Limited (a finance company which is a wholly owned subsidiary of ANZ), Managing Director, Corporate and Institutional Banking and Managing Director, Institutional Financial Services, ANZ.

He holds a Bachelor of Economics (Honours) from the University of Adelaide, Australia, and a PhD from the Ohio State University, USA.

Mr Mark David Whelan
Non-Independent Non-Executive Director

Mr Mark David Whelan, an Australian, aged 49, was appointed to the Board of AMMB Holdings Berhad on 2 January 2009. He is currently the Managing Director, Institutional Asia Pacific, Europe and America/Chief Executive Officer, Institutional Europe and America, Australia and New Zealand Banking Group Limited ("ANZ"). He is a member of the Company's Group Risk Management Committee.

Mr Whelan is responsible for a full range of ANZ corporate and institutional financial products and services throughout Asia Pacific, Europe and America.

His duties include Relationship Banking, Corporate Finance, Markets, Working Capital and ANZ's Partner Institutional business in Asia.

Mr Whelan joined ANZ in November 2004 as Head of Sales, Markets and was most recently Joint Managing Director Markets. He previously worked at Westpac where he held several senior roles, including General Manager, Global Investor Sales and General Manager, Institutional Banking, Victoria. Before joining Westpac, Mr Whelan worked for Citibank and Caterpillar.

Mr Whelan holds a Graduate Diploma in Taxation and a Diploma in Accounting from the Royal Melbourne Institute of Technology.

Mr Whelan is a Fellow of the Certified Practicing Accountants and a member of the Financial Treasury Association Limited and the Australian Financial Markets Association and the Australian Institute of Company Directors.

Mr Cheah Tek Kuang
Group Managing Director

Mr Cheah Tek Kuang, a Malaysian, aged 62, was appointed to the Board of AMMB Holdings Berhad on 14 January 1994 and is currently the Group Managing Director of the Company. He is also a member of the Group Information Technology Committee.

He joined AmInvestment Bank Berhad ("AmInvestment Bank") in 1978 and held various senior positions. In 1994, he was promoted to Managing Director, and he became the Group Managing Director of AmInvestment Bank from January 2002 to December 2004 before assuming the office of Group Managing Director in AMMB Holdings Berhad. He remains a Non-Independent Non-Executive Director of AmInvestment Bank.

His directorships in other public companies include AmInvestment Group Berhad, AmBank (M) Berhad ("AmBank"), AmIslamic Bank Berhad, AmLife Insurance Berhad, AmG Insurance Berhad, Bursa Malaysia Berhad and Cagamas Berhad. He is also the Chief Executive Officer of AmBank and is a Member of the Kumpulan Wang Persaraan. He also currently serves as a Council Member of the Association of Banks in Malaysia and is the Alternate Chairman of the Malaysian Investment Banking Association.

Mr Cheah has a Bachelor of Economics (Honours) degree from the University of Malaya and is a Fellow of the Institute of Bankers Malaysia.

Mr Soo Kim Wai
Non-Independent Non-Executive Director

Mr Soo Kim Wai, a Malaysian, aged 48, was appointed to the Board of AMMB Holdings Berhad on 4 October 2002. He is also a member of the Company's Group Remuneration Committee.

He is currently the Group Managing Director of AmcorpGroup Berhad. Mr Soo joined AmcorpGroup Berhad in 1989 as Senior Manager, Finance, and has since held various positions before he was promoted to his current appointment. Prior to that, he was with Plantation Agencies Sdn Bhd from 1985 to 1989, and in the accounting profession for five years with Deloitte KassimChan from 1980 to 1985.

He also sits on the Board of RCE Capital Berhad, MCM Technologies Berhad, AmProperty Trust Management Berhad and AMDB Berhad. He holds directorships in other private limited companies.

Mr Soo is a Chartered Accountant (Malaysian Institute of Accountants), a Certified Public Accountant (Malaysian Institute of Certified Public Accountants) and Fellow of the Certified Practising Accountant (CPA), Australia and Association of Chartered Certified Accountants (ACCA), United Kingdom.

Mr Wayne Hugh Stevenson
(Alternate Director to Mr Alexander Vincent Thursby, Dr Robert John Edgar and Mr Mark David Whelan)

Mr Wayne Hugh Stevenson, a New Zealander, aged 50, is the Alternate Director to Mr Alexander Vincent Thursby, Dr Robert John Edgar and Mr Mark David Whelan. He is currently the Chief Financial Officer, Asia Pacific Europe & America, Australia and New Zealand Banking Group Limited ("ANZ").

Mr Stevenson is responsible for the financial management and reporting of ANZ's operations spanning 26 countries outside Australia and New Zealand, including ANZ's partnership investments in Asia.

He is the Chairman of ANZ Vientiane Commercial Bank in Laos & ANZ/V-TRAC Leasing Company and holds directorships on ANZ Superannuation Board, ANZ Royal Bank in Cambodia and ANZ Vietnam Ltd.

Mr Stevenson has over 30 years' experience in banking in New Zealand and Australia and across Asia Pacific. He joined ANZ in 1989 as the Senior Retail Audit Manager. Before joining ANZ, Mr Stevenson was the Chief Internal Auditor of Post Office Bank Limited, Wellington, New Zealand. During his time at ANZ and prior to being appointed as Chief Financial Officer, Asia Pacific, Europe & America, Mr Stevenson had been the Chief Financial Officer of ANZ's Investment Bank, Personal Banking and Wealth Management Division and its International Partnerships operations.

Mr Stevenson is an Associate Chartered Accountant (New Zealand) (1983) and holds a Bachelor of Commerce (Accounting), Canterbury University (1980).

Additional Information:
None of the Directors have any family relationship with other Directors or substantial shareholders of the Company, except as disclosed herein.

Y Bhg Tan Sri Dato' Azman Hashim and Y Bhg Dato' Azlan Hashim are brothers.

Y Bhg Tan Sri Dato' Azman Hashim is the Executive Chairman and a substantial shareholder of AmcorpGroup Berhad ("AMCORP"), which in turn is a substantial shareholder of AMMB Holdings Berhad. Y Bhg Tan Sri Dato' Azman Hashim is a director of Clear Goal Sdn Bhd, his family-owned company, which is deemed a substantial shareholder of AMMB Holdings Berhad by virtue of its interest in AMCORP.

Mr Soo Kim Wai is the Group Managing Director of AMCORP, which is a substantial shareholder of AMMB Holdings Berhad.

None of the Directors have been convicted for offences within the past 10 years. None of the Directors have any conflict of interest with the Company other than as announced or set out in Note 40 to Financial Statements under "Significant Related Party Transactions and Balances".

GROUP
Management

Cheah Tek Kuang
Group Managing Director
AMMB Holdings Berhad
Chief Executive Officer
AmBank (M) Berhad

Ashok Ramamurthy
Deputy Group Managing Director and
Group Chief Financial Officer
AMMB Holdings Berhad

Datuk Mohamed Azmi Mahmood
Managing Director, Retail Banking
AmBank (M) Berhad

Dato' James Lim Cheng Poh
Managing Director, Business Banking
AmBank (M) Berhad

Kok Tuck Cheong
Managing Director
AmInvestment Bank Berhad

Pushpa Rajadurai
Managing Director, Relationship Banking
AmInvestment Bank Berhad

Ng Lian Lu
Chief Executive Officer
AmLife Insurance Berhad
AmG Insurance Berhad

Mahdi Murad
Executive Director, Retail Banking
AmBank (M) Berhad

Sim How Chuah
Senior General Manager, Business Banking
AmBank (M) Berhad

Teng Chean Choy
Managing Director, Treasury & Markets
AmBank (M) Berhad

Datin Maznah Mahbob
Chief Executive Officer,
Funds Management Division
AmInvestment Group Berhad

John Tan Giap How
Director/Head, Equity Markets
AmInvestment Bank Berhad

Andrew Strain Kerr
Chief Risk Officer

Charles Tan
Chief Information Officer

Fauziah Yacob
Chief Human Resource Officer

Ravindra Kumar Thambimuthu
Group Company Secretary/Legal Advisor

Tan Kok Cheeng
Chief Internal Audit Officer

Syed Anuar Syed Ali
Director, Group Public Affairs

Abdul Aziz Mohd Isa
Head, Group Marketing

Rueben Panchadcharam
Head, Group Compliance

Norhanifah A Jalil
Head, Group Organisational Development

CORPORATE Governance

The Company's Board of Directors provides strategic guidance and oversight of the AmBank Group's operations for our shareholders. The Board acknowledges its overriding responsibility to act diligently and responsibly, in accordance with the law, in serving the interests of shareholders, as well as its employees, customers and the community at large.

BOARD OF DIRECTORS

Principle 1: Conduct Of Affairs

The Board is fully committed to ensuring that it continues to comply with the Best Practices in Corporate Governance as set out in Part 2 of the Malaysian Code on Corporate Governance.

The Board's roles and responsibilities include:

- Reviewing and approving the strategic business plans of the Group as a whole and that of the individual operating units. This encompasses the annual budget, medium term corporate plan, new investments/divestments as well as mergers and acquisitions.
- Overseeing the conduct of the business to ascertain its proper management including setting clear objectives and policies within which senior executives are to operate.
- Identifying and approving policies pertaining to the management of all risk categories including but not limited to credit, financial, market, liquidity, operational, legal and reputational risks.
- Reviewing the adequacy and the integrity of internal controls and management information systems, including systems for compliance with applicable laws, rules, regulations, directives and guidelines.
- Serving as the ultimate approving authority for all significant financial expenditure.

Principle 2: Chairman And Group Managing Director

The roles of the Chairman and Group Managing Director remain separate and are clearly distinct. The Chairman of the Board is non-independent and non-executive.

The Chairman plays an important leadership role within the Group and is involved in:

- chairing the meetings of Shareholders and the Board;
- monitoring the performance of the Board and the mix of skills and effectiveness of individual contribution; and
- maintaining on-going dialogue with the Chief Executive Officers of the various major subsidiary companies and providing appropriate mentoring and guidance.

The Board delegates the authority and responsibility for managing the everyday affairs of the Group to the Group Managing Director and through him and subject to his oversight, to other Senior Management. The Board monitors the management and performance of the Group Managing Director on behalf of the shareholders.

Principle 3: Board Composition, Selection And Appointment

The Board currently comprises twelve (12) Directors of which five (5) are Independent Non-Executive Directors, providing a healthy Board balance. The Board continues to achieve a balance of skills, knowledge, experience and perspective among its Directors.

Appointment

- The Group welcomes the addition of a new Board member, Mr Mark David Whelan who has been appointed as Non-Independent Non-Executive Director of the Company effective 2 January 2009.

SELECTION OF DIRECTORS

Principle 4: Board Performance

Board Independence

The Independent Non-Executive Directors are from varied business backgrounds. Their experience enables them to exercise independent judgment and objective participation in the proceedings and decision-making processes of the Board.

Decision-making on key issues regarding the Company and its subsidiaries are fully deliberated by the Directors. Board decisions are made taking into account the views of the Independent Non-Executive Directors, which carry substantial weight. They fulfil their roles in ensuring that strategies proposed by the management are fully discussed and examined as well as ensuring that the interest of shareholders and stakeholders of the Company are safeguarded.

Independence

In accordance with the criteria as specified under the Bursa Securities Listing Requirements, the Group Nomination Committee and the Board establish whether or not a Non-Executive Director may have a relationship with the AmBank Group which could (or could be perceived to) affect their decision-making.

Senior Independent Non-Executive Director

In line with the recommendations stipulated in Part 2 of the Code on Corporate Governance, the Board has nominated Y A Bhg Tun Mohammed Hanif Omar as the Senior Independent Non-Executive Director to whom any concern on issues affecting the AHB Group of companies may be conveyed.

Election At Next Annual General Meeting

The Company's Articles of Association permits the Board to appoint a person to be a Director of the Company at any time, but the person must seek election by shareholders at the next Annual General Meeting.

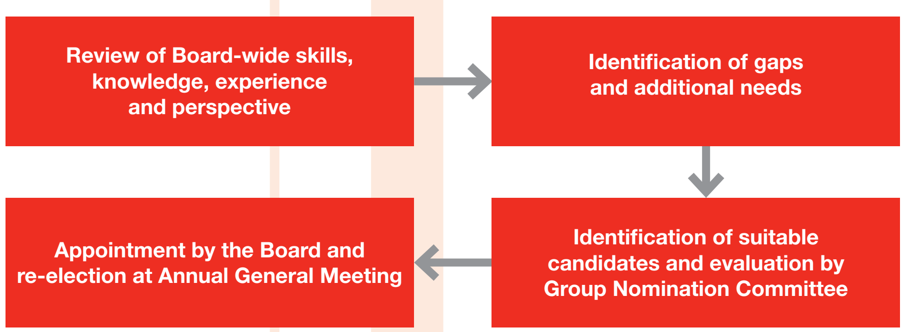
Tenure

The Articles of Association provides that all Directors must retire at least once in three years and may be re-elected at the Annual General Meeting.

Formalisation Of Rights, Duties And Obligations

There are several key elements relating to the formalisation of Rights, Duties and Obligations once a Director is appointed, including:

- **Director's Code of Conduct**
  This code sets out that Directors will pursue the highest standards of ethical conduct.
- **Director's Covenants**
  The covenants cover a number of issues including indemnity, Directors' and officers' liability insurance, the right



to obtain independent advice and the requirements concerning confidential information.

- **Directors' Training**
  New Directors participate in a formal induction program which ensures that Directors meet with the AmBank Group executives and other key staff members and to be accustomed with the Group's governance framework, financial management and business operations.

Each new Director receives a set of notes outlining the Director's principal obligations, roles and responsibilities, terms of reference of the various Board Committees and regulatory guidelines. It also sets out details of scheduled Board and Committee meetings.

Board members are also encouraged to participate in seminars and conferences and continuous education programmes to keep abreast with the current developments in the investment banking and financial services industry. Arrangements are also made for them to attend the programmes organised by the Group's Organisational Development Department. During the year, the Directors attended various training courses related to their responsibilities and developments in the industry.

The Directors attended courses/seminars in areas relating to corporate governance, corporate responsibility, management and organisational excellence, remuneration, succession planning, strategic leadership, operational risk management and compliance, financial reporting/ Financial Reporting Standards, audit committee responsibilities, enterprise risk management, banking and Islamic finance, amongst others.

Performance Evaluation
Performance evaluations are conducted annually and cover the Board, each Director and the Board Committees. The framework used to assess the Directors is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for shareholders and in accordance with duties and obligations imposed upon them under the law and guidelines issued by the regulatory authorities.

Principle 5: Access To Directors

The management is able to consult the Directors as required on a regular basis. Employees and shareholders have access to Directors through the Chairman, Senior Independent Director and the Group Company Secretary.

Principle 6: Access To Information

In the discharge of their duties, all Directors have complete and unrestricted access to information pertaining to the Group. The advice and services of the Group Company Secretary are readily available to the Board in matters of law, governance and in complying with statutory duties, including compliance with the Bursa Listing Requirements.

The Group Company Secretary attends Board and Committee meetings and is responsible for the accuracy and adequacy of records of the proceedings of Board and Committee meetings and resolutions.

In order to assist Directors in fulfilling their responsibilities, each Director has the right to seek independent professional advice regarding their responsibilities at the expense of the Group. In addition, the Board and each Committee, at the expense of the Group, may obtain professional advice that they require to assist in their work.

Board meetings are held monthly, wherein Board reports are circulated prior to the meetings, allowing the Directors to review further information that may be required. Additional Board meetings are convened whenever necessary. The Senior Management team of the subsidiaries are invited to attend Board meetings to provide presentations and detailed explanations on matters that have been tabled.

Eleven (11) Board meetings were held during the FY 2009. The attendance of every Board member at the meetings of the Board and the various Board Committees is as set out below:

Principle 7: Board Committees

The Board delegates certain responsibilities to the Board Committees. The committees that assist the Board are as follows:
1. Group Nomination Committee
2. Group Remuneration Committee
3. Audit and Examination Committee
4. Group Risk Management Committee
5. Group Information Technology Committee ("GITC")

Independent Directors make up the majority of these Committees except for GITC. The criteria for the membership are based on a Director's skills and experience, as well as his ability to add value to the Committee.

The Group Managing Director and the Chief Executive Officers and other senior management staff are invited to attend the relevant Committee meetings.

Number Of Meetings Attended In Financial Year ("FY") 2009

	Board of Directors	Group Nomination Committee	Group Remuneration Committee	Audit and Examination Committee	Group Risk Management Committee	Group Information Technology Committee
Y Bhg Tan Sri Dato' Azman Hashim	11	5	2 (Appointed wef 23.07.08)	N/A	N/A	N/A
Y Bhg Dato' Azlan Hashim	11	N/A	2 (Resigned wef 23.07.08)	5	N/A	7
Y A Bhg Tun Mohammed Hanif Omar	11	4 (Chairman wef 23.07.08)	N/A	N/A	N/A	N/A
Y Bhg Tan Sri Datuk Dr Aris Othman	11	6	2 (Appointed wef 23.07.08)	6 (Chairman)	6	N/A
Y Bhg Tan Sri Datuk Clifford Francis Herbert	11	6	N/A	6	6 (Chairman)	N/A
Y Bhg Tan Sri Dato' Mohd Ibrahim Mohd Zain	9	N/A	N/A	N/A	N/A	N/A
Y Bhg Dato' Izham Mahmud	11	2 (Resigned wef 23.07.08	4 (Chairman)	5	N/A	N/A
Dr Robert John Edgar	10	5	- (Appointed wef 22.12.08)	4	N/A	N/A
Mr Alexander Vincent Thursby	10	N/A	N/A	N/A	N/A	N/A
Mr Mark David Whelan	3 (Appointed wef 2.01.09)	N/A	N/A	N/A	2 (Appointed wef 2.01.09)	N/A
Mr Cheah Tek Kuang	11	N/A	N/A	N/A	N/A	4
Mr Soo Kim Wai	10	N/A	3	N/A	N/A	N/A
Mr Peter John Hodgson	4 (Resigned wef 29.08.08)	N/A	2 (Resigned wef 29.08.08)	N/A	3 (Resigned wef 29.08.08)	N/A
Number of meetings held in FY09	11	6	4	6	6	7

Wef: with effect from

Group Nomination Committee
The Nomination Committee of the Company, AmInvestment Bank Berhad and AmBank (M) Berhad collapsed into a single Committee at the Company (Group) level with effect from 23 July 2008.

- Group Nomination Committee comprises five (5) members, three (3) of whom are Independent Non-Executive Directors of the Board.
- Group Nomination Committee met six (6) times during the FY 2009.

The Committee is responsible for regularly reviewing the Board's structure, size and composition, as well as making recommendation to the Board on any changes that are deemed necessary.

It reviews the performance of the Board, Committees and Directors. It also recommends the appointment of Directors to Committees of the Board, as well as annually reviews the mix of skills, experience and competencies that Non-Executive and Executive Directors should bring to the Board.

The Board of Directors, on the recommendation of the Group Nomination Committee had also approved the mechanism for the formal assessment on the effectiveness of the Board as a whole and Committees as well as the contribution of the Chairman and each Director to the effectiveness of the Board. The assessment of the effectiveness of the Board, Committees and of the Chairman and each of the directors is carried out annually.

Group Information Technology Committee
Group Information Technology Committee ("GITC") comprises two (2) Non-Executive Directors. The Committee is responsible for determining and recommending to the Board that the IT development within the Group is in line with its business objectives and strategy and to serve as an independent and objective party in the review of the Group's utilisation of its IT resources including computer hardware, software, manpower and other IT related investments.

In addition, GITC reviews and recommend for approval by the various companies of the Group, major IT acquisition and ensure conformance of the acquisition with the IT plan.

There were seven (7) meetings held during the FY 2009.

Principle 8: Procedures For Developing Remuneration Policies

Group Remuneration Committee
The Remuneration Committee of the Company, AmInvestment Bank Berhad and AmBank (M) Berhad collapsed into a single Committee at the Company (Group) level with effect from 23 July 2008.

All members of the Remuneration Committee are Non-Executive Directors. In carrying out its duties, the Committee met four (4) times during FY 2009.

The Committee is responsible for determining and recommending to the Board the framework/methodology for the remuneration of Directors, the Chief Executive Officers, senior management and other staff, benchmarked against the industry.

Principle 9: Level And Mix Of Remuneration

Directors' Remuneration
The Directors' remuneration is designed to ensure that the Group continues to attract and retain Directors, senior management and other staff with appropriate skills and experience to manage the Group successfully. The Board determines the remuneration of Non-Executive Directors, Executive Directors, senior management and other staff of the Group, with the interested Directors abstaining from discussions with respect to their remuneration.

Principle 10: Risk Management

Group Risk Management Committee
The review for risks in all aspects of business is the responsibility of the Group Risk Management Committee.

The Committee is responsible for overseeing, monitoring and reviewing risk management, principles and policies, strategies, processes and controls, including credit, market, balance sheet operational risk and compliance. The Committee also ensures that timely actions are taken in response to emerging risk issues.

The Group Risk Management Committee of Directors held six (6) meetings during the FY 2009.

Principle 11: Accountability

Audit And Examination Committee
The Audit and Examination Committee ("AEC") is responsible for the oversight and monitoring of:

- the Group's financial reporting, accounting policies and controls;
- the Group's Internal Audit functions;
- the AEC of the major subsidiaries;
- compliance with regulatory requirements; and
- the appointment, scope of work and evaluation of the external auditor.

It is the Board's policy that at least one (1) member of the AEC shall have an accounting qualification or experience in the field of finance. The AEC meets regularly with the external auditors and Group Internal Audit.

The AEC met six (6) times during the FY 2009.

Principle 12: Financial Controls

Responsibility Statement
The Board of Directors is required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the Group and its state of affairs, results and cash flows at the end of the financial year. Following discussions with the auditors, the Directors consider that the appropriate accounting policies are consistently applied and supported by reasonable as well as prudent judgments and estimates, and that all accounting standards which they consider applicable have been followed during the preparation of the financial statements.

The Board of Directors is responsible for ensuring that the Group keeps accounting records which are disclosed with reasonable accuracy, and for ensuring that the financial statements comply with the Companies Act, 1965.

The Board and Board Committees have the general responsibility for taking such steps to safeguard the assets of the Group, and to detect and prevent fraud as well as other irregularities.

Statement On Internal Control
The Group's Statement on Internal Control is set out on page 26 of this annual report.

Audit And Examination Committee ("AEC") Report

Terms Of Reference
The functions of the AEC are as follows:

a. To provide assistance and to review and report to the Board in relation to:
   i. fulfilling the statutory and fiduciary responsibilities of the Company/Group; and
   ii. monitoring of the accounting and financial reporting practices of the Company/Group;

b. To determine that the Company/Group has adequate established policies, procedures and guidelines, operating and internal controls, and that they are being complied with and are operating effectively in promoting efficiency and proper conduct and protecting the assets of the Company/Group;

c. To serve as an independent and objective party in the review of the financial information of the Company/Group that is presented by Management to the Board and Shareholders;

d. To review the quarterly results and year-end financial statements of the Company/Group and to ensure compliance with accounting standards and legal requirements;

e. To review and approve the scope of audits, audit plans and audit reports of both the external and internal auditors;

f. To evaluate the adequacy and effectiveness of the Management control systems of the Company/Group through the review of the reports of both the external and internal auditors that highlight internal accounting, organisational and operating control weaknesses and to determine that appropriate corrective actions are being taken by the Management;

g. To ensure the adequacy of the scope, functions and resources of the internal audit functions and that they have the necessary authority to carry out their work;

h. To ensure through discussions with the external and internal auditors, that no restrictions are being placed by Management and employees on the scope of their examinations;

i. To direct and supervise any special project or investigation considered necessary;

j. To prepare, when necessary, periodic reports to the Board summarising the work performed in fulfilling the AEC's primary responsibilities;

k. To review any related party transactions and conflict of interest situation that may arise within the Company/Group including any transaction, procedure or course of conduct that raises questions of management integrity; and

l. To review the annual appointment of external auditors, or letter of resignation from external auditors, to negotiate and approve the annual audit fees and/or special audit fees, and evaluate basis of billings therewith.

Summary Of Key Activities
The following is a summary of the main activities carried out by the Committee during the year:

Internal Audit
- Reviewed and approved Group Internal Audit's annual audit plan, including its resource and training needs.
- Reviewed Group Internal Audit's methodology in assessing the risk levels of the various auditable areas and ensured that audit emphasis was given on critical risk areas.
- Monitored the progress of Group Internal Audit in completing its audit plan and assessed the performance of Group Internal Audit.
- Reviewed the adequacy and effectiveness of the system of controls, reporting and risk management to ensure there is a systematic methodology in identifying, assessing and mitigating risk areas.
- Reviewed reports of Group Internal Audit (including internal investigations, follow up on resolution of issues raised in reports issued by Bank Negara Malaysia, external auditors and other external parties) and considered Management's response and accordingly directed Management to take the necessary remedial action. The Committee also followed-up on resolution of major issues raised in the reports.

External Audit
- Reviewed the appointment of the external auditors and their independence and effectiveness.
- Reviewed their audit plan, annual audit fees and scope of work for audit and non-audit assignments.
- Reviewed the external auditor's results and report as well as the Management's consequent responses to the findings of the external auditors.

Financial Results
- Reviewed the quarterly results and financial statements of the Group before recommending them for approval to the Board of Directors.
- Reviewed the annual audited financial statements of the Group with the external auditors prior to submission to the Board for approval.
- Compliance with the following regulatory requirements was ensured:
  - Provisions of the Companies Act, 1965 and the Banking and Financial Institutions Act, 1989
  - Capital Markets And Services Act, 2007
  - Securities Commission Act, 1993
  - The Listing Requirements of Bursa Malaysia Securities Berhad
  - Applicable accounting standards in Malaysia
  - Other relevant regulatory requirements

Related Party Transactions
- Reviewed related party transactions and the adequacy of the Group's procedures in identifying, monitoring, reporting and reviewing related party transactions.

Principle 13: Internal Audit

Internal Audit Function
Group Internal Audit function operates under a charter from the AEC that gives it unrestricted access to review all activities of the Group. The Head of Group Internal Audit reports to the AEC. The internal auditing function is conducted on an AmBank Group-wide basis to ensure consistency in the control environment and the application of policies and procedures.

Group Internal Audit focuses its efforts on performing audits in accordance with the audit plan, which is prioritised based on a comprehensive risk assessment of all significant areas of audit identified in the Group. The structured risk assessment approach ensures that all risk-rated areas are kept in view to ensure appropriate audit coverage and audit frequency. The risk-based audit plan is reviewed annually taking into account the changing financial significance of the business and risk environment. The AEC reviews and approves the Group Internal Audit's annual audit plan.

Group Internal Audit also participates actively in major system development activities and project committees to advise on risk management and internal control measures.

The AEC approves the annual audit work plan, and a risk-based audit approach is used to ensure that the higher risk activities in each business unit are audited each year.

The audit function covers all major business groups and consists of three main categories of work:

Planned/ Mandatory audits 1	**Systems development life-cycle review of major IT infrastructure projects** 2	**Ad-hoc/ Special focus reviews** 3

- Among others, the audit plan covers reviews of the adequacy of risk management in the following areas:
  1. quality of assets
  2. operational controls
  3. financial controls
  4. customer satisfaction
  5. compliance with laws and regulations
  6. lending practices
  7. management efficiency
  8. information technology
  9. data centres and network security
- The audit plan also covers the review of the risk management function and its adequacy in managing credit, market, liquidity and operational risks.

Group Internal Audit plays an active role in ensuring compliance with the requirements of supervisory regulatory authorities. Group Internal Audit also works collaboratively with the External Auditor and Risk Management Department to ensure a comprehensive audit scope.

There is an effective process for ensuring prompt resolution of audit issues. Group Internal Audit tables regular updates to the AEC on the progress on significant issues until such issues are satisfactorily resolved.

Key Risk Areas And Internal Focus

Principle 14: External Audit

Messrs. Ernst & Young ("E & Y") is the Company's external statutory auditor and the auditor of its consolidated accounts for the preparation of this annual report. The external auditor performs independent audits in accordance with the Malaysian Accounting Standards, and reports directly to the AEC. The AEC additionally:

- Pre-approves all audit and non-audit services;
- Regularly reviews the independence of the external auditor; and
- Evaluates the effectiveness of the external auditor.

They are re-appointed by the shareholders of the Company annually, after review of the services provided by the AEC and the recommendation of the Board.

Non-Audit Services

The external auditor may not provide services that are perceived to be in conflict with the role of the auditor. These include consulting advice and sub-contracting of operational activities normally undertaken by management, and engagements where the auditor may ultimately be required to express an opinion on its own work.

Specifically the policy:

- Limits the non-audit service that may be provided; and
- Requires that audit and permitted non-audit services must be pre-approved by the AEC.

The AEC has reviewed the summary of the non-audit services provided by the external auditor in FY 2009 and has confirmed that the provision of services is compatible with the general standard of independence for auditors.

Audit Fees

The total of the statutory and non-statutory audit fees for the AHB Group (excluding expenses and service tax) in the financial year ended 31 March 2009 amounted to RM1.68 million [FY 2008: RM1.30 million].

Non-Audit Services Fees

Non-audit fees for the financial year ended 31 March 2009 (excluding expenses and service tax) amounted to RM0.89 million [FY 2008: RM0.93 million]. The non-audit fees are primarily related to the half-year limited review of AmIslamic Bank Berhad, AmBank (M) Berhad and AmInvestment Bank Berhad's income statement as well as fees relating to the third quarter review of AmBank (M) Berhad and accountants reports for the issuance of Non-Innovative Tier 1 capital securities by AmBank (M) Berhad and prospectus for AmG Insurance Berhad.

Principle 15: Communication With Shareholders

Greater Accessibility And Timely Engagement With Shareholders And Investors

The Group practices dissemination of information to its shareholders and members of the public in an accurate, consistent and timely manner in accordance to regulatory requirements. The Chairman, Directors and selected Senior Management representatives of the Group engage actively with the shareholders and investors community in ensuring continuous disclosure policies are practised with the highest standards of integrity and due diligence.

Communication With Shareholders

The Board members attend the AGMs and EGMs where shareholders present are given an informative review of corporate proposals, and the Group's financial performance for the year as well as prospects going forward. Shareholders are given an opportunity to raise questions and seek clarification from the Board on issues pertaining to resolutions to be passed. Shareholders have the right to vote on various resolutions related to company matters.

All shareholders are encouraged to attend the meetings and if they are unable to attend a meeting, they can submit their vote or proxies. External auditors are also present to assist the Directors in answering questions from shareholders. The auditor can respond on any business item that concerns them in their capacity as an auditor.

- Timely announcements are made to the public with regards to the Group's corporate proposals, financial results and other material announcements and updates. Corporate and financial information on the Group are easily accessible to shareholders and the general public via the Group's website at www.ambankgroup.com.
- In 2008, the Group had further streamlined the scope of communications with its shareholders and investors via a central Group Investor Relations function. The objective of the specialist Group Investor Relations function is to spearhead effective two-way communications with its shareholders, the financial community, rating agencies and other stakeholders to accurately represent AmBank Group in order to achieve fair market value for the Company securities.
- In line with the Group's priority to create value for shareholders, AmBank Group Investor Relations has created a wider virtual presence with the deployment of electronic communications, intended to provide easier access to shareholders, investors and other stakeholders to obtain information on the Group's annual report, quarterly financial results, investors' presentations, corporate proposals, credit ratings and investor related events. These information can be easily accessible from the dedicated Investor Relations webpage on the corporate website www.ambankgroup.com.
- AmBank Group participated in numerous investors' roadshows with institutional investors worldwide including Kuala Lumpur, Europe, West Asia, Japan, UK, USA, Australia, Hong Kong and Singapore. The investors' roadshows provide an avenue for the Group's senior management to actively engage with institutional investors and potential investors to ensure a balanced and complete view of the Group's performance, strategic and business directions are communicated. Separate media and analyst briefings are also conducted during the release of the Group's quarterly and year-end results.

Senior management personnel responsible for Investor Relations activities are:

1. **Mr. Cheah Tek Kuang**
   Group Managing Director
   ctk@ambankgroup.com
2. **Mr. Ashok Ramamurthy**
   Deputy Group Managing Director and Group Chief Financial Officer
   ashok-ramamurthy@ambankgroup.com
3. **Mr. Ganesh Kumar Nadarajah**
   Head, Group Investor Relations
   ganesh-kumar@ambankgroup.com

Should shareholders require any information, contact details of the Group and its Share Registrar are available at the Investor Relations section of **www.ambankgroup.com** or e-mail to **ir@ambankgroup.com**.

INVESTOR RELATIONS
Calendar

2009

30 June 2009
Bursa Malaysia and CIMB Investment Bank
Invest Malaysia 2009
Kuala Lumpur

30 June 2009
DBS
Teleconference
Singapore

19 June 2009
UBS
Regional Teleconference
Hong Kong

17 June 2009
Macquarie
Asia Pacific Financials Conference
Singapore

2-4 June 2009
Bank of America Merrill Lynch
"CalGEMS" Global Emerging Markets Conference
San Francisco

19 May 2009
Citigroup
Non Deal Roadshow
London

18 May 2009
DBS
Non Deal Roadshow
London

13 May 2009
UBS
Non Deal Roadshow
Singapore

16-20 March 2009
2009 Macquarie Asean Conference
London
New York

10-11 February 2009
Merrill Lynch
Singapore and Malaysia Investor Forum
Hong Kong

8 January 2009
DBS
Pulse of Asia Conference
Singapore

6-9 January 2009
Macquarie
Asia Pacific Financials Conference
Singapore
Hong Kong

2008

1-4 December 2008
Nomura
Investment Forum 2008
Tokyo

20-21 November 2008
BNP Paribas
Non Deal Roadshow
Dublin
London

19 November 2008
Merrill Lynch
Non Deal Roadshow
Scotland (Glasgow & Edinburgh)

17-18 November 2008
Macquarie
Emerging Leaders Conference 2008
London

14-15 October 2008
Merrill Lynch
Global Emerging Markets Conference
Dubai

8-10 September 2008
Citigroup
ASEAN Mini Conference
London
New York

26 June 2008
Macquarie
Regional Financials Conference
Singapore

17 June 2008
ANZ
Analyst & Investor Tour 2008
Kuala Lumpur

3-5 June 2008
Merrill Lynch
"CalGEMS" Global Emerging Markets Conference
California

20-22 May 2008
CLSA
Corporate Access Forum Conference
Singapore

14-16 May 2008
Merrill Lynch
Asia Rising Stars Conference
Singapore

31 March-1 April 2008
Credit Suisse
CSFB Asian Investment Conference
Hong Kong

25-26 March 2008
Macquarie and AmInvestment Bank
Invest Malaysia Conference
Kuala Lumpur

29-31 January 2008
JP Morgan
Malaysia Corporate Access Day
Singapore
Hong Kong

17 January 2008
BNP Paribas Securities (Singapore) Pte Ltd.
Mini Conferences and Corporate Days 2008
Singapore

14-17 January 2008
CLSA
Asia Investors' Forum
Las Vegas

8-11 January 2008
Merrill Lynch
Merrill Lynch Conference
London
New York

STATEMENT ON Internal Control

Responsibility

The Board of Directors (Board) is responsible for the Group's system of internal controls and for reviewing its adequacy and integrity. The Board has instituted an ongoing process for identifying, evaluating and managing the significant risks faced by the Group throughout the financial year under review. This process is regularly reviewed by the Board and accords with the guidance on internal control, Statement on Internal Control – Guidance for Directors of Public Listed Companies.

In establishing and reviewing the system of internal controls, the Directors have considered the materiality of relevant risks, the likelihood of losses being incurred and the cost of control. Accordingly, the purpose of the system of internal controls is to manage and minimise rather than eliminate the risk of failure to achieve the policies and objectives of the Group and can only provide reasonable but not absolute assurance against risk of material misstatement or losses.

The management assists the Board in the implementation of the Board's policies on risk and control by identifying and evaluating the risks faced by the Group for consideration by the Board and design, operate and monitor the system of internal controls.

The Board is of the view that the system of internal controls in place for the year under review is sound and sufficient to safeguard shareholders' investment and the Group's assets.

Internal Control Environment And Key Processes

The Group has adopted a coordinated and formalised approach to internal control and risk management, which includes the following:

- The Board has established Risk Management Committee of Directors ("RMCD") to assist in oversight of overall risk management structure. At the executive level, Executive Risk Management Committees ("ERMCs") have been set up to assist senior management in discharging their risk management accountabilities over specific areas of risks within the Group. ERMCs comprise Group Traded Market Risk Committee, Group ALCO, Portfolio Management & Credit Policy Committee and Group Operational & Legal Risk Committee. The RMCD and ERMCs meet periodically to review, deliberate and address risk issues.

- Risk management principles, policies, practices, methodologies and procedures are made available to staff in the Group. These are regularly updated to ensure they remain relevant and in compliance with regulatory requirements. The policies, methodologies and procedures are enhanced whenever required to meet the changes in operating environment and/or for continuous improvement in risk management.

- Organisation structure is designed to clearly define the accountability, reporting lines and approving authorities to build an appropriate system of checks and balances, corresponding to the business and operations activities needs. This includes the empowerment and setting of authority limits for proper segregation of duties.

- The Audit and Examination Committees ("AECs") of the Company and its major subsidiaries assist the Board to evaluate the adequacy and effectiveness of the Group's internal controls systems. The AECs review the Group's financial statements, and reports issued by Group Internal Audit, the external auditors and regulatory authorities and follow-up on corrective action taken to address issues raised in the reports.

- Group Internal Audit conducts independent risk-based audits and provides assurance that the design and operation of the risk and control framework across the Group is effective. The AECs review the work of the Group Internal Audit Department, including reviewing its audit plans, progress and reports issued.

- The Group focus is on achieving sustainable and profitable growth within its risk management framework. Annual business plans and budgets are prepared by the Group's business divisions and submitted to the Board for approval.

  Actual performances are reviewed against the budget with explanation of major variances on a monthly basis, allowing for timely responses and corrective actions to be taken to mitigate risks.

- The Group emphasises human resource development and training as it recognises the value of its staff in contributing to its growth. There are proper guidelines within the Group for staff recruitment,

promotion and performance appraisals to promote a high performance culture by rewarding high performers and counseling poor performers. Structured talent management and training programmes are developed to ensure staff are adequately trained and competent in discharging their responsibilities and to identify future leaders for succession planning.

- A code of ethics has been formulated to protect and enhance the Group's reputation for honesty and integrity. The Code of Ethics is based on the following principles: observance of laws both in letter and in spirit; upholding the reputation of integrity throughout the organisation; avoiding possible conflicts of interest; ensuring completeness and accuracy of relevant records; ensuring fair and equitable treatment of all customers; avoiding misuse of position and information; ensuring confidentiality of information and transactions.

- The Group has established policies and procedures to ensure compliance with the relevant laws and regulations. Compliance systems have been implemented that enable regular self-assessment by staff and reporting that provides management and Board with assurance that staff are aware and comply with regulatory requirements. A process is in place to standardise this practice across AmBank Group. Compliance awareness training is conducted on a regular basis to ensure that staff keeps abreast of banking, insurance, securities and anti-money laundering laws as well as other regulatory developments. The training programmes assist staff to develop their skills to address compliance issues as well as cultivate good corporate ethics.

COMPLIANCE WITH BURSA SECURITIES
Listing Requirements

1. Share Buy-back
The Company has not purchased any of its own shares during the financial year ended 31 March 2009.

2. Material Contracts
There were no material contracts (not being a contract entered into in the ordinary course of business) entered into by the Group which involved directors and shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

3. American Depository Receipt ("ADR") Or Global Depository Receipt ("GDR")
The Company has not sponsored any ADR or GDR programme for the financial year ended 31 March 2009.

4. Sanctions And/Or Penalties
There were no sanctions and/or penalties imposed on the Company, directors or management by the relevant regulatory bodies during the financial year.

5. Profit Guarantees
During the financial year, there were no profit guarantees given by the Company.

6. Revaluation Policy
The Group has not revalued its landed properties and therefore has not adopted any revaluation policy as at date of this report.

7. Utilisation Of Proceeds
The fund raising exercise undertaken by the subsidiary of the Company is as follows:

1. AmBank (M) Berhad has issued two (2) tranches of Non-Innovative Tier 1 Capital ("NIT-1") amounting to RM500.0 million under a RM500.0 million NIT-1 Programme, comprising:
   - Issuance of non-cumulative perpetual capital securities by AmBank; and
   - Issuance of subordinated notes under a programme by AmPremier Capital Berhad, a wholly owned subsidiary of AmBank.

The proceeds were and/or will be utilised by AmBank as follows:

Description	Utilisation (RM'000)
Working Capital	498,913
Payment of issuance expense	1,087
Total Proceeds	**500,000**

8. Options, Warrants Or Convertible Securities
As at 31 March 2009, there were no options or warrants outstanding. However, the following convertible securities were outstanding:

i. RM575 million nominal value 10 year unsecured Exchangeable Bonds issued by AmBank on 18 May 2007, which are exchangeable into 194,915,254 new ordinary shares of the Company, to ANZ Funds Pty Ltd at an exchange price of RM2.95 per share.

9. Variation In Results
The Company has not made or published any profit forecast or projection in respect of the financial year ended 31 March 2009.

10. Recurrent Related Party Transactions Of A Revenue Or Trading Nature
Pursuant to paragraph 10.09(1) (b), Part E, Chapter 10 of the Listing Requirements of Bursa Malaysia, the details of the recurrent related party transactions conducted in financial year ended 31 March 2009 pursuant to the Shareholders' Mandate is given in the Table below.

The Transacting Parties for all the Related Parties comprise AHB and its subsidiaries.

Details Of Recurrent Related Party Transactions Conducted In Financial Year Ended 31 March 2009 Pursuant To Shareholders' Mandate

Related Parties	Nature of Transaction	Actual Value (RM'000)	Relationship with the Company
MCM Consulting Sdn Bhd	Provision and sale of software and hardware equipment and provision of IT related services[1] including provision of lighting hardware	8,639	Companies in which a Director and major shareholder were deemed to have an interest
MCM Systems Sdn Bhd			
MCM Horizon Sdn Bhd			
MCM Wireless Sdn Bhd	Revenue sharing of income from sale of Telekom Malaysia's calling card airtime through AmBank's e-channel distribution platform	37	
Harpers Travel (M) Sdn Bhd	Provision of airline ticketing services	2,488	
Restoran Seri Melayu Sdn Bhd	Provision of restaurant and hospitality services	100	
Blue Star M&E Engineering Sdn Bhd	Provision of air conditioning maintenance services	-	
Unigaya Projection System Sdn Bhd Group	Provision of security services including armed and unarmed guard services and security for cash in transit	149	
Modular Corp (M) Sdn Bhd Group	Provision of electronic card technologies and services	1,964	
Australia and New Zealand Banking Group Limited ("ANZ")	Provision of technical services, technical systems capability, sales capabilities and products on foreign exchange, interest rate and commodities derivatives business[2]	1,322	
Cuscapi Berhad	Provision of technology systems intergration solutions and services	1,051	

Notes:

1. IT consultancy related services consist of, but are not limited to, the following services:
   a. design, development and customisation of software;
   b. integration, installation, implementation, testing and commissioning of software on the designated systems;
   c. provision of maintenance services and upgrades to the existing mainframe related applications and systems;
   d. development, optimisation and implementation of the website; and
   e. provision of project management services.
2. The provision of technical services includes, but is not limited to, the following services:
   a. strategic business leadership, experience and know how;
   b. secondment of key ANZ resources to AmBank;
   c. technolgy and systems capabilities;
   d. foreign exchange, interest rate and commodities derivatives trading and sales solutions/products;
   e. distribution platform and processes documentation;
   f. market risk management tools, models, processes, procedures and policies;
   g. credit and risk management process and tools;
   h. international business transformation experience and skills; and
   i. global research capacity.

RISK MANAGEMENT
Approach

The Risk Management Framework takes its lead from the Board Approved Risk Appetite Statement (detailed below) which provides the catalyst to setting the risk/reward profile required by the Board, resulting in the development of detailed business strategies, limit frameworks and policies required to enable successful execution.

AmBank Group's Board Approved Risk Appetite Statement:

"The AmBank Group's strategic goals are for top quartile shareholder returns and target Return on Equity which will be progressively developed over a three year period wherein the AmBank Group will further improve the quality and diversification of its Balance Sheet via differentiated growth strategies within its various business lines.

In FY 2009/10, targeted ROE will be 12.0% increasing to 15.0% by FY 2011/12. This will require compounded growth in earnings of approximately 16.0% over the ensuing three-year period.

Growth will come via further diversification of the loan portfolio into less volatile earning streams whilst maintaining a Retail/Non-Retail NPAT split in the order of 60:40.

The AmBank Group's target international external credit rating is in the BBB range over the next three years, supported by its overall loan asset quality and portfolio mix, its traded market risk limits and strategies, its sound management of interest rate risk in the balance sheet and funding and liquidity risk.

Target regulatory capital ratios over the three year period are to be greater than 8.0% for Tier 1 capital and greater than 12.0% for regulatory capital."

Strategic Risk

Strategic risk is the risk of not achieving the Group's corporate strategic goals. The Group's goals correspond with the Group's overall strategic planning to reflect the Group's vision and mission, taking into consideration the Group's internal capabilities and external factors.

The Board is actively involved in setting strategic goals, and is regularly updated on matters affecting corporate strategy implementation and corporate projects/ transactions. There are also formal governance, project management and due diligence and verification processes, including taxation, legal, finance, treasury and regulatory sign-offs.

Capital Risk

The Group has established a Balance Sheet and Capital Management unit within its Finance Department to oversee its capital adequacy position, to ensure compliance with the requirements of Bank Negara Malaysia ("BNM") and to take prompt action to address projected or actual capital deficiency and to ensure the optimal management of balance sheet risks as they relate to asset and liability management.

The Group monitors its capital adequacy position to ensure compliance with the requirement of BNM and to take prompt action to address projected or actual capital deficiency. The capital position is reviewed on a quarterly basis, taking into account the levels and trend of material risks, the assumptions used in the capital assessment measurement system, sufficiency of capital amount against the various risks and its compliance with established adequacy goals as well as future capital requirement based on the Group's reported risk profile.

Market Risk Management

Market Risk is defined as the potential loss arising from changes in interest rates, foreign exchange rates, credit spreads, equity prices and commodity prices. These changes can affect the value of financial instruments and may also affect customer-flow-related revenues and proprietary trading revenues.

The objective of Market Risk Management is to ensure accurate risk recognition, which includes the identification and measurement of market risk factors in line with the Group's risk appetite. The Group regularly reviews its strategies which evolve ever-changing markets and results in dynamic risk exposures (i.e. increasing, maintaining or reducing risk). The Group continues to keep an appropriate equilibrium between risks taken and returns earned to ensure returns to shareholders are optimised.

The Group manages market risk using two approaches; the first being under normal market circumstances where the benchmark standard used is Profit-at-Risk. Profit-at-Risk comprises Value-at-Risk ("VaR") and loss limit thresholds. VaR is a statistical measure of the potential loss that the Group may experience arising from adverse movements under normal market circumstances. The loss limit thresholds are in place to trigger management discussion on appropriate mitigation measures to be taken once certain levels of losses are reached.

The second approach employs the benchmark standard of Capital-at-Risk to ensure that the Group is able to absorb unanticipated market movement based on historical shock scenarios.

To complement the VaR, the Group has a set of scenario analysis that serves as indicators of the change in portfolio value under various potential market conditions such as shifts in currency rates, general equity prices, interest rates, and yield curve shifts.

Risk thresholds are approved by the Board. These risk thresholds align specific risk-taking activities with the overall risk appetite of the Group and of its individual business units.

Market Risk Management continues to significantly invest resources into processes and system improvements, which help define and control inherent risks within the Group.

Market Risk Management Process

Identification	• Identify market risks within existing and new products. • Review market-related information e.g. market trend, economic data, etc.
Assessment/ Measurement	• Value-at-Risk ("VaR"). • Profit-at-Risk. • Capital-at-Risk.
Control/ Mitigation	• Establish market risk limits e.g. loss limits, VaR and sensitivity limits set against business profitability budget and align with the risk appetite approved by the Board.
Monitoring/ Review	• Monitoring of limits. • Periodical review and reporting.

Funding Risk Management

Funding risk is the risk that the Group will not be able to fund its day-to-day operations at a reasonable cost. Liquidity could be affected by inability to access long term or short term deposits, repurchase or security-lending markets or draw under credit facilities, whether due to factors specific to us or to general market conditions.

The primary objective of funding risk management framework is to ensure the availability of sufficient funds at a reasonable cost to honour all financial commitments as they fall due under normal market condition and on contingency basis. It also ensures optimal funding structure and balances the key funding risk management objectives, which include diversification of funding sources, customer base, and maturity periods.

The measures utilised for funding risk management are varied and range from daily to monthly monitoring and reporting. These include weekly cash flows, monitoring of depositors and relevant key ratios and monthly reporting to the Executive Risk Management Committee ("ERMC") on the measures as well as breaches of limits, if any. Scenario testing is performed to assess the adequacy of liquidity to meet obligations due under stressed levels.

Funding Risk Management Process

Identification	• Cash flow maturity mismatch and behavioral maturity of depositors. • Unusual large deposits and/or withdrawals.
Assessment/ Measurement	• Analyse cash flow maturity mismatch and concentration of large depositors. • Funding risk-related ratios, scenario analysis and stress testing.
Control/ Mitigation	• Setting limits and triggers. • Maintenance of adequate cash and liquefiable assets. • Diversification and stabilisation of liabilities and/or funding structure.
Monitoring/ Review	• Periodical review and reporting.

Credit Risk Management

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its payment obligations. Exposure to credit risk arises from lending, securities and derivative exposures.

The primary objective of credit risk management framework is to maintain accurate risk recognition which ensures that exposure to credit risk is always kept within the Group's risk appetite framework and related credit policies. Lending activities are guided by internal credit policies and risk appetite framework that are approved by the Board. The Group's risk appetite framework is refreshed at least annually and with regard to credit risk, provides direction as to portfolio management strategies and objectives designed to deliver the Group's optimal portfolio mix. Credit Risk portfolio management strategies include, amongst others:

- Concentration limits by exposures to:
  - single customers & related customer groups;
  - industry segments; and
  - countries.
- Asset writing strategies for industry segments and individual customers;
- Loan to Value collateral ratios; and
- Watch-list processes for identifying, monitoring and managing higher risk customers and those with potential to become higher risk.

For non-retail credits, risk recognition begins with an assessment of the financial standing of the borrower or counterparty using an internally developed credit rating model. The model consists of quantitative and qualitative scores that are then translated into a rating grade, ranging from 'AAA' (lowest risk) to 'C' (highest risk). The assigned credit rating grade forms a crucial part of the credit analysis undertaken for each of the Group's credit exposures.

Credit Risk Management Process

Identification	• Risk assessment on the potential impact of internal and external factors on transactions and positions. • Selection of asset and portfolio mix guided by asset writing strategies.
Assessment/ Measurement	• Internal credit rating system to evaluate customer's creditworthiness. • Risk recognition - current methodologies include quantifying expected loss using expected default frequencies with estimated LGD & EAD, and calculating "unexpected loss". In 2010, new refined models will separately quantify PD, LGD, EAD, to enhance pricing models, facilitate loan loss provision calculation, automate stress-testing and enhance portfolio management.
Control/ Mitigation	• Credit risk management policies, guidelines, and Group's risk appetite framework govern selection of assets, control concentration risk by single customer or industry sector, collateral, rehabilitation, etc. • Monitoring of benchmark returns to ensure adequate returns for risk taken, taking into account operating expenses and cost of capital.
Monitoring/ Review	• Monitoring asset growth in line with risk appetite settings, non-performing loan ("NPL") trend, flow rates of loan delinquency buckets, exposures by industry sectors, risk-grades distribution, etc., flowing into monthly risk reporting to executive management and at least quarterly to the Board. • Watchlist committees review credits at risk of deterioration at least monthly. • Post mortem review of loans to extract lessons learned for facilitating credit training and refinement of credit policies or guidelines, towards enhancing risk identification and control.

To support credit risk management's observation of disciplines governed by Basel II framework and International Financial Reporting Standards ("FRS"), new and enhanced rating models are expected to be launched in 2010, to generate obligor's probability-of-default ("PD"), loss-given-default ("LGD") and exposure-at-default ("EAD"). The new rating models will be calibrated to the AmBank portfolio thereby providing enhanced predictive capability and more automation of risk evaluation approaches. These models will:

- enhance pricing models;
- facilitate loan loss provision calculation;
- automate stress-testing; and
- enhance portfolio management.

For retail credits, credit-scoring systems are being used to complement the credit assessment and approval processes. In 2009, new application scorecards will replace first generation scorecards to better differentiate quality of borrowers. Behavioral scoring system will also be developed to facilitate dynamic updating of the Group's retail portfolio quality with resulting impacts on formulation of facility management activities including collection and recovery strategies.

Operational Risk Management

Operational risk is the risk arising from inadequate or failed internal processes, people and systems or from external events on the Group's day-to-day operations that are executed to attain its business objectives, which restrict or prevent such objectives from being achieved.

Operational risk management is the discipline of systematically identifying the critical potential points and causes of failure, assess the potential cost and to minimise the impact of such risk through the initiation of risks mitigating measures and policies.

The primary responsibility for managing operational risk rests with each operating department. Nevertheless, the execution of risk management methodology is supported and guided by the Risk Management Department whose function is to define minimum standards, policies and methodologies, monitor compliance, and identify as well as report on Group-wide risk exposures.

The operating departments are responsible for assessing their operational risks and review controls instituted periodically to ensure that the measures introduced continue to be relevant and appropriate.

The Group has implemented a Product Approval Programme to ensure that all risks inherent in new products/financing packages and related business activities are identified, and measures to minimise these risks are put in place, before the launch of the products. All new products require the sign-off of the respective risk control units, including Risk Management, Legal, Finance and the Internal Audit as well as the Risk Management Committee/ Board.

Operational Risk Management Process

Identification	• Analyse key processes. • Risk self-assessment and review reported incident.
Assessment/ Measurement	• Five risk causal platform (people, process, governance, IT and external) and risk events. • Risk scorecard and incident data management.
Control/ Mitigation	• Policies and integration of related controls into processes/procedures addressing the specific operational risk. • Contingency planning.
Monitoring/ Review	• Review on business/ support operating unit and independent validation by internal audit. • Review feedback from internal reporting. • Periodic reporting on loss incidents and major risk issues.

Business Continuity

Our Business Continuity Management ("BCM") Process, which is an integral part of operational risk management, places importance on ensuring that the required BCM framework is in place to identify events that could potentially threaten the Group's operations and to build resilience and capability to safeguard the interests of its brand and reputation. The BCM process complements the efforts of the disaster recovery team, to ensure that the Group has the required critical capabilities and resources, such as systems, work space and premises, communications, in a business continuity facility for the more critical business operations like Treasury and IT.

Legal And Regulatory Risk Management

The Group is subject to a comprehensive range of legal obligations in all countries in which it operates. Legal risks arise from potential breaches of applicable laws and regulatory requirements, unenforceability of contracts, lawsuits, or adverse judgment which may lead to the incurrence of losses, disrupt or otherwise resulting in financial and reputation risks. Legal risk is managed by internal legal counsel as well as the Operational & Legal Risk Management Committee, and, where necessary, in consultation with external legal counsel to ensure that such risk is minimised.

A proactive regulatory risk monitoring and control process is essential for any financial group to provide assurance that its products and services are offered in a manner consistent with regulatory requirements and industry best practices.

Group Compliance undertakes the task by ensuring that appropriate measures are introduced and applied accordingly, whilst inculcating a compliance culture across all levels of staff. Amongst the measures introduced are monitoring and reporting, training, providing advice and disseminating information. A process is in place to standardise compliance practices across the AmBank Group.

The compliance monitoring and reporting system is essentially a mechanism through which businesses monitor their compliance to rules and regulations as well as provide monthly, quarterly and exception reporting that is carried out on line. This reaffirms our commitment to a centralised compliance infrastructure that embraces regular self-assessment by staff, thus providing management the assurance that staff are aware and comply with internal and external requirements.

Compliance awareness is performed on a regular basis to ensure staff keep abreast of banking, insurance, securities and anti-money laundering law as well as other regulatory developments. In addition to the training provided, the Compliance Repository, an online resource tool, continues to provide staff with easy access to rules and regulations to various search modes.

Basel II Implementation For AmBank Group

Credit Risk

The Group has since January 2008, successfully implemented Basel II Standardised Approach. The Group adopts the comprehensive approach in recognising collateral and guarantee obtained as risk mitigants to reduce credit exposures in computing the regulatory capital.

Operational Risk

For operational risk, the Group is currently applying the Basic Indicator Approach for risk weighted capital charge. This will be supported by an operational risk management system that is under development and targeted to be implemented in the next financial year. A robust operational risk management will enable the Group to meet further advances in Basel II requirements, including the application of The Standardised Approach in a more effective manner which is targeted to be achieved by year 2010. It also allows the Group to proactively monitor operational risk through the modules of incident data, key risk indicators, risk and control self-assessment and stress testing.

BUSINESS
Operations Review

AmBank Group's solid momentum growth in financial year ended 31 March 2009 reflects the flawless execution of well-crafted strategies. We have delivered commendable profit growth over four quarters of FY 2009 against the background of deteriorating global, regional and domestic market performance, and intense banking industry competition.

Retail Banking
Retail Banking's strategy has been focusing on loans growth in viable product segments whilst maintaining attention to enlarge the deposit base particularly low-cost deposits. Whilst dynamically focusing on volume versus price trade offs, business growth was founded on continuous improvement to customer service excellence, expansion of distribution footprints and increased sales productivity, underpinned by proactive risk management, credit and asset quality management and improving effeciencies.

Business Banking
The Business Banking's growth agenda was centred on building sustainable asset base whilst proactively managing existing accounts to mitigate higher risk of default. Growth was targeted towards high-growth industry segments, with greater diversification into securing non-interest income, by building affinity and business rapport. Focus was geared towards financing for small and medium enterprises, deposits, trade and cash management services, forex and remittance, transactional banking and deposits.

Investment Banking
In spite of softening equity and capital markets last year, Investment Banking continued to harness business opportunities in the market by maintaining strong relationships with key clientele whilst repositioning its strategy to face market downturn. Main revenue streams originated from funds management and corporate finance, with capital markets and broking division providing contributions in early FY 2009.

Relationship Banking And Regional Business
The Relationship Banking and Regional Business was uniquely segmented in FY 2009 with the aspiration to deepen and expand corporate and institutional relationships to garner larger leads for financing and advisory businesses. The move to create this new business segment also provides greater specialisation in managing international businesses and asset (REITs) management.

Markets Business
The Markets business (primarily treasury and other fund-based activities) were transferred from AmInvestment Bank Berhad to AmBank (M) Berhad and AmIslamic Bank Berhad in the course of the financial year. In light of challenging market conditions, Markets division has stepped up its risk framework and execution. Focus was on reducing volatile exposures and diversifying revenues. With the technical expertise of ANZ, the forex, interest rate derivatives and commodities business unit was successfully established.

Islamic Banking
Islamic Banking lived up to its aspiration to become an Islamic bank of choice by ensuring high degree of value to its customers and stakeholders. During the financial year, its profits, loans and deposits recorded notable growth, with asset quality and cost efficiency ratios maintained at healthy levels. The growth was characterised by expansion of product and business alliances and strong retail segment.

Insurance
The tactical plan in FY 2009 revolved on diversification into bancassurance business, with various innovative bundled insurance products being launched. In addition, we have improved the efficiency of our agency force, marketing channels and branches, as well as the back-end operating platform. At the strategic level, the segregation of composite license between life and general insurance was concluded to extract greater synergies from our business partners.

Moving into the ensuing financial year …
"Strength in the face of adversity – pillared by the sturdy execution of strategies on income diversification, risk management and cost management enhancement, will be the core operating theme, optimising AmBank Group's position for the economic recovery in the foreseeable future".

RETAIL BANKING

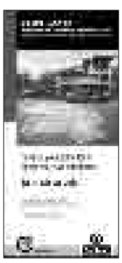
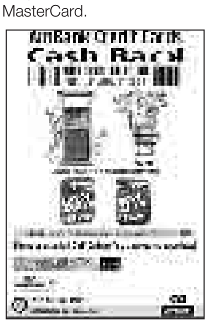
The Retail Banking division maintained its key business strategies of growing assets in preferred segments which provide for long term viability and profitability and increasing focus on deposit-taking businesses. Business units were continuously reinvented and expanded where feasible to ensure customer needs are fulfilled and a strong relationship proposition is delivered, and to improve the Group's long-term profitability.

With the combined expertise of ANZ's resources and our intimate market knowledge, the focus within the business has been to improve all aspects ranging from product development, frontline services and processing efficiency. ANZ's international exposure and best practices have been leveraged upon in the areas of strategic development, financial management, risk management, distribution channel management and services innovation.

Growth And Performance
For FY 2009, the Retail Banking's profit after tax improved by 13.0% year on year, mainly driven by improved revenue of RM40mil (2.0%) and improved asset quality (lower provisions by 28.0%). Net lending grew 3.0% and total retail deposit growth was recorded at 15.0% (retail low-cost deposits being 9.0%). Additionally, fixed deposits saw an accelerated growth of 16.0% due to the clear favourable interest rate.

In FY 2009, Retail Banking was once again the largest contributor to the Group's pre-tax profits accounting for RM820.8mil. Auto financing and mortgage loans contributed approximately two thirds of total Retail revenue. Net non-performing loan ratios further improved to 3.1% (previous financial year at 3.2%) due to stronger credit risk management, credit scoring, collections and recoveries management.

Retail Banking's customer deposits increase of RM4.9 billion from the previous year was largely contributed by successful deposit garnering campaigns, introduction of new segment-based and repackaged products (including bundling and cross-selling to the AmBank Group's customer base), focus on salary crediting facility and acquisition of main bank customer relationships. All these deposit

Market Position & Focus	Products & Services	Distribution Channel	Medium Term Aspirations	Salient Highlights FY 2009
DEPOSITS AND CUSTOMER SOLUTIONS				
• Overall ranked sixth position in terms of total bank wide deposits (amongst local banks). • Grow low cost deposits base. • Enhance product suite. • Acquire new main bank customers. • Stronger focus on corporate deposits acquisition, especially operating accounts, by segment focused deposits sales. • Focus on acquiring more salary crediting accounts to SMEs through our payroll services – e-AmBiz and Autopay.	**Deposits (Conventional and Islamic) products:** **Transactional Deposits** *Savings* • Basic Savings • Basic Savings-i • AmGenius • Savers' G.a.n.g • Savers' G.a.n.g-i • Family First Special Savings Account *Current Account* • Basic Current Account • Basic Current Account-i • AmStar • AmStar Extreme • Family First Everyday *Account* **Investment Deposits** *Fixed Deposits (FD)* • Conventional FD • Mega FD • Am50 Plus • Interest Plus • AmQuantum Investment	• 187 branches nationwide • Dedicated deposit sales desk and team at each Regional Office. • Total of 611 ATMs nationwide (including those located at 7-Eleven stores). • Continued strong relationship management with Government bodies and key corporate clients. 	• Grow low cost deposits to 20.0% of total deposits. • Reduce cost of funds. • Reduce customer attrition and dormancy through active customer relationship management initiatives. • Build Top Rate as a brand identity for Fixed Deposit to ensure top of mind recall by customers. 	• Launched all-in-one Family First financial solution which offers a full suite of products and services to meet every aspect of a family's financial needs. • Relaunched and rebranded AmStar and AmStar Extreme account. AmStar Extreme (formerly known as e-AmStar) is an innovative deposit account aimed at providing great convenience and cost savings. • Enhanced Salary Crediting Facility to AutoPay-WIN – a Windows-based programme. It is a no frills, user-friendly salary crediting facility. It gives customers the convenience of monthly salary crediting, and cash handling with improved security. • Embarked on transformation initiatives to improve services (e.g. improved account opening turnaround time, offsite account opening process). • Launched the Treasure Quest campaign to garner deposits.
AUTO FINANCING				
• Premier auto financier with 21.0% market share (based on purchase of passenger cars as at 31 March 2009). • Maintain product profitability. • Focus on AmBank's accredited dealers via Dealer Management Programme.	• Conventional auto financing. • Islamic auto financing. • Conventional refinancing schemes. • Floor plan/floor stocking for dealers. • Step-up repayment schemes. • Interest subsidy scheme. • Zero interest. • Floating –rate auto financing. • Balloon repayment scheme. • KPUB financing scheme.	• 18 auto financing business centres and 21 hybrid branches nationwide. • Strategic alliances with major franchise holders and vehicle companies in Malaysia. • Relationships with more than 4,000 authorised dealers nationwide.	• To achieve ROE of double digit. • Maintain the premier position as the "preferred auto financier" in terms of passenger vehicles. 	• Won the prestigious 2008 Frost & Sullivan ASEAN Automotive Award (Automotive Finance Company of the Year – Malaysia) held on 26 June 2008.
MORTGAGE				
• 6th largest financier of housing loans amongst local banks, with 5.9% market share. • Focus on mid to mid-high end property segments.  	• AmBank home loan & property loan – choice of term loan or combination of term loan and overdraft with flexible and manageable repayment terms. • AmBank HomeLink & PropertyLink – combines a term loan with current account to help save on loan interest. • Family First Home Solutions – Peace of mind with 5-year fixed rate. A similar Shariah-compliant programme is offered by AmIslamic Bank. • AmIslamic Bank Home Financing – Shariah-compliant products with options of fixed or flexi rates.	• Direct sales teams based across 8 regional business centres in major cities nationwide. • 187 branches nationwide with consumer lending specialists and personal bankers. • Strategic alliances with major developers on property launches.	• To be best-in-class and be amongst top 5. • Achieve "Making Mortgages Simple". Deliver good customer experiences by streamlining key processes to improve staff productivity.	• Expanded Direct Sales Teams nationwide and put stronger emphasis on branch sales. • Embarked on transformation initiatives to simplify products, services and processes. • Implemented risk-based pricing model to further emphasised on importance of loan quality and profitability.
CREDIT CARDS				
• 7th largest credit card financier with 7.7% market share. • To increase product-holding ratio across AmBank and be 'card of choice' to our targeted segments. • To be one of the leading EPP acquirers. 	• Conventional credit cards (classic, gold, platinum). • Islamic credit cards (classic, gold, platinum). • Co-branded cards: RealRewards Gold MasterCard; Visa Samsung Imagine Visa Card; eCosway Platinum & Gold MasterCard cards. • Specialty cards: FIFA World Cup Cards; True Visa Card. • Corp: Business Platinum MasterCard. 	• Direct sales (in-house) • AmBank branches nationwide • Outsourced vendors • Outbound telemarketing 	• To improve revenue and profitability and be amongst the best. 	• Launched Malaysia's first "No Frills Card" True Visa which offers low interest of 12.0% p.a. and fee based optional features. Available in both conventional & Islamic. • Launched co-branded credit card with eCosway. • Added Gold RealRewards MasterCard to the family. • Introduced Hilton 1-for-1 dining privileges and Plaza Premium Lounge into AmBank Platinum card. • Associate sponsor for 11th Philips Astro Masters 2008. • Launched two Balance Transfer/ QuickCash campaigns – brought in more than RM200mil receivables. • Introduced "I am Me" – newsletter bursting with review of latest ladies must-haves and privilege offers. • Won an award for AmBank Business Platinum Card in the Best Business Programme category from MasterCard Worldwide.

Market Position & Focus	Products & Services	Distribution Channel	Medium Term Aspirations	Salient Highlights FY 2009
PREPAID CARDS				
• Largest prepaid card issuer in the market.	• NexG prepaid cards and co-branded cards – Cathay Cineplexes, iTalk, Smartlink, eCosway etc. • Collectible - cards leveraging on priced properties like FIFA World Cup and UEFA . • On-line registration via EDC. • Card available balance on sales slip.	• Direct marketing sales personnel. • AmBank branches nationwide. • More than 5,000 reload locations with ePay mainly at shopping complexes. • Potentially more than 400 outlets of 7-Eleven in Klang Valley and POS Malaysia nationwide.	• To improve revenue and profitability. 	• Expanded retail sales channel to include Pos Malaysia over and above existing distribution channels. • Rolled out real-time on-line registration at EDC terminals. • Rolled out card available balance on sales slips. • Cash reload convenience at numerous locations, including at convenient stores that operate 24/7. • Aggressively expanding prepaid card applications to cover remittance, payroll and travel.
ASSET FINANCING AND SMALL BUSINESS				
• To meet the financial needs of small and medium enterprises by providing a comprehensive range of financial packages. • To increase our presence in commercial lending to Bumiputera companies under Bumiputera Development unit. • To intensify our participation in BNM funded loans/CGC guaranteed loans. • To promote micro financing under AmMikro unit.	• Industrial HP • Asset refinancing • Overdraft • Term loan • Commercial property loan • Trade financing • Bank guarantee • Block discounting • CGC guaranteed loans • BNM funded loans • Micro credit financing	• Marketing Officers based in eight regional hubs and desks nationwide. • 187 branches nationwide. • Referrals from suppliers and business associates. • Strategic marketing tie-up with established manufacturers/ distributors for micro financing.	• To set best in class industry standards for equipment financing and to be a top supporter of CGC guaranteed loans. 	• Continuous product development and innovation. • Unsecured overdraft facility to AmBank Platinum car dealers, a structured lending programme offered to AmBank's panel dealers. • Tie-up with Arab Malaysian Credit Berhad to promote industrial hire purchase (IHP) refinancing. • Expanded distribution of AmMikro through nationwide branch network.
PERSONAL FINANCING				
• Third largest financier with 8.0% market share. • Focus on government, semi-government agencies, Royal Malaysian Police & government linked companies employees.	• Personal Financing based on Syariah concept of Bai-Al-Inah.	• Direct marketing sales officers placed at all major towns nationwide. • AmBank branches nationwide • Strategic alliances with participating business partners. • Third party distribution channels.	• To make AmBank the preferred government servant personal financing bank by enlarging the government servant customers database.	• 18.0% growth in gross loans for FY 2009 • Excellent asset quality of portfolio with minimal NPLs.
RETAIL DISTRIBUTION				
• After opening more branches in FY 2009, AmBank now has 187 branches and has moved from sixth position to fourth position in total number of branches nationwide. • AmBank moved to third place in terms ATMs available within the MEPS network. • Collaboration between AmBank and 7-Eleven will see an overall increase of 400 ATMs in 7-Eleven stores nationwide. 	• Launch of Family First – an all-in-one financial solution for the mass consumer market which features a cash flow management solution designed to help families manage their finances with access to a range of tools, resources and services. • Launch of new AmStar and AmStar Extreme account with one of the most convenient customer propositions in the market in terms of access to electronic banking channels. 	• The partnership between AmBank and 7-Eleven has seen an increase in the number of ATM installations. To date, AmBank has more than 200 ATMs at selected 7-Eleven stores nationwide with a total of 611 ATMs nationwide. • More than 20 Electronic Banking Centres were established in different regions nationwide • New branches were opened in Pandan Indah, Jalan Klang Lama, Bandar Bukit Tinggi Klang, Bandar Mahkota Cheras and Bandar Menjalara; and two Sales and Service Kiosks in Kuching, Sarawak; The Spring and Boulevard Shopping Mall. • Improvements were recently made to the look and feel of the online banking system which was also upgraded to a new platform. These changes have stimulated a 55.0% growth in the number of customer sign ups. • A new mobile phone banking platform has been designed and is in pilot phase with live implementation scheduled for early FY 2010. • The Sales Force Strategy project was initiated in view of creating a specialised workforce to focus solely on Consumer Lending, Wealth and Small Business. Upon completion, AmBank will have significantly increased the number of frontline revenue generating staff from historical levels.	• In view of transforming our branch business from a service culture to sales and service culture, AmAzing Way sales and sales leadership program was designed to equip customer-facing staff with various essential skill sets. The key objective of the AmAzing Way is to improve needs based selling and cross-selling abilities.	• AmBank Contact Centre bagged the Gold Award for Best Telemarketer and Best Mystery Shopper for Telemarketing on 10 October 2008 at the 9th CCAM Annual Contact Centre Awards. • Branch sales productivity has improved significantly from historical levels and continues on an upward trajectory. • A pilot Electronic Banking Centre model was set-up in Jalan Raja Chulan Branch in December 2008 with the objective of projecting an image of prestige for Self Service Banking with the latest technology installed. • Introduction of AmLink Referral system in November 2008, allowing AmBank Group staff to participate in Lead Generating programme. This will help to increase the customer base in branches, thus increasing new sales opportunities. • AmStar Extreme account, officially launched in December 2008 with the aim of providing extreme convenience to AmBank customers.

initiatives combined offer a broad range of solutions that cater to different customer segments and lifecycle stage.

Highlights And Achievements
Retail Banking counts, amongst its major highlights for FY 2009, the launch of its Family First Solution in September 2008. Aligned to its customer segmentation focus, this is an innovative financial solution designed to aid growing Malaysian families in financial planning. It encapsulates a holistic suite of financial products and services to meet consumers' dynamic needs, coupled with website, tools and resources akin to savings and budget planner to help families better manage finances. Family First aims to place AmBank brand as a family-oriented bank that cares for the well-being of the average Malaysian family, especially in current times of financial uncertainties.

As testament to its commitment in delivering best-in-class products and services, Retail Banking garnered the following awards and accolades during the course of the financial year:

- Best Business Platinum Programme at MasterCard Asia/Pacific Middle East and Africa Awards 2008;

- Gold Award for "Best Contact Centre Telemarketer" (Individual Category) and Special Excellence Award for "Best Mystery Shopper Results for Telemarketing Contact Centre" at the Ninth CCAM Annual Contact Centre Awards 2008; and

- Automotive Finance Company of the Year (Malaysia) Award at the 2008 Frost & Sullivan ASEAN Automotive Awards in June 2008.

Throughout FY 2009, Retail Banking has successfully rolled out regional roadshows to educate employees nationwide on AmBank Group's medium term aspirations ("MTA") and Retail Banking's agenda to contribute to the achievement of the goals. In addition, the regional roadshows accorded the avenue for staff from different offices to meet and interact. Earlier this year, Retail Banking launched the AmHorizon programme to drive the business change and transformation across all business and operating functions, in the spirit of further awakening staff awareness and commitment towards attaining the objectives of the MTA.

Key Success Factors
Trends in today's retail banking market provide evidence that Malaysian consumers are becoming more sophisticated and discerning in their banking needs. Likewise, service delivery expectations have moved from a traditional over the counter service model to a 24-hour, seven day a week business. This necessarily means that our customer service staff and transaction services need to be accessible through a variety of channels on an increasingly expanded basis with consistent service delivery at all touch points. To meet and exceed the growing expectations of our customers, Retail Banking division has made material investments in people, infrastructure, and systems, and is in the initial stage of a significant investment to enhance the Retail Banking's core system.

One critical success factor for the Retail Banking division is attributable to our ability to connect with our customers through an expanded branch and ATM footprint, a larger and more highly skilled sales force and convenient and simple to use distribution channels. Innovative products, compelling campaigns, continuous process improvements and technology investments have been made on an ongoing basis to exceed the expectations of our growing customer base.

Our branch network has expanded to 187 points of representation and we are now ranked fourth nationwide (from sixth only one year ago) in terms of number of branches. Likewise, a partnership unique in nature between AmBank and 7Eleven convenience stores adds significantly to our many existing avenues and contact points for customer service transactions. In this area, now with more than 611 ATMs, AmBank has similarly moved from sixth position to third position nationally in terms of the number of ATMs available for our customers. Branches, self-service terminals, call centre and e-channels are continuously being expanded and enhanced to provide extended reach, improve sales and elevate the quality of customer interaction and servicing.

Coupled with these investments in infrastructure we have also made significant progress in equipping our staff with leading edge training to enrich their skill-set levels in their respective job functions. With the current emphasis on superior service and fulfillment of customer needs, front-end staff are continuously trained in various essential sales skills focused on leadership and diagnostic sales methodologies. This training is designed to ensure our staff firstly understand and then meet the needs of existing and potential customers more effectively.

In line with business growth, a structured risk management framework has been designed and built to dynamically support the end-to-end product and service delivery to the customer, whilst sustaining an acceptable quality portfolio of assets. Risk-based scoring has been automated and the retail collection unit has been fully centralised over the years, for all retail products. These efforts have also extended to improving our collections functions and portfolio risk management activities, which in turn have assisted our customers to manage their financial situations more effectively.

The Retail Banking enhancements emphasise the importance we place on best practice, product and service delivery to our customers. Retail Banking is relentless in continuing with its initiatives on product innovation, service excellence, channel enhancement, operations optimisation and human capital development. They ultimately result in a 'win' for the customer, a 'win' for our staff and a 'win' for AmBank and our stakeholders.

Retail Banking Aspirations
We will continue to establish and grow Retail Banking products and services in targeted areas of profitability for the coming year. Our focus is to grow our business in identified and selected segments of the market where we can establish sustainable and superior levels of profitability and to support the Group key priority to grow deposits base. This will be achieved via delivering customer value propositions centering around the themes of friendliness, simplicity and convenience.

For financial year ending 31 March 2010 (FY 2010), Retail Banking's summary key strategic agenda are to:
- focus target market and portfolio base by product, with special emphasis on deposits;
- streamline distribution channels for productivity and efficiency;
- strengthen risk and sustain portfolio health;
- enhance customer service levels; and
- continue to build operational infrastructure for efficiency and capacity.

Whilst we are currently operating in tougher financial environment, Retail Banking is ever ready to engage scalable growth ahead to harness opportunities from the eventual economic upturn. Retail Banking is poised to be amongst the best.

BUSINESS BANKING

Business Banking has been able to achieve good growth in its portfolio amidst adverse changes in the operating environment in FY 2009. Gross loan and advances grew by 19.5% year-on-year supported by a healthy growth in Islamic financing (32.0%).

The increase in the loan base has invariably contributed to a growth in total income by 42.0%. The collaboration with the Australia and New Zealand Banking Group ("ANZ") has yielded positive results as we witness an increase in cross-border trade and other cross-sell activities, culminating in fee income growth of 40.0% in this area alone. On the trade front, revenues have grown by 37.0% and the trade book size by 12.0%. This is despite general overall market decline in exports and imports.

As part of our regional expansion strategy, our business centres in the Southern Region have been bolstered with more marketing personnel. Business Banking has four regional business centres and twelve commercial business centres that are strategically located across the country. At this end, we witnessed an improved regional performance by 20.0% in loans growth.

Focus on the SME segment has been another strategy employed by the division. As at the end of the financial year, SME loans contributed more than 40.0% of the Business Banking portfolio and this has increased our market share to 6.0%.

Emphasis was also placed on improving the risk management of our portfolio where effort was spent on strengthening the credit assessment process and fine tuning the risk grading model. This has helped to improve the quality of our asset portfolio.

In addition, the upgrade of trade processing capabilities is underway to move into a new trade system. This new trade system will enable AmBank to move ahead more quickly and with more flexibility in managing future challenges via improved processing efficiencies to be derived from the system.

Moving forward, the division expects a more challenging operating environment in view of the global and domestic financial crisis. Our focus will be on managing the existing customer base and building a sustainable asset base. Efforts are being made to closely monitor our customers' performance and to have more regular communication with the customers to enable us to respond to their requests and react to market changes swiftly.

Cash Management And Transactional Banking

Towards mid 2008, it was apparent that the impact of the financial crisis in the US was no longer confined to the US and Europe. With the global economic slowdown, the demand for our country's exports declined resulting in a cut back in production volumes. Companies were forced into managing their overall costs to ensure business sustainability and they further have to bear the burden of sourcing for funds with the tightening of credit in the market.

Despite these challenging times, AmBank's cash management division was still able to double its customer base and achieve a revenue growth of 91.0%.

The division expects further growth in the next financial year as more and more corporates seek cash management services in their quest to achieve cost reduction through process automation. Corporates are also resorting to cash management solutions to help improve their funds management through better forecasting of their cash flow requirements in their daily management of sales turnover.

AmBank's cash management solution offering is now extended to include foreign currency payments via foreign currency drafts or SWIFT wire. Other functionality enhancements also include the ability to assist our corporate customers in performing their account receivables reconciliation via automated invoice level matching. In anticipation of the current state of the economy, the AmBank Cash Management Solution Suite has incorporated two new services, Supplier Financing and Post Dated Cheque Discounting, to ensure the sustainability of our customers' businesses and assist them through the challenging economic times.

INVESTMENT BANKING

The local capital market has not been spared from the global recession that was triggered by the financial meltdown which began since August 2007. The recessionary pressures continued into the beginning of 2009, spearheaded by the sharp contraction in the Bursa turnover

Significant Corporate Finance Transactions In 2008-2009

IOI Corporation Berhad **Exchangeable Bond Issue** **USD600 million** January 2008 Adviser & Senior Co-Lead Manager	**Matrix International Bhd** **Renounceable Two-Call Rights issue** **RM207.99 million** March 2008 Adviser	**Sarawak Oil Palms Bhd** **Renounceable Rights Issue** **RM1123 million** April 2008 Adviser	**PacificMas Berhad** **Take-Over Offer by OCBC Capital (Malaysia) Sdn Bhd** **RM735.0 million** April 2008 Independent Adviser
Dayang Enterprise Holdings Berhad **IPO Market Capitalisation: RM510.4 million** April 2008 Adviser, Managing Underwriter & Placement Agent	**Luxchem Corporation Berhad** **IPO Market Capitalisation: RM143.0 million** June 2008 Adviser, Managing Underwriter & Placement Agent	**Jati Cakerawala Sdn Bhd** **Take-Over of Teknologi Tenaga Perlis Consortium Sdn Bhd** **RM448 million** June 2008 Adviser	**Uzma Berhad** **IPO Market Capitalisation: RM152.0 million** July 2008 Adviser, Managing Underwriter & Placement Agent
Boustead Properties Berhad **Take-Over Exercise** **RM584 million** August 2008 Independent Adviser	**Ranhill Utilities Berhad** **Take-Over Exercise** **RM305.1 million** August 2008 Independent Adviser	**IJM Land Berhad** **Rights Issue with Warrants** **RM306.82 million** September 2008 Adviser	**DRB-HICOM Berhad** **Acquisition of Rangkai Positif Sdn Bhd** **RM720.0 million** October 2008 Independent Adviser
Malaysian Bulk Carrier Berhad **Cross-Border Acquisitions** **USD221 million** December 2008 Adviser	**Lion Diversified Holdings Bhd** **Rights Issue of ICULS** **RM327.46 million** December 2008 Adviser	**VADS Berhad** **Selective Capital Reduction and Repayment Exercise** **RM413 million** February 2009 Independent Adviser	**Ranhill Berhad** **Proposed Disposal of Water Assets and Corresponding Liabilities** **RM850 million** Pending Completion Adviser

volume during the entire second half of the financial year ended 31 March 2009 (FY 2009). In the wake of a credit and liquidity crunch, investors quickly became acutely risk-adverse. In response to this shift in investor appetite, most initial public offerings and bond issuance activities were put on hold.

In spite of the above challenges, we have maintained our market share in virtually every sector of our engagement in the capital market. We also took the opportunity offered by the lull in economic activities to streamline our internal infrastructure to improve productivity and expand our equity trading and distribution network both domestically and regionally where financially viable.

Corporate Finance

The Corporate Finance division provides a full spectrum of equity capital raising and corporate advisory services. Widely regarded as one of the leading Corporate Finance houses in Malaysia, we consistently deliver innovative business and financial solutions which meet the corporate, capital and investment objectives of our valued clients.

Through our detailed market and industry knowledge and experience, we are able to analyse and structure transactions to maximise the value and ultimate outcome for our clients. We have in the past structured and executed scores of landmark deals in the market. We also have significant experience in executing both domestic and cross-border transactions in difficult market conditions and have demonstrated our ability in providing best-in-class solutions to complex assignments.

AmInvestment Bank ("the Bank") operated in a more challenging operating environment during the year with uncertainties in market conditions. However, our experience and capability in structuring and executing prolific and demanding transactions, and our capability to distribute equity and equity-linked issues of various sizes and from various sectors, have helped deliver strong market share in some key products.

The Bank maintained its leadership position in the Initial Public Offerings ("IPOs") in Malaysia, where we successfully advised and listed four out of 13 companies during the year. We raised more than RM400 million in funds, accounting for 41.0% of the market share of IPOs in Malaysia. We also led the market in terms of the number of issues advised in the equity and equity-linked market with a market share of 23.0% during the period.

As a testament of our strengths in the capital markets, AmInvestment Bank was accorded the following industry accolades:

- **Best Privatisation Deal of the Year in Southeast Asia** at Alpha Southeast Asia's Second Annual Deal/Solution Awards 2008 as the Principal Adviser and Leader Arranger for the RM2.4 billion Privatisation of AmInvestment Group Berhad and RM1.0 billion Renounceable Rights Issue.

- **Top 4 Asian Investment Bank for Asia Ex-Japan M&A Deals 2008** award by the Malaysian Investment Banking Association ("MIBA") and The Pinnacle Group International Pte Ltd in recognition of the number of Asian M&A deals achieved in the first quarter of 2008 based on the Thompson Financial League Tables.

We also advised TIME dotCom Berhad in its RM654.5 million deal with cellular provider Digi.Com Berhad, which won the **Innovative Deal of the Year** award by the Malaysian Mergers and Acquisitions Association.

Some of our prominent deals include:

IOI Corporation Berhad
Voluntary Take-Over Offer of IOI Properties Berhad
RM518.9 million
April 2009
Adviser

Adviser to IOI Corporation Berhad ("IOI Corp") in the voluntary take-over offer of IOI Properties Berhad ("IOI Prop"). The voluntary offer was undertaken with the intention of providing IOI Corp with greater liberty to plan and decide on the future business direction of IOI Prop, improve operating synergies within the IOI Group via the consolidation of plantation and property businesses held under the IOI Group as well as to enable IOI Prop to leverage on the much stronger financial resources of IOI Corp to satisfy its substantial funding requirement in respect of on-going projects.

Lion Corporation Berhad
Amsteel Corporation Berhad
Corporate and Debt Restructuring
RM1.9 billion
February 2009
Adviser

Adviser to Lion Corporation Berhad ("LCB") and Amsteel Corporation Berhad ("ACB") on their corporate and debt restructuring. The principal concept of the debt restructuring was to match the projected available cash flows of ACB/LCB to redemption/ repayment obligations which were acceptable to the lenders of ACB/LCB. In conjunction with the above, an asset divestment programme was instituted to monetise the assets of ACB.

TIME dotCom Berhad
Strategic Alliance with DiGi.Com Berhad and Transfer of 3G Spectrum
RM654.5 million
May 2008
Adviser

Adviser to TIME dotCom Berhad ("TdC") on the strategic business alliance between TdC and Digi.Com Berhad ("DiGi"). This win-win deal enabled DiGi to acquire TdC's third generation (3G) spectrum whilst allowing TdC to hold a strategic stake in DiGi and capitalise on DiGi's strength and experience in the telecommunications industry. This deal was named the most innovative deal under the Malaysian Mergers & Acquisitions Association awards.

Abu Dhabi-Kuwait-Malaysia Investment Corporation and UBG Berhad
Strategic Entry into Malaysian Construction Sector
RM1.57 billion
September 2008
Adviser

Adviser to a consortium of Middle Eastern and Malaysian investors known as Abu Dhabi-Kuwait-Malaysia Investment Corporation ("ADKM") and UBG Berhad ("UBG") on the strategic entry of ADKM into the Malaysian construction sector. The completion of the scheme transformed UBG from a cash rich shell into a construction group with two (2) listed entities – Putrajaya Perdana Berhad and Loh & Loh Corporation Berhad – under its wing with the benefit of two (2) strong shareholders, namely Cahya Mata Sarawak Bhd and Majestic Masterpiece Sdn Bhd coming together. The deal reflects the growing interest of West Asian investors in Malaysia and is a vote of confidence in the Malaysian economy.

AmInvestment Group
AmInvestment Group Berhad
Privatisation of AmInvestment Group Berhad
RM2.4 billion
January 2008
Adviser

Adviser to AmInvestment Group Berhad ("AIGB") for the privatisation of AIGB by AMMB Holdings Berhad via a scheme of arrangement and capital reduction exercise. AIGB was valued at RM4.5 billion, representing 15.6% premium to AIGB's market value prior to announcement, 8.8% premium over five (5)-day volume weighted average price prior to announcement and 164.3% premium over the initial public offering price.

Eastern & Oriental Berhad
Scheme of Arrangement
RM608 million
July 2008
Adviser

Adviser to Eastern & Oriental Berhad ("E&O") involving a members' scheme of arrangement to streamline E&O and E&O Property Berhad ("E&O Property") into a single listed entity. Creative options, namely full share swap, fixed combination option and maximised cash option, were provided to the minority shareholders of E&O Property to serve their varied investment objectives.

YTL Corporation Berhad

Cross-Border Acquisitions

SGD264 million

December 2008

Adviser

Adviser to YTL Corporation Berhad ("YTL") on its cross-border acquisitions. YTL made inroads into Singapore's real estate sector with the acquisition of interests in Starhill Global Real Estate Investment Trust (formerly known as Macquarie Prime Real Estate Investment Trust) ("MP REIT") and Prime REIT Management Holdings Pte Ltd at a 49.0% discount to MP REIT's net asset value per unit, 17.0% premium over its 30-day volume weighted average price and premium of 52.0% over the last traded price prior to announcement. Apart from providing stable earnings and good upside potential to YTL, YTL would also be well placed to tap into Singapore's expanding real estate sector and promote the Starhill brand in the international market.

Permodalan Nasional Berhad

Privatisation of Malaysian Industrial Development Finance Berhad

RM1.48 billion

October 2007

Adviser

Adviser to Permodalan Nasional Berhad ("PNB") for the privatisation of Malaysian Industrial Development Finance Berhad, a financial institution, via a take-over offer. It formed part of the rationalisation exercise undertaken by PNB in re-engineering the listed entities under its stable. It was completed with one of the lowest price-to-net tangible assets ratio amongst listed banking institutions for the last five (5) years.

AMMB Holdings Berhad

Fund Raising

RM1.0 billion

January 2008

Adviser

Adviser to AMMB Holdings Berhad ("AHB") in relation to the rights issue undertaken by AMMB in conjunction with the privatisation of AIGB valued at RM4.5 billion. The privatisation was part of a restructuring exercise for AHB to migrate to a universal banking platform. The rights issue was the second largest rights issue undertaken in 2008.

AmInvestment Group

Zero Strike Call Warrants over Berkshire Hathaway Inc.

Zero Strike Call Warrants

RM100 million

April 2009

Issuer

Issuance by AmInvestment Bank Berhad of its first Zero Strike Call Warrants which complements its existing leveraged call warrants programme. The Berkshire Zero Strike offers local investors simple and affordable access to counters which may otherwise be expensive or difficult to access. Priced at RM1.00 each, it is the first such offering for investors in Asia.

Sealink International Berhad

IPO Market Capitalisation: RM625 million

July 2008

Adviser, Managing Underwriter & Placement Agent

Adviser, Managing Underwriter and Placement Agent to Sealink International Berhad ("Sealink") on its IPO. Sealink, a major integrated service provider in both shipbuilding and chartering services, was listed in July 2008. It was one of the biggest public offerings in 2008. The IPO had a price-to-earnings per share of 12.5 times and was oversubscribed amidst heightened uncertainty in the capital markets and unfavourable market conditions.

Going forward, we expect to remain a leading provider of corporate finance and advisory services by capitalising on our strength as an innovative advisory partner and track record of superior execution with distribution capabilities.

With the rapid evolvement of the capital markets and the requirements of our clients, we will continue to proactively monitor market trends and embrace opportunities to further enhance the development of the Malaysian capital markets and also fulfill our primary objective of providing outstanding client service.

Equity Capital Markets

The Equity Capital Markets unit oversees the Bank's distribution activities in the primary equity and equity-linked markets. It provides market intelligence support in the origination of primary market transactions and manages structuring, syndication, marketing and distribution. In addition, it also provides underwriting services for both IPOs and follow-on equity fund raising exercises and secondary placement.

A successful equity issuance/offering is a function of accurate pricing, effective distribution and market awareness of an issuer/company. We help our clients to achieve such success by leveraging our strengths in market intelligence, distribution network and frequent communication with the investment community. Our clients include corporates and individuals from Malaysia, Singapore and Indonesia that seek access to the regional equity capital markets.

Debt Capital Markets

The Bank's Debt Capital Markets team provides a wide range of innovative financing solutions via the Malaysian Debt Capital Markets and Islamic Capital Markets. With a proven track record in arranging Sukuk and Private Debt Securities ("PDS") for project financing, asset-backed securitisation and structured financing, the team has consistently placed the Bank as a front-runner in the Bloomberg and Rating Agency Malaysia ("RAM") league tables over the past 5 years.

The unfolding global financial crisis presented the Malaysian bond market with various challenges in 2008. Given rising credit concerns, the local bond market has seen total bond issuances being largely dominated by financial institutions and triple-A rated bonds. The total amount of PDS issued in 2008 stands at RM48.6 billion which is 11.0% less than the total PDS issued in 2007.

Notwithstanding the challenging market conditions in 2008 a, the Debt Capital Markets team completed 10 transactions in 2008, raising over RM6.0 billion PDS across a diversified portfolio of debt instruments and issuers catering to a wide spectrum of industry sectors including financial services, infrastructure and utilities and transportation.

Our landmark transactions issued in 2008 include the following:

- **Penerbangan Malaysia Berhad**
  Islamic Medium Term Notes Programme of up to RM2.2 billion in Nominal Value Guaranteed by the Federal Government of Malaysia. This transaction is the inaugural Ringgit issuance by the national airlines' aircraft lessor and represents the first Government Guaranteed issue of 2009.

- **Syarikat Prasarana Negara Berhad**
  RM2.0 billion issuance of Nominal Value Government-Guaranteed Sukuk Ijarah. This transaction, a winner of Alpha South East Asia's Best Islamic Financing Deal of the Year in Southeast Asia 2008, represents one of the largest sukuk issues in the Malaysian Debt Capital Markets in 2008 and serves to deepen the market for Government Guaranteed Islamic Securities.

- **Al-'Aqar Capital Sdn Bhd**
  Up to RM300.0 million Nominal Value Islamic Commercial Papers ("CP")/ Islamic Medium Term Notes ("MTN") Programme. Winner of numerous awards including the Islamic Finance News for the Real Estate Deal of the Year for 2008 and Most Innovative Deal by Euromoney Islamic Finance Awards 2008, this transaction sets the benchmark for future issues of Islamic securities by other REITs as well as spearheads the introduction of a new asset class in the Islamic Securities market in Malaysia.

- **Pinnacle Tower Sdn Bhd**
  Islamic Financing facilities comprising an Islamic Medium Term Notes Programme of up to RM400.0 million and Islamic Commercial Papers Programme of up to RM50.0 million. This AAOIFI-compliant transaction

employs an innovative Islamic structure based on the Shariah principles of Musyarakah with an underlying Ijarah transaction and supports the government's initiative to develop more internationally acceptable Islamic principles.

- **Cagamas Berhad**
  Issuances of RM2,035 million under the RM20.0 billion Islamic/Conventional Commercial Paper Programme and RM40.0 billion MTN Programme. This transaction, which included the issue of RM1.82 billion conventional MTNs and RM215.0 million Islamic MTNs represented the second largest issue made by this prolific issuer of bonds/ Islamic securities in 2008.

- **Sabah Development Bank Berhad**
  RM500.0 million Nominal Value CP Programme and RM1.0 billion Nominal Value MTN Programme with the aggregate outstanding CPs and/or MTNs not exceeding RM1.0 billion in Nominal Value. This transaction heralds the sole issue by a development financial institution in 2008 and represents one of the few issues by a Sabah issuer.

In the face of the global financial crisis and economic downturn, the outlook of the Debt Capital Markets business in 2009 remains stable, underscored by strong liquidity in the Malaysian financial system of over RM250 billion coupled with high national savings.

Total Ringgit debt of up to RM141 billion is expected in 2009, comprising RM91 billion Malaysian Government Securities ("MGS")/ Government Investment Issues ("GII") and up to RM50 billion PDS. With the proposed establishment of the Financial Guarantee Institution ("FGI") under the second Stimulus Plan, we expect issuances in 2009 to be dominated by FGI-backed bonds alongside triple-A rated bonds and government-guaranteed bonds.

Accolades And Awards Accorded In 2008

IFR Asia Awards 2008
Best Malaysia Capital Markets Deal – Binariang GSM Sdn Bhd

Alpha South East Asia Deal Awards 2008
Best Islamic Financing Deal of the Year – Syarikat Prasarana Negara

Asiamoney Awards 2008
Best Deal of the Year in Malaysia – Binariang GSM Sdn Bhd

Islamic Finance News Awards 2008
Real Estate Deal of the Year – Al-'Aqar Capital Sdn Bhd

Bloomberg
No. 3 on Bloomberg's Underwriter League Table 2008 for Malaysia Domestic Bonds – By Volume

Bloomberg
No. 2 on Bloomberg's Underwriter League Table 2008 for Malaysian Ringgit Islamic Bonds – By Volume

No. 2 on RAM Lead Managers' League Table 2008 – By Number of Issues

No. 2 on RAM Lead Managers' League Table 2008 for Sukuk Issues – By Number of Issues

No. 3 on RAM Lead Managers' League Table 2008 for Sukuk Issues – By Issue Value

Blueprint Awards 2009
New Real Estate Benchmark Deal – Al-'Aqar Capital Sdn Bhd

Islamic Capital Markets

The year 2008 had provided both opportunities and challenges to the Islamic capital markets sector. Global market turmoil, recession worries and widening credit spreads all made their presence felt in the domestic bond market and the sukuk market has not been spared from it. The local sukuk market had contracted more than 70.0% in 2008 in terms of actual and prospective issuance value, contrary to the initial view that the industry would remain largely insulated from the slump. Notwithstanding, going forward, despite the bearish view on the economy, the Bank is optimistic on the Islamic finance outlook given the strong support from the government to promote Malaysia as an international Islamic financial hub added by the overall projected spending under the budget and the financial stimulus package.

The Bank has always been in the league as a leading Islamic investment banking solutions provider in the local Islamic capital market scene. The team comprises dedicated and experienced professional personnel which provides internal Shariah advice to the Bank's strategic business units on consultative basis from time to time. In addition, the team strives to maintain the highest standards of Shariah-compliant procedures in our products and services offerings within the industry. Whilst the development of sukuk has slowed down in the overall market, there have been potential new business lines to be tapped from, such as, the Islamic private equity and trust funds.

After the launch of the Malaysia International Islamic Financial Centre ("MIFC") in August 2006, there have been many initiatives introduced to create a vibrant, innovative and competitive international Islamic financial services industry in Malaysia. In our effort to promote the MIFC, the Bank had during the financial year participated in several

Significant DCM Transactions Completed In 2008 – Q1 2009

Putrajaya Holdings Sdn Bhd		**Sukuk Musyarakah Medium Term Notes Programme of up to RM1,500.0 Million**	April 2009	Joint Principal Adviser/Joint Lead Arranger/Joint Lead Manager
Khazanah Nasional Berhad	**RM10.0 Billion**	**Multi-Currency Islamic Securities Programme through Danga Capital Berhad**	April 2009	Joint Principal Adviser/ Joint Lead Arranger
Penerbangan Malaysia Berhad	**RM2,200 Billion**	**Islamic Medium Term Notes Programme Guaranteed by the Government of Malaysia**	March 2009	Joint Principal Adviser and Joint Lead Arranger
Cagamas Berhad	**RM2,070.0 Million**	**Conventional and Islamic Medium Term Notes Issuance**	March 2009	Joint Lead Manager/ Joint Bookrunner
Pinnacle Tower Sdn Bhd		**RM400.0 Million Islamic Medium Term Notes Programme and RM50.0 Million Commercial Papers Programme**	March 2009	Joint Principal Adviser/ Joint Lead Arranger/ Joint Lead Manager
Khazanah Nasional Berhad	**RM2,000.0 Million**	**Placement under RM10.0 Billion Sukuk Musyarakah Facility**	August 2008	Joint Primary Subscriber
Cagamas Berhad	**RM2,035.0 Million**	**Conventional and Islamic Medium Term Notes Issuance**	October 2008	Joint Lead Manager/ Joint Bookrunner
Berjaya Infrastructure Sdn Bhd	**RM400.0 Million**	**Medium Term Notes Programme**	October 2008	Principal Adviser/Lead Arranger/ Lead Manager
Khazanah Nasional Berhad	**RM1,000.0 Million**	**Placement under RM10.0 Billion Sukuk Musyarakah Facility**	July 2008	Primary Subscriber
Syarikat Prasarana Negara Berhad	**RM2,000.0 Million**	**Government Guaranteed Sukuk Ijarah**	May 2008	Joint Principal Adviser/ Joint Lead Arranger/ Joint Lead Manager/Joint Bookrunner
Sabah Development Bank Berhad		**RM500.0 Million CP Programme and RM1,000.0 Million MTN Programme with aggregate outstanding CPs and/or MTNs not exceeding RM1,000.0 Million**	April 2008	Joint Principal Adviser/ Joint Lead Arranger/ Joint Lead Manager

MIFC roadshows together with the regulators (i.e. the Securities Commission, Bank Negara Malaysia and Malaysian Industrial Development Authority) and selected Islamic financial institutions to Perth, Sydney, Kuwait and Saudi Arabia.

The Bank is aided by both our internal Group Shariah Committee and our highly distinguished independent Shariah Advisers who are world-renowned Islamic scholars and are well versed in both local and global Shariah standards. The Bank continues to offer our existing and prospective clients a wide spectrum of innovative Shariah-compliant products that are closely aligned with their financing objectives.

For FY 2009, the Bank completed a total of 4 Islamic transactions comprising sukuk and syndicated deals which amounted to over RM4.8 billion in value. For the record, in FY 2009, the sukuk transactions applied various Shariah principles which include Musyarakah, Ijarah and Murabahah to satisfy local and for some, international acceptance. Despite the contraction in the sukuk market and the tougher economic conditions, we managed to place ourselves among the top three primary market leaders with a market share of 6.8%.

Some of the Bank's notable Islamic transactions during FY 2009 include the following:

- **Syarikat Prasarana Negara Bhd – RM2.0 billion Sukuk Ijarah Government Guaranteed**
  Joint Principal Adviser and Joint Lead Arranger for the above issuance. The Sukuk was oversubscribed by over 2.86 – 3.81 times on the 7-15 year tenure despite uncertainties and volatility in the local and international bond markets.

- **Pinnacle Tower Sdn Bhd – RM450.0 million Islamic Commercial Papers/ Islamic Medium Term Notes Programme**
  Joint Principal Adviser and Joint Lead Arranger for the above issuance. The deal has marked another innovation in the Islamic capital market as the structure has applied the Shariah principle of Musyarakah with an underlying Ijarah arrangement.

- **Penerbangan Malaysia Berhad – RM2.2 billion Murabahah Medium Term Notes Programme Government Guaranteed**
  Joint Principal Adviser and Joint Lead Arranger for the above Sukuk issuance. Being government guaranteed papers, this has been over subscribed by 4.25 times and priced at 49 basis points above the Malaysian Government Securities.

Outlook For The Islamic Capital Market
In the local front, we expect that the sukuk issuance will be well supported by the strong liquidity in the Malaysian financial system and also the impact from the government pump-priming activities. Malaysia has the liquidity and size of market to remain a significant player in the global sukuk market. In addition, global sukuk issuance for the next few years is expected to resume momentum once some semblance of normalcy returns to the global financial markets, fuelled by the massive investment and financing needs of the Gulf economies and emerging markets in Asian countries. In the short-term period, the impact of the global credit and liquidity crisis will still be seen although it might not be as severe as before.

Achievements – League Tables

RAM RATINGS
- No.3 on RAM Lead Managers' League Table 2008 (Islamic) – Issue Value
- No.2 on RAM Lead Managers' League Table 2008 (Islamic) – Number of Issues.

Bloomberg
- No.2 on Bloomberg's Underwriter League Table 2008 (Value of Malaysian Ringgit Islamic Bonds)

Achievements – Other Islamic Awards And Accolades

Alpha Southeast Asia
2nd Annual Deal Awards of Alpha South East Asia
– Best Islamic Financing Deal of the Year (Syarikat Prasarana Negara Berhad – RM2.0b Sukuk Ijarah Government Guaranteed)

ifrasia AWARDS 2008
IFR Asia Awards 2008
– Malaysia Capital Market Deal Award (Binariang GSM Sdn Bhd – RM15.35b Sukuk Musyarakah)

Islamic Finance news Awards Deals of the Year 2008
Islamic Finance News Deal Awards 2008
– Real Estate Deal of the Year (Al-'Aqar Capital – RM300m Sukuk Ijarah)

ASIAMONEY
Asiamoney Deals of the Year
– Country Deal of the Year- Malaysia (Binariang GSM Sdn Bhd – Sukuk Musyarakah)

Structured Finance
Structured Finance offers alternative and integrated fundraising solutions. Whilst our clients benefit from such comprehensive customised solutions which assist them in raising both equity and debt, they also get the opportunity to tap into our array of alternative funding sources – both in Malaysia and in the region. In a short span of less than three years, Structured Finance has successfully undertaken and coordinated the following strategic initiatives:

- Advising and arranging mezzanine funding for companies undertaking capital restructuring;
- Advising and arranging private equity and debt funding for companies undergoing business reorganisation and transformation;
- Advising and arranging private equity investments for property development in Malaysia and Asian region;
- Advising and arranging distressed retail and corporate loans disposal to special purpose funds; and
- Advising and arranging bank capital for full-fledged and quasi financial institutions.

Our team is expected to continue to assist our clients in enhancing and tapping their shareholder value – whether for purposes of spearheading growth, leapfrogging into the regions or salvaging restructured or distressed assets.

Equities Trading
The period under review saw the meltdown of the financial markets in the US, triggering the economic and financial crisis on a global scale.

Against this economic environment, the Kuala Lumpur Composite Index ("KLCI") dropped by 375 points or about 30.0% to end at 873 points as at 31 March 2009. Turnover on Bursa Malaysia declined sharply by about RM600 billion or 56.0% to RM470 billion for the period corresponding to our financial year ended 31 March 2009.

This resulted in the stockbroking industry players struggling to break even. Our market share of 8.2% was about the same as the previous financial year while pretax profit was reduced to RM18.7 million against RM80.2 million of the previous period.

In line with the Group's Medium Term Aspirations ("MTA"), continued efforts are being made to increase the revenue base and to manage operating costs without sacrificing the quality and level of our services.

We have improved our equity derivatives product range and also enabled our salespersons to cross-sell the wide range of financial products offered by the Group.

Continued investment in our research division will remain our top priority as we believe high quality research products and services will underpin the success of our business.

We have extended the reach of our services to our institutional and retail clients via electronic trading and this will be an increasing contribution to our business.

During the year, the Bank established stockbroking services at its branches in Penang, Kuching and Johor Bahru and this will ensure better geographical coverage and services to our clients.

All the above initiatives have strengthened the core of the equities division and will place us on a strong position to face the challenging times ahead.

With the lower interest rates and economic stimulus packages introduced by the Malaysian government and many other countries throughout the world, there are signs of a possible economic recovery in 2010 and this would be positive for the equities trading division in the coming financial year.

Futures Broking

The Kuala Lumpur Composite Index ("FKLI") spot month contract decreased in total volume traded between 2007 and 2008 (2.2 million vs 2.1 million). The FKLI was at the peak of a strong bull-run last year when the highest price registered was 1,536.0 before tumbling down to as low as 803.5 when the global financial crisis started to bite towards the later part of the year.

Crude Palm Oil Futures third month contract ("FCPO") on the other hand saw a 12.5% increase in volume to 1.8 million contracts traded in 2008. The CPO commodity was tracking the crude oil prices that spiraled to more than USD140 per barrel before tumbling down below USD40 later in the year, which was the reason the volatility for 2008 was higher than the previous year.

On 5 September 2008, Bursa Malaysia launched the USD Crude Palm Oil Futures contract but the cash settled instrument failed mainly due to lack of liquidity. Market makers were non-existent and underlying participants shunned away from a contract with a large bid/offer spread.

Out of the 19 registered futures brokers with Bursa Malaysia, AmFutures was ranked second and seventh for FKLI and FCPO respectively; we recorded a market share of 16.0% for FKLI and 5.0% for FCPO. In December, we were the first broker to launch Direct Market Access ("DMA") to our retail clients for Bursa Malaysia products and we will continue to strive by offering Specified Foreign Futures Exchanges products by the third quarter of 2009. Eventually, when Bursa launches Equity DMA, we will combine the platforms and offer clients one login to multiple global product groups.

Equity Derivatives

AmInvestment Bank aims to be at the forefront of the equity derivatives market in Malaysia. Our equity derivatives desk develops and issues instruments such as warrants, structured products, exchange-traded funds, and over-the-counter options in order to provide investors with a broader range of investment instruments.

We launched our zero strike call warrants programme in March 2009 with the successful offering of RM100 million Berkshire Zero Strikes ("Berkshire ZS"). The Berkshire ZS, priced at RM1 each, gives investors simple and affordable access to the performance of Berkshire Hathaway Inc. shares. We are also proud to be advisers and market-makers for Malaysia's first two exchange traded funds ("ETFs"), the ABF2 and the FBM30etf. Additionally, we focus on client solutions, customising equity-structured products to meet specific objectives of clients for enhanced income, and financing or principal protection.

In addition, our work on hybrid securities enables the Bank to meet the increasingly complex funding requirements of corporations. Noteworthy deals in 2008 include our roles as Joint Lead Manager for Khazanah's USD550 million Paka Capital Exchangeable Sukuk and Senior Co-Lead Manager for IOI's USD600 million Exchangeable Bonds.

We are committed to increasing market awareness through investor education and market liquidity by establishing our market making franchise for listed and over-the-counter ("OTC") products.

Funds Management

The Funds Management Division ("FMD") offers funds management services on domestic and regional equities, bonds and global sukuks. Our business philosophy is to be the preferred investment solutions provider for our retail and institutional clients.

The division is made up of three entities; AmInvestment Services Bhd, AmInvestment Management Sdn Bhd and our latest endeavour, AmIslamic Funds Management Sdn. Bhd.

We formalised two decades of in-house Islamic funds management expertise into this new institution in order to focus and develop the business further across Asia and beyond. One notable effort during the year the launch of Malaysia's first master/feeder fund structure (AmNamaa Asia Pacific Equity Growth based in USD and its feeder called Namaa Asia Pacific Equity Growth based in Ringgit) under the purview of Malaysian Islamic Finance Centre ("MIFC").

Over the years, FMD has been recognised as the premier Malaysian Bond Funds Management House and we have received numerous accolades as testament. We won for the second time, the Best Bond Group at the Edge-Lipper Funds Award 2009 (for the period ended 31 December 2008). In the same ceremony, AmDynamic Bond won Best Bond Malaysian Ringgit fund: 3-Year category for the fourth consecutive year and the 5-Year category. AmBon Islam took the Best Bond Malaysian Ringgit Islamic Fund: 3-Year category twice in a row. Failaka Islamic Fund Awards acknowledged AmBon Islam as the best performing Malaysia Islamic Bond Fund (3-Years) recently.

During the 12 months to 31 December 2008, which was an extremely challenging period for financial markets worldwide, four of our flagship funds were among the top ten unit trust funds in the industry. Topping that list was our AmDual Opportunities-Capital Protected, which recorded a one-year performance of 16.0%. The other three funds in the list were our bond exchange-traded-fund, ABF Malaysia Bond Index Fund which recorded a one year growth of 7.70%, followed by AmDynamic Bond of 6.44% and AmBond of 4.29%.

We are a leading private asset manager with RM16 billion assets under management as at 31 March 2009; contributed equally from both retail and institutional clients. We are ranked the second largest unit trust fund manager with a market share of 12.0%. We are among the top three asset managers for institutional investors with a market share of 13.0%.

We launched eight unit trust funds for the year. We have introduced investment products in line with investors' needs in view of current adverse market conditions. Almost all assets classes are adversely affected under current market conditions. We offer funds which would effectively protect investors' capital and at the same time provide better than fixed deposit returns. We also continued to focus on longer tenure capital-protected funds with options linked to underlying market conditions/trend and consistent in-flows from Treasury Solution Facility funds. FMD manages a total of 45 unit trust funds and numerous discretionary mandates currently.

Private Banking

Euromoney Private Banking Survey 2008
– Best Local Private Bank in Malaysia

AmPrivate Banking offers a diversified range of products and services (both local and foreign) to its high net worth clients.

Our investment services include:
- Cash management solutions
- Direct investments (advisory)
- Managed investments (discretionary portfolio)
- Wealth protection and advisory (estate planning)
- Financing

During the year, assets under management grew to RM3.3 billion, our fifth year of consecutive growth. Profitability growth slowed due to a migration towards lower volatility products. However, we still managed to grow our income by 19.0% during the financial year.

Our dedicated team of private client managers work hand in hand with the clients to meet their investment objectives and attitude towards risks. The clients have a choice of either managing the investment portfolio on their own (on an advisory basis) or leaving the investment making decisions to our fund managers (discretionary mandate). Whichever option is selected, the clients will be made aware of the varied methods of managing and safeguarding their assets with the primary aim of optimising the returns.

AmPrivate Banking's advisory model gives investors access to some of the most advanced and highly regarded names in money management. Our open architecture partnership model encompasses the skills of world-class specialist investment managers. We have carefully selected these managers for their unique investment philosophy and proprietary investment process so as to benefit our clients.

AmPrivate Banking has added Miri in Sarawak to its stable of branches which are currently located in Penang, Johor Bahru, Kuching and Kota Kinabalu.

RELATIONSHIP BANKING AND REGIONAL BUSINESS

Relationship Banking is a new division which focuses on deepening and expanding corporate and institutional banking relationships with the Group's corporate clients, as well as offering of a wider spectrum of the Group's commercial banking and investment banking products.

Relationship Banking provides clients with high quality comprehensive financial solutions, which include but are not limited to lending, debt and equity capital markets, trade and cash management, foreign exchange and derivatives, offshore market solutions, as well as advisory and investment products.

The division is staffed with various teams with diversified experience, concentrating on niche client groups and specific sectors. The division is further supported by Regional Business Centres ("RBCs") in Penang, Johor, Kota Kinabalu, Kuching and Labuan to ensure that the Group has a footprint across Malaysia.

This division focuses primarily on building and developing strong relationships with government-linked corporations ("GLC"), government and state-owned entities, foreign multi-national companies, financial institutional groups, conglomerates and large corporates which require a wide range of banking and capital market solutions. The division works closely with other divisions within the Group to structure value-added financial solutions for the Group's clients. With the increase in the coverage of banking solutions by this division, the Relationship Banking teams are able to increase coverage of clients in various sectors. In addition, by marketing various products and services that the Group offers, this division also plays a pivotal role in cross-selling the products and services of the Group.

Going forward, the broad strategies of the division will be to diversify and differentiate, in line with the Group's strategic objectives. In addition, the division has well-documented asset writing strategies to provide it with clear direction during the current financial market conditions as well as to manage the Group's risk appetite.

Offshore Banking

Pursuant to the Group's internal restructuring to streamline its financial services business, AmBank (M) Bhd, Labuan Offshore Branch ("AmBank-LOB") was set up to assume the business of AmInvestment Bank, Labuan Offshore Branch ("AmInvestment-LOB"). As a result, the Group's offshore banking operations in the Labuan International Business and Financial Centre comprises AmBank-LOB, AmInvestment-LOB and AmInternational (L) Ltd ("AMIL"). The internal restructuring also resulted in the transfer of ownership of AMIL from AmInvestment Bank Bhd to AmBank (M) Bhd.

As in previous years, we focused on providing foreign currency financing solutions to Malaysian corporations venturing abroad. These included financing for cross-border acquisitions in Singapore and joint venture projects in India, China and Indonesia. We also provided financing to Malaysian corporations in the oil and gas industry as well as the plantation sector. Despite tight liquidity in the USD market we managed to book USD150m in new credit facilities during the year, representing a net loan increase of 106.0%. At the same time, our non-performing loans declined to zero.

AmFraser Securities Pte Ltd, Singapore

In a year of significant business challenges, AmFraser Securities Pte Ltd ("AmFraser") continued to expand its business initiatives in Singapore and developed growth opportunities in regional markets. The traditional stockbroking sales force expanded during the year with the strengthening of retail equity broking services complemented by strong advances in its enhanced Internet trading portal www.amfraser.com.sg. It specialises in online equities trading in Singapore, Malaysia and the United States stock markets. In the year ahead, AmFraser targets improvements in business technology, processes and its stable backroom support team, positions it well to take advantage of new and developing business conditions.

Close rapport with AmInvestment Bank (Malaysia) continues to benefit the drive for larger market participation in corporate finance, equity capital markets and wealth management activities. The institutional research unit collaborated well with AmResearch (Malaysia) in the dissemination of research publications of both markets to institutional and retail clients, and provided strong support for the Institutional Sales unit.

AmFraser aims to build on last year's structural improvements within the organisation and to make further inroads into priority clients' business on both sides of the causeway and in the regional marketplace.

PT AmCapital Indonesia

PT AmCapital Indonesia ("AmCI") is a fully licensed investment bank and has been in operation in Indonesia since 1995. AmCI provides a full range of investment banking services including fixed income, asset management and research besides its core business of equity sales and trading.

AmCI's in-depth knowledge and experience of the Indonesian market served as a platform for Malaysian and foreign investors to participate in the ever growing Indonesian capital market. The Asset Management unit has been aggressively working closely with AmInvestment Bank (Malaysia) to line up several suitable products to be launched and introduced into the Indonesian market. The unit implemented a new IT system to support future activities as well as recruiting experienced and capable staff in every area including operations, compliance, investment and marketing.

Our turnover on equity broking business for the financial year ended 31 March 2009 has reached IDR 15.4 trillion, equivalent to a market share of 0.92% of the entire Jakarta Stock Exchange's turnover. We are ranked number 32 out of a total of 119 active stockbrokers.

Our Fixed Income unit is supported by experienced dealers specialising in government and corporate bonds trading. Our main clients are banks, pension funds, and asset management companies. AmCI ranked top 10 in government bond trading among the securities firms in Indonesia.

The recent global financial crisis has resulted in negative investment sentiment and dwindling equity market volume. Nevertheless, AmCI will continue to focus on exploring new products and investment ideas and serving local and foreign investors better.

AmCapital (B) Sdn Bhd

AmInvestment Bank Group's latest regional office, AmCapital (B) Sdn Bhd, was officially opened on 11 May 2009. It will tap into the vast potential of both the Brunei market as well as regional players in meeting a rapidly growing interest in funds management, Islamic finance, and corporate advisory, with access to the vast resources, expertise, and award-winning experience of AmInvestment Bank Group.

Am ARA REIT Managers Sdn Bhd

Am ARA REIT Managers Sdn Bhd ("Am ARA"), the Manager of AmFIRST Real Estate Investment Trust ("AmFIRST") has completed a revaluation exercise of its six investment properties namely Bangunan AmBank Group, Menara AmBank, AmBank Group Leadership Centre, Menara Merais, Kelana Brem Tower and The Summit Subang USJ during the financial year ended 31 March 2009.

Following the revaluation, AmFIRST's assets under management ("AUM") has increased from RM837 million previously to RM980 million, representing a rise of 17 per cent. The revaluation of five of AmFIRST's investment properties was to ascertain the current market values of AmFIRST's AUM and to comply with Clause 10.03 of the Securities Commission's REIT Guidelines. The revaluation on The Summit Subang USJ, meanwhile, was in line with the Financial Reporting Standard 140.

During the year under review, AmFIRST has undertaken various enhancement and upgrading works on all of its properties to attract quality tenants, earn better rental and retain high occupancy rates, especially for its three top properties namely Bangunan AmBank Group, Menara AmBank and AmBank Group Leadership Centre, which are located within the Kuala Lumpur Golden Triangle. AmFIRST's three office buildings in the Golden Triangle area currently achieved occupancy rates in excess of 90 per cent.

Listed on 21 December 2006, AmFIRST which is managed by Am ARA, is currently one of the larger commercial space REITs in Malaysia with 2.3 million sq ft (inclusive of The Summit Hotel) of net lettable area. It aims to diversify its property portfolio through investment in income-producing real estate, which is primarily used for commercial, retail and/or office purposes.

Am ARA was incorporated in Malaysia on 20 April 2006 and is wholly-owned by Am ARA REIT Holdings Sdn Bhd. Am ARA REIT Holdings is 70.0% owned by AmInvestment Group Berhad ("AIGB") and 30.0% owned by ARA Asset Management (Malaysia) Limited. AIGB is a wholly-owned subsidiary of AMMB Holdings Berhad while ARA Asset Management (Malaysia) Limited is a wholly owned subsidiary of Singapore-based ARA Asset Management Limited, an affiliate of the Cheung Kong Group of Hong Kong.

Private Equity

Malaysian Ventures Management Incorporated Sdn Bhd ("MVMI"), a wholly-owned subsidiary of AmInvestment Group Berhad, is the private equity division of AmInvestment Group. MVMI is the first venture capital/private equity fund in Malaysia and was set up in 1984.

MVMI currently manages a RM100 million country fund called AmPrivate Equity, our third private equity fund. MVMI has invested RM34.1 million on behalf of AmPrivate Equity. The investments are in the logistics sector, energy services sector and resource-based sector. These are sectors which will and are expected to enjoy and sustain healthy growth rates in the medium term.

MVMI will continue to seek out and invest in well-managed investee companies that run sustainable businesses and are capable of yielding good returns to investors of AmPrivate Equity. MVMI makes equity investments in the following sectors: logistics services, energy services, environmental services, business services, financial services, resource-based manufacturing, value-added manufacturing in key growth industries and promising IT companies with proven track record.

Our joint venture with the Konzen Group was formalised on 28 July 2008 with the incorporation of AmKonzen Water Investments Management Pte Ltd in Singapore ("AmKonzen"). AmKonzen will manage a proposed USD320 million water-focused sector fund. The fund, to be called the Asia Water Fund, will invest in water assets in the region's booming water sector, primarily in China and including South East Asia. The fund aims to become a key platform for the financing of Asian water infrastructure out of Singapore and create assets for investors who are keen to invest in the Asian water sector. The fund's objective is to provide strong, predictable and sustainable return to investors. Investments will include new and existing water plants, as well as companies with innovative and proven water technologies. As part of our growth strategy, MVMI intends to set up additional sector-focused funds and regional funds that will provide acquisition and growth capital for South East Asian companies that wish to expand regionally.

Our Asia Water Fund as well as the proposed sector and regional funds will provide MVMI a regional platform to grow its private equity funds management business into a sustainable franchise with tangible brand value to shareholders and investors.

Trustee Services

AmTrustee Berhad was incorporated on 28 July 1987 and is registered as a trust company under the Trust Companies Act, 1949. The Trustee commenced operations in March 1992 and offers "Innovative and Affordable Trustee Services". It provides comprehensive conventional and Islamic corporate and private trust services.

The services offered include roles as trustee for retirement funds, unit trust funds, REITs and debentures, stakeholders, custodial services, will-writing and the setting up of trust accounts for individuals, family members and institutions.

MARKETS BUSINESS (Group Treasury, Fixed Income Trading And Treasury Derivatives)

Following the strategic investment by Australia and New Zealand Banking Group Limited ("ANZ") in AMMB Holdings Bhd ("AHB" or the "AmBank Group"), together with our wholly-owned commercial banking arm, AmBank (M) Bhd ("AmBank"), we have on 28 August 2008 entered into a Technical Services Agreement ("TSA") with ANZ to accelerate the expansion and development of the foreign exchange, interest rate and commodities derivatives business of the AmBank Group.

The TSA represents another significant milestone in the roll out of the strategic initiatives which will contribute considerable value-add as part of AmBank Group's strategic partnership to develop a sustainable and viable business for foreign and local customers of AmBank Group and its subsidiary companies. This will be through leveraging ANZ's technical skills, processes and know-how in areas relating to sales and trading, risk, product development and systems. This is expected to fast-track the exponential growth of the AmBank Group's market share in the expanding market for foreign exchange, interest rate and commodities derivatives products.

To reflect the changes that are taking place, the division's present conventional reference i.e. Group Treasury consisting of conventional and Islamic banking will be renamed Markets Business. This will thus represent the merger of our existing treasury activities together with our collaborative partnership business in forex and derivatives.

In the midst of current extreme rate volatility, liquidity and credit markets concerns, it has undoubtedly been a challenging operating environment. As crude oil prices rose sharply, sparking inflationary fears, pressure was exerted on trading in both government and corporate bonds. It is crucial to ensure a sustainable strong volume growth, and maintain a liquid balance sheet and strong asset quality which is of paramount importance in the intensely competitive and uncertain marketplace.

In tandem with the rapidly growing Islamic banking markets, the Islamic Treasury unit too played its role in managing the investment needs of our clients.

ISLAMIC BANKING

For FY 2009, AmIslamic Bank Berhad ("AmIslamic") has once again continued to build on the strong growth achieved in the previous two financial years. In an increasingly competitive environment, its pre-tax profit rose to RM213 million while total assets expanded to RM14 billion as at end-March 2009. Total financing was reported at RM11 billion, which accounted for 69.6% of total assets due to the continued demand for financing in the Retail and Business Banking segments.

Product And Business Development

As part of the initiatives to further expand our comprehensive range of products, the following programmes were rolled out:

- In November 2007 – Fully Secured Financing Cashline-i was introduced for individuals against General Investment Account-i ("GIA-i") available at all branches and regional offices.

- For the second year, AmIslamic Personal Financing-i "Win-a-Car Contest" was rolled out, in June 2008.

- In July 2008, a partnership with Takaful Ikhlas Sdn Bhd and the FWU Group (a German-based international finance services company) was forged, to market a Takaful and investment-linked product under the AmIslamic brand, named AmHigh Takaful Investment-Linked Plan.

- Active Commodities Islamic Negotiable Instrument of Deposit ("NID-i") was launched in August 2008.

- AmIslamic True Card-i, a "no frills" card was launched, in November 2008.

- In January 2009, Family First Islamic Solution, an all-in-one Shariah-compliant financial solution for families was introduced.

- A variable rate home financing facility called Flexi Home Financing-i was introduced in February 2009.

Strategic Partnership Between AmBank Group And Australia And New Zealand Banking Group ("ANZ")

- Opportunities to leverage on the international expertise, best practices and capabilities of ANZ.

- AmIslamic Bank mapped out goals and aligned them to the Group's Medium Term Aspirations ("MTA").

AmIslamic Branding For The Group

In conjunction with the International Currency Business Unit ("ICBU") license granted by Bank Negara Malaysia ("BNM") to AmIslamic, the Group is now adopting the brand name of "AmIslamic" in order to create and build a brand that is relevant and preferred for Islamic banking and finance both locally and globally. "AmIslamic" shall be known as the promoting brand for all the Group's Islamic products and services such as retail banking, business banking, investment banking, funds management and ICBU products.

The ICBU Initiatives

The AmIslamic ICBU is now fully operational under the wings of the Group's investment banking ICBU. Both AmIslamic and the Group's ICBUs are now operating foreign currency denominated businesses since July 2007.

Marketing And Promotions

Representing the Group, AmIslamic participated in Bank of Zambia Islamic Banking Conference, held in Zambia (on 20-21 October 2008), as well as IAS – AEI (Islamic Area Studies – Asia Europe Institute) International Conference on Islamic Area Studies, held at Nikko Hotel, Kuala Lumpur on 22-24 November 2008.

Strategic Focus And Initiatives For FY 2010

The strategic initiatives that will be rolled out in FY 2010 include:

- Expanding the ICBU business by leveraging on ANZ for international exposure/market accessibility.

- Opening more AmIslamic Bank branches where viable.

- Finalising the development of the equity business model/structure based on the Musharakah concept.

- On-going product development, business tie-ups and dealings.

- Strengthening of AmIslamic corporate branding.

INSURANCE

Effective 1 December 2008, AmAssurance (previously known as AmAssurance Berhad) has split into two specialist companies, following the acquisition of a 30.0% stake in AmLife Insurance Berhad ("AmLife") by a UK-listed life and pensions company known as Friends Provident plc ("FP") and a 49.0% stake in AmG Insurance Berhad ("AmG") by Insurance Australia Group Limited ("IAG"), a general insurance group with operations in Australia, New Zealand, the United Kingdom and Asia.

For the financial year ended 31 March 2009, AmAssurance achieved total premiums of RM546.1 million or 30.0% growth for life insurance and RM585.8 million or 7.4% increase for general insurance despite the tough conditions of the economic slowdown. The astonishing growth under AmLife was contributed by our agency and bancassurance channels which registered commendable growth of 27.0% or RM61 million and 65.0% or RM65 million respectively.

AmLife Insurance Berhad

Financial Performance

AmLife secured its strong double-digit growth of 23.0% in new business premium to RM109 million compared to the previous year. For the financial year under review, AmLife's total life policyholders' fund (inclusive of investment-linked funds) achieved a commendable growth of 19.0% to RM1.8 billion.

During the year, AmLife's asset size grew to RM2 million, an increase of 20.0% compared to the previous year. For FY 2009, a pre-tax profit of RM214 million was recorded, registering a growth of 5.0%.

Tactical Initiatives
With a series of marketing strategies and product launches, AmLife moved up two ranks and ranked eighth in market share for the industry this year:

- Launch of AmAsia Star in May 2008, a 100.0% secured capital guaranteed fund with up to 125.0% insurance protection that rode on the upside potential gains from Asia's property, equity and currencies growing trend;
- Launch of our first women's product in May 2008 – AmBeautiful that rewards policyholders during good and bad times throughout their different stages in life;
- AmPreferred Medicare, launched in July 2008 to provide comprehensive coverage towards hospitalisation and surgical needs; and
- Launch of AmLifestyle and AmMedicare Plus in October 2008 – AmLifestyle is a flexible plan that allows customers to have more control on their plan based on changes in lifestyle needs over time; while AmMedicare Plus is an individual hospital and surgical rider attachable to any available investment-linked plans.

AmG Insurance Berhad

Financial Performance
For the financial year ended 31 March 2009, AmG registered a 10.0% growth in net earned premiums to RM492.6 million and RM27.6 million in net profit.

As at 31 December 2008, AmG ranked the fifth in Malaysia with a market share of 5.3% and maintained its position as the second largest motor insurance underwriter in the country.

Tactical Initiatives
Some of the notable initiatives for the AmG businesses throughout the financial year include:

- Launch of AmBeauty in May 2008, a comprehensive protection plan that protects 'women on the go' as well as their babysitter or maid; and
- A new anti vehicle theft solution, AmAct was launched on 8 September 2008 in partnership with B'Smart Technology Sdn Bhd and Proton Edar Dealer Association ("PEDA").

Customer Proximity
To become the top insurer preferred for service, AmAssurance aims to ensure that all its customers and business partners can easily transact business with its personnel on a daily basis.

To this end, AmAssurance launched its own internal call centre on 8 August 2008 to provide instant services to its customers on a wide range of requests. On top of that, various contact channels such as AmAlert SMS, website, fax and email systems were also set up to ensure that AmAssurance is accessible to its customers.

Corporate Social Responsibility
Apart from achieving solid financial performance, the corporate social responsibility ("CSR") framework constitutes an inherent part of AmAssurance's DNA. We broadened the scope of involvement in our nationwide road safety CSR campaign "Drive Safely. We Care" to all fellow road users. In 2008, AmAssurance collaborated with the Ministry of Transport to feature emergency help line numbers and AmAssurance contact points printed at the back of 10 million road tax display stickers.

In September 2008, "Drive Safely. We Care" was held for the second year running at the three most popular Rest and Relax ("R&R") spots along PLUS highway, namely Tapah, Gurun, Pagoh and also Berjaya Times Square shopping mall in Kuala Lumpur to remind the public at large on the importance of road safety. An array of exciting activities plus Red Bull energy drinks and car fragrance goody bags were given out to energise all visiting drivers and passengers alike at the R&R; road users experienced activities that touched the five senses of *sight*, *touch*, *hearing*, *taste* and *smell*.

Gaining Global Acclaim
With strong brand presence in the industry, AmAssurance was honoured with two significant awards in 2008, namely the Asia Pacific Outstanding Entrepreneurship Awards 2008 by Enterprise Asia, an independent organisation for entrepreneurship for our continuous business growth, best practices, investment in people as well as publicity efforts; and the Superior Company Category, Best Business of the Year Awards 2007 from Deputy Minister of Housing and Local Government, YB Datuk Robert Lau Hoi Chew on 13 October 2008.

Another noteworthy achievement was our success in being nominated for the Corporate Social Responsibility Awards 2008 by Asian Insurance Review.

Looking Ahead
Despite the potential challenges in the year ahead, we are hopeful that the new cabinet line-up will be rolling out more strategic plans to boost the country's economic conditions and improve consumer sentiments, which will transform into growth opportunities in the overall market.

Nonetheless, with the commencement of the strategic partnership with FP and IAG, we are optimistic that FY 2010 will continue to yield reasonable growth in new business premiums for both AmLife and AmG. In the coming financial year, AmAssurance will compositely focus on expanding its agency force to 6,000-strong and leverage on technological advancements to drive the company towards a paperless working environment whilst maximising productivity.

GROUP
Information Services

The AmBank Group ("the Group") remains committed to driving efficiency and effectiveness with continued emphasis on capitalising and optimising technology in line with the Group's business focus and strategies.

Moving forward, Group Information Services ("Group IS") will continue to align its objectives with the Group's business strategies specifically in three key areas, which include enhancing risk management capabilities, breaking into new markets; and heightening business revenue growth.

Risk management remains a key focus area. The Group continues to emphasise heavily on building robust risk recognition capabilities to enhance risk measurement and processes which in turn improves capital preservation and NPL management; this is in addition to lowering trading volatilities through deploying resilient technology to enable these initiatives.

To support diversification, accessing new market segments is crucial for additional streams of revenue generation. Group IS will continue to work with the business units to enhance business intelligence that enables analysis and interpretation of data for more effective cross- and up-selling, faster and efficient ways to market new products and services, as well as fostering better customer relationship management processes.

To support continued revenue growth, emphasis is given to improvements in the overall IT infrastructure to provide comprehensive service delivery capabilities. The objective is to ensure core systems and delivery channels are able to support these business areas to deliver the desired functionalities, value-added services and high availability.

Group IS will also continue to invest in security management to enhance security integrity and to comply with security guidelines and international policies. Infrastructure optimisation is also an objective to ensure that the Group's technology infrastructure such as servers, PCs/laptops, printers and other IT peripherals are kept current to deliver optimum utilisation for operational deliverables in line with cost effective solutions.

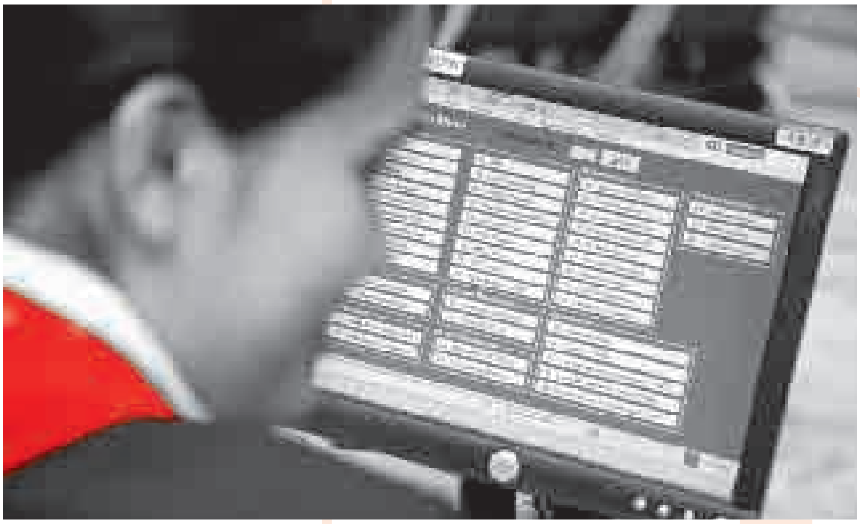
In terms of departmental strategy, Group IS continues to adopt best practices in the areas of technology management with implementation of IT service management practices, proactive application life cycle management, together with the adoption of ISO standards through comprehensive IT Governance. With this, Group IS will be in a better position to deliver effective IT values and solutioning to the business.

Retail And Business Banking

In line with the Group's Medium Term Aspirations ("MTA"), emphasis is given to upgrading the core application system and to build a solid technology foundation to facilitate the creation of new businesses as well as to address future business needs.

Customer relationship management capability is also a key component in meeting the needs of the mass market which includes individuals and families, small businesses and emerging affluent segments. This will be carried out through investments in enhancements to the wealth management and financial services delivery applications.

Focus will also be given to cultivate trade and SME businesses with the intention to further improve cash management services and to leverage on FX and remittance.



Investment Banking, Markets Business, Relationship Banking And Regional Business

Key initiatives for Investment Banking are the implementation of the Private Banking System which provides solutions to encourage clients to take up financial advisory services; and an application to provide markets performance analytics for progressive risk and performance management. For Markets Business, this year's concentration is to enhance derivatives capabilities through the implementation of Treasury and Equity Derivatives systems which enable complete operational control, seamless processing for all deal structures and a robust system for business growth.

Islamic Banking

The Group's Islamic banking is constantly looking for opportunities for potential growth. The focus is to further streamline its process through further enhancement of its back-end systems to rollout innovative Islamic products.

Insurance

AmLife has initiated technology investment in the life insurance core system to support aggressive growth. AmG technology investment is focused on technical consolidation, to achieve greater efficiency and economies of scale for an optimal operating environment. Pipeline investments include establishing a system to roll out Islamic Takaful insurance.

HUMAN
Capital Agenda

We continue to focus on implementing people–intensive strategies during the year recognising that actions in managing our human resources are critical to be aligned with the competitive demands of the business and specifically supporting the Group's Medium Term Aspirations ("MTA"). Central to this is the need to provide distinctly superior customer service; develop new capabilities and employee commitment; pursue innovation and creative initiative and manage change through teamwork and cooperation. During the year such requirements needed to be delivered under an equally challenging environment of continuing to have the right type of people and numbers. This is crucial to support the (meet) changing operating environment (while) while achieving and sustaining cost competitiveness and support operating structures which have been realigned. Appropriate development programs and specific initiatives were also introduced to support employee motivation.

Managing Change

Managing change: In the context of the agenda of continued business transformation within the Group, changes have occurred to transform business practices. The human resource implications of these strategies required changes in staffing needs and changing the way staff are managed. With these changes, emphasis was on recruiting needed talent (both in numbers and in changing skills required) and in the replacement of mismatching needs and retraining where necessary. From the business front the year saw demands made from the Markets business which required new skill sets to be brought into the organisation as the business developed during the year. The Retail business saw additional opening of ten new branches and the restructuring of the branches sales force.

Emphasis was also made on resourcing for the operational functions especially in Risk Management in areas of Market Risk, Credit Risk and Operational Risk and targeted recruitment continued as the Group benefited from the centralisation of such resources. With the new concept of Group Support, new positions were created within the Finance Organisation to cater for business decision partnering and support positions; while Human Resources and Information Services saw additional technical specialist entry to support new initiatives being introduced. Project Management skills continued to be a key focus as investment and prioritisation of projects was a key area of emphasis within the Group. While external sourcing continued, we capitalised on our partnership with ANZ as a source of skill building and resourcing especially where new skill areas are introduced within the AmBank Group. Training and Development continues to be part of the skill and knowledge building framework with continued emphasis on the technical training either through certifications and on the job training besides the classroom training and development programs to support mainstream and the talent management infrastructure.

Performance Framework

To improve focus and alignment of the business performance, performance reviews were aligned to the Line of Business ("LOB") framework instead of an entity concept. It translated the core business and functional structures and the operating mode within the Group and allowed for specific emphasis of key deliverables by the sponsors of each business owner. This aligns with our aspiration to be a high performing organisation emphasising Group alignment as part of the key deliverables. This supports one of the key concepts of managing and maximising Group synergy within the area of performance. The framework is an integral part of the process to achieve the Group's objectives and will continue to be reviewed to ensure that it fulfils a key feature of driving performance within the Group.

With a strong performance platform the objective is to create the following:

- Improve managerial planning and coordination by providing a framework for performance expectations and standards.
- Improve performance and communication. The emphasis is on having a mutual understanding of the job requirements and promoting on-going feedback on performance.
- Motivate performance and promote coaching by providing a framework for observing and coaching performance. Coaching emphasis would be to recognise success and/or provide constructive feedback.
- Provide professional growth and development with the aim of promoting career development. The focus was to align career development with the needs of AmBank Group.
- Provide fair and consistent treatment to all employees. This is to ensure that there is an objective and unbiased basis for evaluating performance.

By emphasising the above objectives, we want to not only create an understanding of the importance of performance management within the Group, but to inculcate a critical understanding amongst our employees of the relationship and link between expectations and results. Continuous communication to ensure that the HR initiatives that support the objectives are fully met will still be a major thrust.

The concept of force ranking employees was also introduced during the year to complement the performance management system. The objectives were as follows:

- To maximise managers' ability to differentiate between levels of performance and use the full range of the performance scale;
- To ensure managers make informed judgment calls about the relative performance of their staff vis-à-vis the reference group and ensure that we can articulate what success is about within the organisation; and
- To make explicit links between reward and contribution i.e. ensuring high contributors receive differentiated rewards.

Reward And Recognition

During the year we implemented the Employee Share Option ("ESS") Scheme to support and reward employees for their significant contribution to the success and growth of the Group and to encourage longer term value creation. The first award was a Short-Term Incentive ("STI") Award which comprised a Scheme Share which was offered to selected employees in recognition of their outstanding performance and contribution to the growth of Group. The second award was a Long Term Incentive ("LTI") Award which comprised an Option and Scheme Shares. The LTI award gives our selected employees the opportunity to share in the success of the Group. The aim of these "term" incentives was two-fold i.e. rewarding good performance as well as employee retention. Within the Retail Banking incentive schemes were introduced at the branches and specific businesses to drive sales growth.

Talent And Succession Management

Building the talent pipeline and retaining our talent through the Talent & Succession Management ("TSM") initiative continues to be a key focus. The TSM supports our need to achieve the Human Capital objectives of attracting, developing, motivating and retaining the best performing and talented employees. We continue to have a higher level of ownership and accountability by all stakeholders. We have identified key critical positions and the process of ensuring that the most qualified and capable people continue to be identified to fill such critical positions now and for the future is recognised as a part of ensuring that all the key HR initiatives and processes embed "talent" as part of the value chain. Building the bench strength in both technical and managerial areas will continue to be a key strategic thrust.

Human Capital will remain in the forefront of managements' agenda as we seek ways to manage our people more effectively to gain competitive advantage while the Group operates in a large and complex business which has marketplace impact but needs to be nimble, adaptive and innovative within its operating environment.

GROUP
Financial Review

Management Discussion and Analysis of Financial Performance

Financial year ended 31 March 2009 has been a year of record performance for the Group.

We are pleased to report that financial year ended 31 March 2009 ("FY 2009") has been another year of record performance for the Group, exceeding market consensus. The performance achievement is underpinned by sound business fundamentals, with business offerings being diversified further. For FY 2009, we focused on continued efforts to put in place the necessary building blocks towards achieving the Group's Medium Term Aspirations ("MTA").

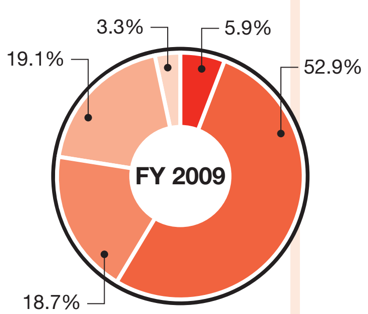
The sound financial performance is testament of the Group's successful execution to and progress of its MTA, which encompassed efforts and initiatives, inter alia:

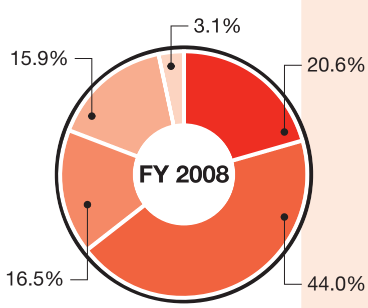
- portfolio growth in preferred and viable business segments, with greater diversification into fee and other new income sources;
- cost of funds reduction via continuing efforts to improve funding and liquidity profile, and grow low cost deposits base;
- enhancement in asset quality with further reduction in the net non-performing loans ratio; and
- leverage on the ANZ strategic partnership to elevate the Group's brand equity and technical expertise with emphasis on growth in the retail and commercial lending, and transactional banking.

Simplified Income Statement

RM Million	FY 2009	FY 2008	+/-	
			RM Million	%
Operating revenue	**5,860.7**	**5,992.7**	**(132.0)**	**(2.2)**
Net interest income	1,776.3	1,615.8	160.5	9.9
Net income from Islamic banking business	572.6	517.1	55.5	10.7
Net fund income	**2,348.9**	**2,132.9**	**216.0**	**10.1**
Other operating income	922.0	1,218.8	(296.8)	(24.3)
Total income	**3,271.0**	**3,351.7**	**(80.7)**	**(2.4)**
Overheads	(1,269.2)	(1,221.3)	(47.9)	3.9
General insurance claims	(342.9)	(315.6)	(27.3)	8.7
Operating profit	**1,658.8**	**1,814.8**	**(156.0)**	**(8.6)**
Allowance for losses on loans and financing	(344.2)	(512.2)	168.0	(32.8)
Other (provisions)/writeback	(34.8)	13.8	(48.6)	(351.9)
Impairment loss	(62.0)	(122.0)	60.0	(49.2)
Share in results of jointly controlled company	(0.2)	0.0	(0.2)	
Profit before taxation and zakat	**1,217.6**	**1,194.4**	**23.2**	**1.9**
Taxation and zakat	(339.4)	(383.6)	44.2	(11.5)
Profit before minority interests	**878.3**	**810.8**	**67.4**	**8.3**
Minority interests	(17.4)	(142.3)	124.8	(87.7)
Net profit attributable to shareholders	**860.8**	**668.5**	**192.3**	**28.8**
Gross dividend rate	**8.0%**	**6.0%**		
Overheads to total income	**38.8%**	**36.4%**		

Operating Revenue By Segment





- Investment banking
- Commercial and retail banking
- Islamic banking
- Insurance
- Offshore banking and others

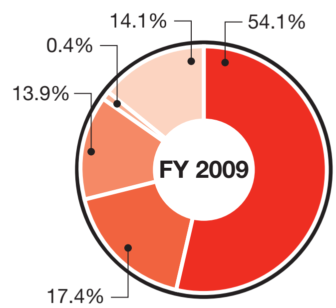
Income Statement

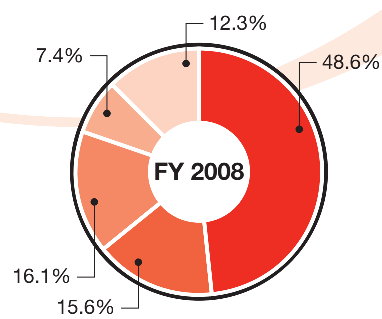
The Group registered another record performance for the year ending 31 March 2009 with growth in profit attributable to shareholders of 28.8% to RM860.8 million. Growth in net interest income and net income from Islamic banking business coupled with lower provision for loan losses are the main profit contributors, partly offset by trading losses and lower capital market contributions arising from difficult market conditions in the current global economic downturn. Earnings per share (fully diluted) improved from 27.9 sen to 31.6 sen.

Total Income – Revenue Growth

Revenue performance reflects the Group's strategy in trade-off between volumes versus pricing, focusing on profitable and viable business segments. It is founded on sustaining core business from existing customers, winning new clientele through product innovation and superior service delivery, and diversifying into new income streams. To support revenue generation, the Group invested in operational improvement, delivery of quality experience and expansion of distribution channels.

Composition Of Income





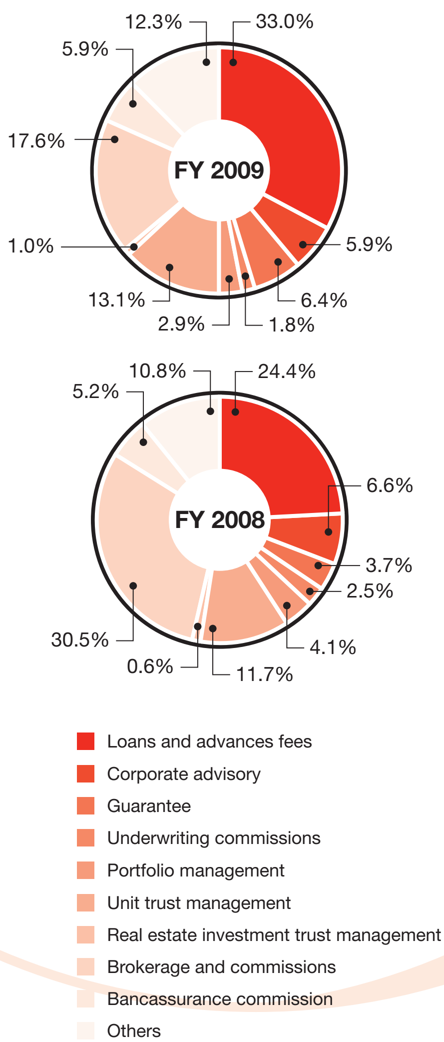
- Net interest income
- Income from Islamic banking business
- Fee income
- Investment and trading income
- Insurance income

The major components of revenue are net fund income (net interest income and net income from Islamic Banking business) and other operating income.

Net fund income: RM2,348.9 million (+10.1% or RM216.0 million)

- Net interest income and net income from Islamic banking business grew by RM160.5 million (+9.9%) and RM55.5 million (+10.7%) respectively.
- Growth in net fund income was driven by an increase in net loans and advances (+RM 4.3 billion or 8.3%). The growth in loans and advances was mainly driven by expansion in financing of residential and non-residential properties, and purchase of securities.

Fee Income



Other Operating Income: RM922.0 million (-24.3% or –RM296.8 million)

Other operating income, which comprises mainly income from investment banking and trading activities as well as ancillary activities connected to the Group's lending activities, was impacted by tough conditions in capital and stock markets.

For FY 2009:

- Fee income decreased by RM77.3 million (-14.5%) mainly attributable to lower corporate advisory fees, portfolio and unit trust management fees and brokerage income from the securities business.
- Income from the Group's insurance business accounted for 50.3% of other operating income and registered an increase of RM54.6 million (+13.3%) due to continuous improvement in productivity from the agency network, innovative products and the bundling of insurance with retail banking products.
- Investment and trading activities recorded a lower contribution of RM11.9 million compared to income of RM246.0 million in the previous year. The tough capital and stock market conditions due to the fallout from the US sub-prime crisis has resulted in trading and revaluation losses in the securities held for trading portfolio.

Operating Expenses

In a competitive environment, the Group needs to continuously strengthen its capabilities and address strategic issues whilst prudently managing its costs to ensure we operate efficiently. The cost-to-income ratio expresses the Group's expenses as a percentage of revenue and is one of the most widely used measures of efficiency in the banking industry.

In FY 2009, the cost-to-income ratio (excluding insurance business) increased by 3.4% to 43.0%. The increase was partly contributed by the contraction in other operating income from the tough trading conditions.

Overheads: RM1,269.2 million (+3.9% or RM47.9 million)

- Personnel expenses were 5.4% or RM37.7 million higher following recruitment of staff to support higher business volumes and expansion of branch network, coupled with the annual salary adjustments and bonuses.
- Establishment expenses were RM17 million higher due to increase in amortisation of computer software and computerisation costs from the rolling out of new systems and higher rentals from expansion of branch premises and revision in rental rates.
- Marketing expenses decreased by RM20.2 million largely due to lower sales commission and advertising and promotional expenses incurred.
- Administration expenses rose by RM13.5 million attributable to professional services relating to projects undertaken to address the key strategic issues of lowering NPLs and cost of funds, and repositioning the auto financing and investment banking business.

Operating Expenses

Operating Expenses	FY 2009		FY 2008	
	RM Million	%	RM Million	%
Personnel/staff	733.0	45.5%	695.3	45.2%
Establishment	259.3	16.1%	242.3	15.8%
Marketing and communication	137.7	8.5%	157.9	10.3%
Administration and general	139.3	8.6%	125.8	8.2%
Overheads	1,269.2	78.7%	1,221.3	79.5%
General insurance claims	342.9	21.3%	315.6	20.5%
Total	**1,612.1**	**100.0%**	**1,536.9**	**100.0%**

Debt Provisioning Charge

RM Million	FY 2009	FY 2008	FY 2009 vs FY 2008
Specific allowance – net	660.1	765.1	(105.0)
Recoveries of value impairment on loans sold to Danaharta	-	(0.6)	0.6
Bad debts recovered – net	(369.5)	(319.4)	(50.0)
	290.6	445.1	(154.5)
General allowance	53.6	67.1	(13.5)
Total	**344.2**	**512.2**	**(168.0)**

Debt Provisioning Charge

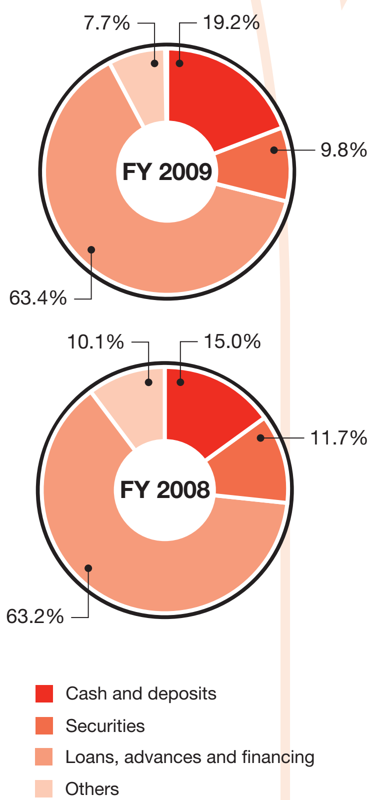
Reflecting the improvement in NPLs, the net debt provisioning charge declined by RM168.0 million (-32.8%) to RM344.2 million.

Net specific allowance for credit losses charged amounted to RM660.1 million, a reduction of 13.7% while net bad debt recoveries was up RM50.0 million to RM369.5 million.

Impairment Loss

Impairment loss was lower by RM60.0 million (-49.2%) to RM62.0 million mainly due to write back of RM17 million impairment on amount recoverable on asset backed securities following repayment as well as lower impairment charged on debt converted securities compared to last year.

Asset Mix Analysis



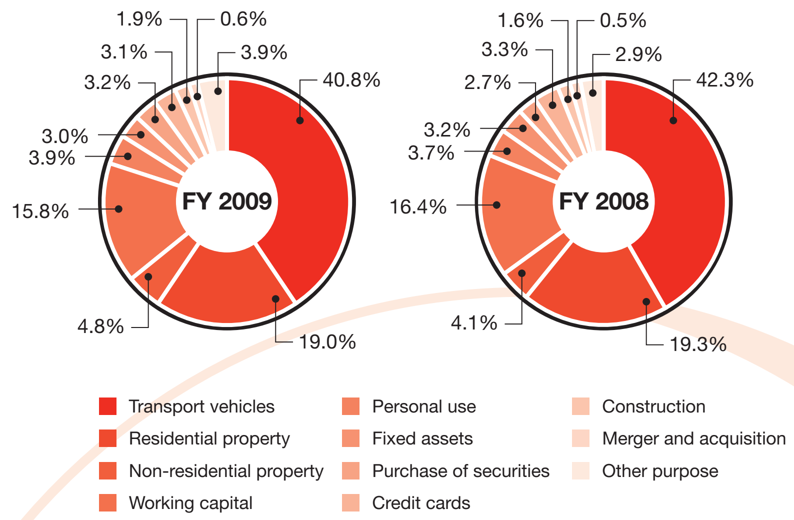
Balance Sheet Management

Total assets rose by RM6.7 billion (+8.1%) to RM89.9 billion attributable to sound business fundamentals with diversified business offerings, For the whole of calendar year 2008, the Malaysian GDP grew an average of 4.6% as a consequence of the global economic downturn.

Loans and Advances

- The increase in total assets was mainly attributed to the expansion of RM4.4 billion (+8.3%) in net loans, advances and financing to RM56.9 billion. The expansion in loans and advances was partly driven by growth in lending to the corporate (+7.8%) and small and medium sized enterprise ("SME") (+14.2%), in line with our strategy of rebalancing our focus towards viable and preferred segments. Public spending including projects on the Ninth Malaysia Plan, the new economic corridors and stimulus package continues to spur the growth in financing to these sectors.

Gross Loans – Economic Purposes



- Retail lending continues to form the bulk of the loans portfolio making up 66.0% of the total portfolio. The Group retained its position as the fourth largest banking group by retail assets.

- The Group monitors its portfolio for risk concentrations and is continuously focusing loans growth in profitable and viable economic segments. Lending for purchase of transport vehicles has come down to 40.8% from 42.3% and residential properties stood at 19.0% (FY 2008 19.3%). Although financing for these two purposes represent the largest credit concentration, the credit risk is effectively mitigated as the exposure is spread across a large number of borrowers.

Securities

During the year, the Group adopted BNM circular on the reclassification of securities under specific circumstances, which allows banking institutions to reclassify securities in held for trading category. BNM had also given approval for the transfer of securities held for trading in AmInvestment Bank's Skim Perbankan Islam ("SPI") portfolio to AmIslamic Bank's securities available for sale portfolio following the vesting of the funds based business.

In consequence, securities held for trading stood at RM1,399 million (FY 2008 RM6,699 million) while securities available for sale stood at RM6,626 million (FY 2008 RM1,850 million).

Securities held to maturity declined to RM780 million from RM1,179 million due to redemption in debt converted securities.

Deposits

- The Group's primary source of funding is from customer deposits, comprising term/investment deposits, savings deposits, demand deposits, and negotiable instruments of deposits. Other major sources of funds include shareholders' funds, interest bearing securities, interbank and other borrowings.

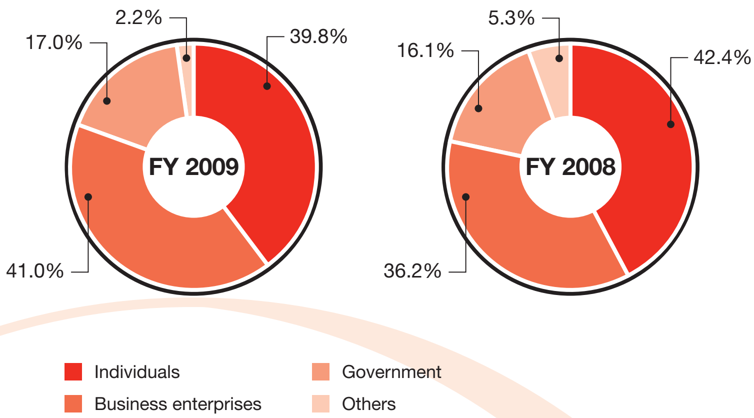
- During the year, the Group had reclassified deposits from certain customers, which were previously classified under Deposits and Placements of Banks and Other Financial Institutions to Deposits from Customers. This is in line with industry practice to facilitate better peer comparison. The FY 2008 comparative has been restated accordingly.

- Deposits from customer grew by RM8.3 billion (+15.0%) to RM64.1 billion as at 31 March 2009. Deposits from business enterprises registered 30.5% growth to RM26.3 billion and now makes up 41.0% (FY 2008: 36.2%) of customer deposits with retail deposit coming in next at 39.8% (FY 2008: 42.4%).

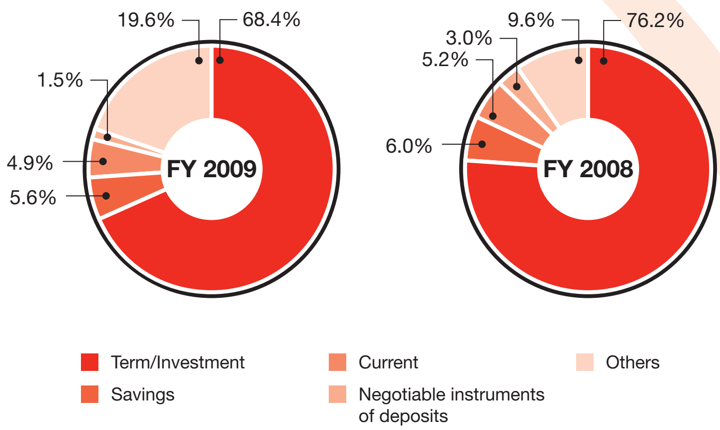
Loans By Sector

Sector	FY 2009		FY 2008	
	RM Million	%	RM Million	%
Retail	38,728.6	65.9%	36,733.2	66.8%
SME	6,229.0	10.6%	5,452.4	9.9%
Corporate	13,811.4	23.5%	12,813.2	23.3%
Total	**58,769.0**	**100.0%**	**54,998.8**	**100.0%**

Deposits From Customers – Source



Deposits From Customers – Type



- Term/Investment deposits remain the largest component constituting 68.4% of total outstanding deposits from customers as at 31 March 2009.

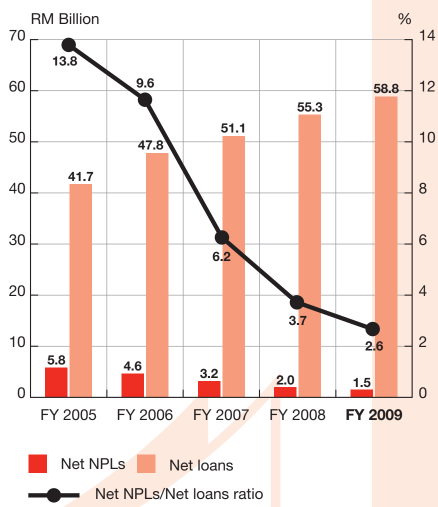
- Transactional customer deposits, comprising savings and demand deposits increased by RM500 million (+8.0%) to RM6.8 billion as at the end of March 2009. This reflects the major initiatives undertaken to grow low-cost deposits.

Besides expanding direct deposits sales team, our enlarged branch network plays a significant role in deposits gathering. At present, the Group has a network of 187 commercial bank branches, 611 automated teller machines ("ATM's") and 116 electronic banking centres nationwide. Of these, 218 ATM's are placed at 7-Eleven stores nationwide to provide customers with greater banking convenience.

Asset Quality Improvement

One of the key MTA targets is for the Group to achieve better than system asset quality ratio. An indicator that our asset writing strategies and risk management policies and practices have taken effect is the improvement of the Group's loan asset quality.

NPLs – 3 Months Classification



The Group's loan assets quality continues to show improvement, underpinned by improved credit control, collections and recoveries management, as indicated by:

- Net non-performing loans ("NPL") ratio continuing its downtrend to 2.6% from 3.7% in FY 2008.

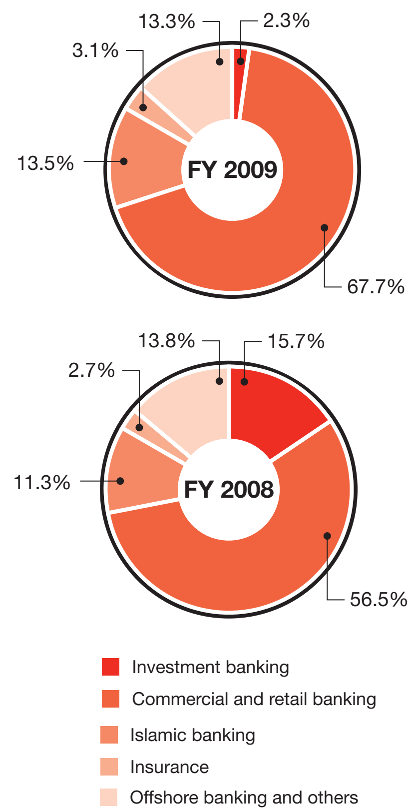
- Total gross NPLs outstanding further declined to RM2.4 billion from RM3.6 billion in FY 2008. The reduction of NPLs through prevention, collections, restructuring, rehabilitation, rescheduling and foreclosure remains a top priority of Loan Rehabilitation and Retail Collections Units.

- Higher recoveries due to intensified loan recovery efforts through debt collection agencies.

- Loan loss coverage increased to 75.1% from 67.3%.

The Group's collection and recoveries outfit is well positioned to weather the increasingly challenging economic scenario, with its well-distributed collection centres, dunning capabilities and collection frameworks. We anticipate some deterioration in asset quality in line with the overall banking industry in the coming financial year, but we are well prepared to manage it.

Total Assets By Segments



Building A Balanced Business Portfolio Mix

The transfer of the fund-based activities of AmInvestment Bank Berhad ("AmInvestment Bank") to AmBank (M) Berhad ("AmBank") and AmIslamic Bank Berhad ("AmIslamic") was completed on 12 April 2008. This is in line with our stated objective to achieve a sustainable and profitable business growth by building a balanced strategic business portfolio mix of investment banking, retail and commercial lending and insurance business:

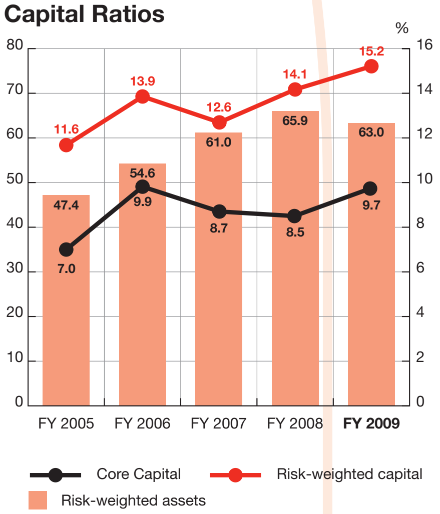
- Portfolio of commercial and retail banking segment made up 67.7% of total assets by segments, up from 56.5% in FY 2008. The bulk of the increase can be attributed to the vesting of the fund-based activities from the investment bank.

Credit Ratings

Credit Agencies	AmBank (M) Berhad		AmInvestment Bank Berhad	
	Long-term	Short-term	Long-term	Short-term
Rating Agency Malaysia Berhad ("RAM")	A1	P1	AA3	P1
Malaysian Rating Corporation Bhd ("MARC")	Not Rated	Not Rated	AA-	MARC-1
Standard & Poor's Rating Services ("S&P")	BBB-	A3	BB+	B
Capital Intelligence Ltd	BBB-	A3	Not Rated	Not Rated
Fitch Ratings Ltd ("Fitch")	BBB-	F3	BBB-	F3
Moody's Investors Service ("Moody's")	Baa2	P3	Not Rated	Not Rated

- Following the business transfer, investment banking share of total assets contracted to 2.3% from 15.7%.
- Islamic banking portfolio contribution grew from 11.3% to 13.5% attributable to vesting of the investment bank's SPI business.
- Insurance business portfolio contribution increased to 3.1% from 2.7% on the back of growth in the General and Life funds assets.

Capital Ratios



Strengthening Capital Position

Our capital levels remain strong, with the Group's aggregated risk weighted capital ratio as at 31 March 2009 at 15.2% and Tier-1 capital ratio of 9.7%, significantly above the minimum risk weighted capital ratio requirement of 8.0%. We are in a strong capital position to weather tough operating conditions.

During the year, the Group's capital position was strengthened by:

- Issuance of the Sixth Tranche Medium Term Notes ("MTN") totaling RM600 million under a RM2.0 billion nominal value MTN programme. The MTNs issued qualifies as Tier-2 capital under the capital adequacy framework for financial institutions in compliance with the Risk Weighted Capital Adequacy Framework issued by BNM.
- Issuance of RM500 million Non-Innovative Tier 1 Capital ("NIT1"). The NIT1 issuance is structured in accordance with BNM's guidelines on the Risk Weighted Capital Adequacy Framework. The NIT1 capital issue comprises non-cumulative perpetual capital securities ("NCPCS") issued by AmBank and subordinated notes ("Sub-Notes") issued by AmPremier Capital Berhad ("AmPremier"), a wholly owned subsidiary of AmBank, which are stapled together with the NCPCS, which together constitute the "Stapled Securities".

Credit Ratings

Reflecting the improvement in financial performance, the various rating agencies had reaffirmed the credit ratings of the principal subsidiaries, AmBank (M) Berhad ("AmBank") and AmInvestment Bank Berhad ("AmInvestment Bank").

AmInvestment Bank's RM200.0 million Subordinated Tier 2 Bonds were reaffirmed a long-term rating of A1 by RAM.

The long term rating of AmBank's RM1.0 billion Long-term Negotiable Instruments of Deposits vested over from AmInvestment Bank was rationalised at A1.

The Hybrid Securities of USD200.0 million issued by AmBank has been reaffirmed a rating of Ba2 by Moody's, BB by S&P and BB by Fitch.

AmBank's RM575.0 million Exchangeable Bonds and RM2.0 billion Medium Term Notes Programme were reaffirmed a long-term rating of A2 by RAM.

RAM has assigned a long-term rating of A3 to the NCPCS issued by AmBank and Sub-Notes issued by AmPremier Capital Berhad, which together constitute the Stapled Securities.

Conclusion

This year's financial results represented a year of record performance for the Group, exceeding consensus, testimony of the continued transformation of the Group.

Reflecting the better financial performance in FY 2009, the Directors are recommending to increase the dividend payment to 8.0% less tax (FY 2008: 6.0%, less tax) totaling RM163.4 million for the current financial year.

In summary, priorities for financial year ending 31 March 2010 (FY 2010) are to maintain profitable growth and rebalance business focus, income diversification, growth in viable segments, enhancement of asset quality and target operating cost efficiencies. Whilst investing for the medium term, efforts will be made to further improve risk disciplines and governance frameworks.

The execution of the Medium Term Aspirations and strategic themes has provided the Group with head-start advantage and greater resilience over the current economic cycle as it moves into the new financial year. The Group is well positioned to grow and be amongst the top-tier banks in Malaysia.

GROUP
Financial Highlights

	YEAR ENDED 31 MARCH				HALF-YEAR ENDED 30 SEPTEMBER			
	RM Million		Growth Rate +/(-)%		RM Million		Growth Rate +/(-)%	
	2009	2008#	2009	2008	2008	2007#	2008	2007
Operating revenue	**5,860.7**	5,992.7	**(2.2)**	9.1	2,845.2	2,888.4	(1.5)	10.5
Profit before tax and allowances for losses on loans and financing	**1,561.8**	1,706.6	**(8.5)**	18.9	678.0	927.6	(26.9)	35.2
Allowances for losses on loans and financing	**344.2**	512.2	**(32.8)**	(66.3)	78.7	367.4	(78.6)	14.4
Profit before tax and zakat	**1,217.6**	1,194.4	**1.9**	>100.0	599.3	560.2	7.0	53.5
Profit after tax and minority interests	**860.8**	668.5	**28.8**	>100.0	433.0	253.2	71.0	47.3
Total assets	**89,892.9**	83,191.7	**8.1**	5.3	82,875.7	77,712.2	6.6	10.2
Loans, advances and financing (net)	**56,947.8**	52,574.3	**8.3**	10.4	55,327.9	49,478.4	11.8	7.3
Deposits and borrowings	**77,336.3**	70,985.5	**8.9**	3.8	70,807.2	66,163.7	7.0	9.4
Commitment and contingencies	**49,911.6**	57,539.8	**(13.3)**	18.5	54,469.5	54,508.9	(0.1)	17.1
Shareholders' equity	**7,736.1**	7,169.6	**7.9**	49.7	7,401.2	5,448.2	35.8	4.1
Pre-tax return on average shareholders' equity (%)^	**15.9**	16.8	**(5.6)**	>100.0	16.0**	17.0**	(6.0)	56.6
Pre-tax return on average total assets (%)	**1.4**	1.5	**(4.5)**	>100.0	1.4**	1.4**	1.0	40.0
Basic earnings per share								
- gross (sen)	**43.5**	42.5	**2.3**	>100.0	42.9**	38.7**	10.7	46.2
- net (sen)	**31.6**	28.2	**11.9**	>100.0	31.8**	22.5**	41.5	39.3
Fully diluted earnings per share								
- gross (sen)	**43.5**	42.0	**3.5**	>100.0	42.9**	36.8**	16.6	40.0
- net (sen)	**31.6**	27.9	**13.3**	>100.0	31.8**	21.4**	49.0	33.5
Gross dividend per share	**8.0**	6.0	**33.3**	20.0	-	-	-	-
Net assets per share (RM)	**2.84**	2.63	**7.9**	17.2	2.7	2.1	29.4	(14.5)
Cost to total income (%)	**49.3**	45.9	**7.5**	2.6	52.8	43.1	22.4	(6.1)
Cost to total income excluding Insurance Business (%)	**43.0**	39.6	**8.7**	3.0	46.1	37.4	23.3	(5.9)
Number of employees	**10,099**	9,683	**4.3**	0.8	9,924	9,698	2.3	2.7
Assets per employee (RM Million)	**8.9**	8.6	**3.6**	4.5	8.4	8.0	4.2	7.3
Pre-tax profit per employee (RM'000)	**120.6**	123.4	**(2.3)**	>100.0	120.8**	115.5**	4.6	49.5

Refer to page 53 for the explanation of legend.

5-YEAR GROUP
Financial Review

	FINANCIAL YEAR ENDED 31 MARCH				
	2009	2008#	2007#	2006#	2005#
1. REVENUE (RM MILLION)					
i. Operating revenue	5,860.7	5,992.7	5,490.7	4,811.9	4,340.9
ii. Profit before tax and allowances for losses on loans and financing	1,561.8	1,706.6	1,434.9	1,532.9	1,282.7
iii. Allowances for losses on loans and financing	344.2	512.2	1,519.5	775.0	779.3
iv. Profit/(Loss) before tax and zakat	1,217.6	1,194.4	(84.6)	757.8	503.4
v. Profit/(Loss) after tax and minority interests	860.8	668.5	(282.5)	399.9	211.8
2. BALANCE SHEET (RM MILLION)					
Assets					
i. Total assets	89,892.9	83,191.7	78,982.9	72,378.7	62,197.9
ii Loans, advances and financing (net)	56,947.8	52,574.3	47,610.8	44,860.5	40,099.6
Liabilities and Shareholders' Equity					
i. Deposits and borrowings	77,336.3	70,985.5	68,419.1	62,704.6	54,360.1
ii. Paid-up share capital	2,723.0	2,723.0	2,130.6	2,130.5	2,130.5
iii. Shareholders' equity	7,736.1	7,169.6	4,787.8	5,147.1	4,897.0
Commitment and Contingencies	49,911.6	57,539.8	48,568.1	37,310.4	23,944.9
3. PER SHARE (SEN)					
i. Basic gross earnings/(loss)	43.5	42.5	(13.9)	28.1	17.1
ii. Basic net earnings/(loss)	31.6	28.2	(13.3)	18.8	11.2
iii. Fully diluted gross earnings/(loss)	43.5	42.0	(13.9)	27.8	16.8
iv. Fully diluted net earnings/(loss)	31.6	27.9	(13.3)	18.5	11.1
v. Net assets	284.1	263.3	224.7	241.6	229.8
vi. Gross dividend	8.0	6.0	5.0	4.9	4.0
4. FINANCIAL RATIOS (%)					
i. Pre-tax return on average shareholders' equity ^	15.9	16.8	(6.0)	11.9	7.2
ii. Pre-tax return on average total assets	1.4	1.5	(0.1)	1.1	0.8
iii. Loans, advances and financing to deposits and borrowings	73.6	74.1	69.6	71.5	73.8
iv. Cost to total income (%)	49.3	45.9	44.7	45.8	44.6
v. Cost to total income excluding Insurance Business (%)	43.0	39.6	38.4	40.0	39.0
5. SHARE PRICE (RM)					
i. High	3.96	4.80	3.76	2.91	3.92
ii. Low	1.83	3.02	2.35	2.21	2.81
iii. As at 31 March	2.61	3.44	3.76	2.83	2.83

Legend:
** Annualised.
^ Adjusted for minority interests.
# After adjusting for reclassification of:
- housing loan legal fees expenses netted against interest and financing income.

FINANCIAL
Calendar

2008

26 September
17th Annual General Meeting

21 October
Payment of First and Final Dividend of 6.0% less tax for the financial year ended 31 March 2008

11 November
Announcement of unaudited consolidated results for the financial half year ended 30 September 2008

2009

13 February
Announcement of unaudited consolidated results for the financial third quarter ended 31 December 2008

15 May
Announcement of audited consolidated results for the financial year ended 31 March 2009

22 July
Notice of 18th Annual General Meeting and Notice of Entitlement and Payment of First and Final Dividend of 8.0% less tax

13 August
18th Annual General Meeting

CORPORATE SOCIAL Responsibility

Left: **September 2008** Y Bhg Tan Sri Dato' Azman Hashim presenting a mock cheque signifying the total contributions to Encik Zawawi Ramli, Vice Chairperson, Rumah Amal Limpahan Kasih (right) and Puan Rabaah Abdul Aziz (far right).

The AmBank Group once again demonstrated its responsibility as a corporate citizen with initiatives focusing on the market, the community, the workplace and the environment.

Responsiblity To The Environment

'AmAssurance Goes Digitally Green' saw a push to go paperless by equipping staff with notebooks to replace many paper-based work processeses, and providing customers with the AmPrestige life insurance information portal.

The AmBank Group's sponsorship of Zoo Negara's Dromedary Camels for a 24th consecutive year continued with a contribution of RM40,000.

Posters were displayed across the group to encourage saving electricity by switching off at non-essential times. Additionally, care is taken to reduce other wastage by recycling paper, double-sided printing, minimising colour printing, and promoting electronic instead of paper-based communication. Toners and computers are recycled and disposed of responsibly and the Group focuses on businesses with organisations that have environment-friendly practices.

In promoting cleaner air and general health, three of the Group's buildings i.e. Bangunan AmBank Group, Menara AmBank and AmBank Group Leadership Centre are designated as 'no smoking buildings'. Customers can also enjoy the Group's soothing and pleasing landscape as they do their banking.

Responsibility To The Marketplace

Spread across the financial year, the Group's broad range of products and services included new ones that demonstrated innovation and development of their respective sectors in the marketplace. These included the AmTriple Opportunities FRNID (Floating Rate Negotiable Instrument of Deposit), providing returns linked to the best performances of three Dynamic Indices at maturity. The zero strike warrants over Warren Buffett's Berkshire Hathaway Inc Class B shares are AmInvestment Bank's first, and a thrust forward for the zero strikes market.

The Retail Banking arm of the Group launched the Family First Solution, an all-in-one financial solution offering a full suite of products and services to meet every aspect of a family's financial needs.

The new foreign exchange, interest rate and commodities derivatives business, launched in partnership with the Group's strategic partner, the Australia and New Zealand Banking Group ("ANZ") will contribute to the development of this area in the Malaysian markets.

Initiatives on sharing of knowledge and expertise included sponsoring, hosting and speaking at conferences and forums, inter alia, the second annual Asian Mergers & Acquisitions 2008 Conference, the Malaysian Islamic Finance 2008 Issuers and Investors Forum, the seminar entitled "Global Update on Sukuk: Post AAOIFI Pronouncement", the 12th Malaysian Banking Summit 2008, Brunei Islamic Finance News Forum, MIA-Bursa Malaysia Business Conference 2008 (Main Sponsor), National Accountants Conference (Silver Sponsor), and National Convention on the Administration of Estate, Will and Waqf.

The Group's demonstrated its focus on the SME sector through its participation in 11th SMIDEX, the annual exhibition of the Small and Medium Industries Development Corporation, organised in collaboration with Bank Negara Malaysia.

Partnerships and alliances were formed to strengthen the Group's networks and bring better products to market through sharing of expertise. These included the Friends Provident plc acquisition of a 30.0% stake in AmLife Insurance Berhad.

The Group launched its Islamic stockbroking service for customers requiring Shariah compliance in this area. Further measures to promote Islamic products include the AmHigh Takaful Investment Linked Plan which makes available Shariah-compliant investing for retirement, education and wealth generation.

Responsibility To The Community

With AmBank Group as the Official Bank of the Olympic Council of Malaysia, Y Bhg Tan Sri Dato' Azman Hashim brought pride to the nation as one of the torchbearers at the Kuala Lumpur leg of the Beijing 2008 Olympics Torch Run on 21 April 2008.

Grooming The Young, Developing Talent

AmBank Group continues to place emphasis on youth, and also in developing talent and stimulating excellence and achievement in games and sports. AmBank (M) Berhad contributed RM10,000 and 300 NexG iTalk cards as main sponsor of the 4th Asian Universities Debating Championship 2008. It also became a three-year Charter Member of SportExcel, in support of sports development platform for youth, donating RM45,000 to the foundation. Concurrently, it also sponsored RM26,860 for the AmBank Group-Crest Link-Sport Excel International Junior Golf Championship 2008 and the Grand Finals of the National Junior Golf Circuit 2008. As Main Sponsor, AmBank Group contributed RM200,000 to the Selangor Masters Golf Tournament held at the Seri Selangor Golf Club.

Caring For The Less Fortunate

The AmBank Group also continues to care for the underprivileged. 80 children from three charity homes, Rumah Anak-anak Yatim Darul Izzah, Rumah Amal Limpahan Kasih and Tara Bharan Home were treated

Left: **November 2008** AmBank Group staff overcoming obstacles at the AmBank Eco Challenge IX.

Right: **December 2008** A group of children waving different countries' flags to symbolise peace and unity at the Royal Charity Dinner in support the efforts by the Kuala Lumpur Foundation to Criminalise War.

to the Disney on Ice special, "Mickey and Minnie's Magical Journey". Children and youth from Rumah Limpahan Kasih, Perkampungan Orang Asli, Sungai Rasau, Puchong, and Sekolah Jenis Kebangsaan Tamil Puchong enjoyed a fun-filled day at the Sunway Lagoon theme park. Aid for the less fortunate came in the way of hampers for 90 families, and RM200 cash for six families of the Kampung Sungai Rasau Orang Asli villagers in Puchong. Meanwhile 215 children became the beneficiaries in a special presentation ceremony for AmBank fixed deposit certificates donated by the Tabung Warisan Anak Selangor. A cheque for RM5,000 was also presented to Rumah Bethany, a home for children with physical and intellectual disabilities. The Asia Oceania Committee Volleyball for the Disabled ("AOCVD") was given RM50,000 to help oversee its ongoing operations.

A dialysis machine worth RM37,700 was donated to Klinik Waqf An-Nur in Johor Bahru, a contribution of RM25,000 to the Tunku Azizah Fertility Foundation, a donation of RM20,000 to Lembaga Kebajikan Perempuan Islam Malaysia and Hari Raya Aidilfitri care packages worth RM10,000 for the Malaysian Armed Forces are also noteworthy charitable causes during the past financial year. In addition, AmIslamic Bank contributed part of its business zakat totaling RM150,000 to Rumah Amal Limpahan Kasih to assist in day-to-day activities which included a 14-seater van worth RM98,000.

For the ninth consecutive year, the AmBank Group participated in the The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2008, which raised a total of RM1,755,000 for a total of 20 charitable organisations. The "Drive Safely. We Care" second campaign from AmAssurance continued to promote and educate Malaysian road users on road safety.

AmBank signed a strategic agreement with 7-Eleven Malaysia Sdn Bhd to insall 400 ATMs at 7-Eleven stores nationwide. With the needs of residents of the 72-acre i-City in mind, AmBank signd an MOU with I-Berhad to form a Strategic Smart Partnership to bring them cutting edge financial products and services.

To promote a sense of unity within a celebratory experience for the nation, the Ambang 2009 Kuala Lumpur concert was held to usher in the new year with a myriad of popular Malaysian artistes at Dataran Merdeka. Similarly, in conjunction with the 51st Merdeka celebrations, the Group sponsored a 10-minute firework display and 50,000 ballons for a festive evening at Dataran Merdeka. The Prime Minister was the Guest of Honour at Both Events. Once again, a fireworks display was sponsored by the AmBank Group at the Declaration of Melaka and Georgetown as World Heritage Cities at Dataran Merdeka in Kuala Lumpur.

RM100,000 was contributed to show the Group's support of the Royal Charity Dinner for the Kuala Lumpur Foundation to Criminalise War.

Responsibility To The Workplace

The AmBank Group cares for the well being of its staff and continues to ensure that their development, recreational needs as well as recognition and a sense of being in one family are emphasised.

Family Days are days of fun and games to include the families of the staff as part of the larger AmBank Group family. These were held at Desaru Golden Beach Resort in Johor Bahru as well as Clearwater Sanctuary Golf Resort in Batu Gajah, Perak and including long service awards to staff who have served 15, 20 and 25 years with the Group.

Training opportunities abound for the team. Amongst the many courses available to the staff are in-house Microsoft applications, as well as those with focused goals such as "Delivering Work Excellence", "People Turnaround" (to address challenges from individuals), "Managing Personal Finance in Difficult Times", "Coaching and Mentoring Skills for Perfiormance". The AmAzing Sales Programme sought to engender a stronger Retail Sales culture and to promote greater in-depth knowledge of areas of specialisation. Staff also attended courses entitled "Chartered Islamic Finance Professional" and "Fundamentals of Islamic Capital Markets".

Pushing the envelope for communication prowess and enhanced leadership skills continued to be motto for the Toastmasters club at AmBank Group.

Many sporting and outdoor competitions and events were held throughout the year. In promoting the spirit of healthy competition and bonding, staff had the opportunity to participate in tournaments and games including popular ones such as snooker, futsal, football, golf, badminton, bowling (the latter included a RM5,000 donation to the Malaysian Paralympic Council). Highly physically challenging tournaments also pitted teams against one another in friendly sessions for paintball and go-karting.

The 25th Malaysian Investment Banking Association ("MIBA") Athletics Meet in Bangi saw AmInvestment Bank Group emerge Overall Champion, with 103 athletes with 24 Gold, 11 Silver and nine Bronze medals. It also emerged as Overall Champion for the MIBA Games 2008 for the 22nd time.

In addition, the popular AmBank Eco Challenge was organised for the ninth time at the Nur Lembah Pangsun Eco Resort, Ulu Langat, Selangor with contestants in mock survival challenges in a jungle environment. The annual AmBagus talentime competition as usual drew wildly enthusiastic responses from staff watching their peers on stage in dance and song.

CALENDAR OF EVENTS:
Business Activities

Left: **May 2008** Y Bhg Tan Sri Dato' Azman Hashim (left) launching AmAsia Star while Mr Ng Lian Lu, Chief Executive Officer, AmAssurance looks on.

Right: **August 2008** (From left) Ms Yvonne Phe, Chief Investment Officer, Fixed Income, Funds Management Division (FMD), Mr T C Kok, Managing Director, AmInvestment Bank Berhad, Ms Aisyah Lam, Head of Wealth Management, Citibank and YBhg Datin Maznah Mahbob, CEO, FMD at the launch of AmCommodities Extra.

April 2008

- AmIslamic Bank signed a Memorandum of Understanding ("MOU") with Syarikat Rahman Brothers Travel & Tours for an Easy Payment Plan for the travel company's Umrah package, specifically for AmIslamic Bank's Al-Taslif cardholders.
- AmIslamic Bank signed an *aqad* and trust deed on its business *zakat* fund with AmTrustee.
- AmInvestment Bank arranged department programmes for Sabah Development Bank that will finance and support development activities in Sabah for the next 20 years.
- The Funds Management Division of AmInvestment Bank Group participated in the Hong Leong Investment Focus 2008 as one of the Gold sponsors.
- AmBank Group appointed LIST S.p.A., Italy as its operational risk management solutions partner for the Group.

May 2008

- AmInvestment Bank signed an underwriting agreement with Sealink International Berhad for its initial public offering of 113.37 million new ordinary shares. AmInvestment Bank was the Adviser, Sole Underwriter, and Sole Placement Agent.
- AmBank Group launched AmAsia Star, a 100.0% capital guaranteed fund.
- AmBank (M) Berhad made contributions of RM10,000 cash and 300 NexG iTalk cards as the main sponsor for the 4th Asian Universities Debating Championship 2008.
- AmAssurance launched its first women's products, AmBeatiful and AmBeauty.
- AmAssurance Berhad launched its AmHospitality, AmEdu Package, and AmSMI-F&B, a line of non-motor based products.
- AmBank signed an agreement with 7-Eleven Malaysia Sdn Bhd, for the installation of 400 Automated Teller Machines at 400 7-Eleven stores.

June 2008

- Y A Bhg Tun Dr Mahathir Mohamad presented Y Bhg Tan Sri Dato'Azman Hashim, Chairman of AmBank Group the prestigious "BrandLaureate Brand Personality Award" in recognition of an outstanding individual who has contributed greatly to the brands of the banking industry.
- AmBank was Adviser, Sole Underwriter and Sole Placement Agent for Luxchem Corporation Berhad's listing on the Main Board of Bursa Malaysia.
- AmBank Group and the Australia and New Zealand Banking Group ("ANZ") highlighted Malaysia in the "Asia Investor Roadshow" to Australian investors. ANZ brought a group of major banking analysts and representatives of Australian fund management companies as part of a seven-day road show on ANZ's Asian growth strategy.
- AmInvestment Bank signed a Memorandum or Understanding MOU with Innoprise Corporation Sdn Bhd and Sabah Development Bank Berhad for the proposed development of the Sabah International Convention Complex Project.
- AmInvestment Bank Group and Konzen Group launched a joint venture water fund in Singapore, AmKonzen Water Investments Management Pte Ltd.
- AmBank Group was a Corporate Sponsor for the 12th Malaysian Banking Summit 2008, themed "Taking the Leap in Paradigm Shift of Banking – New Wave, New Ventures".

July 2008

- AmInvestment Bank co-sponsored a seminar entitled "Global Update on Sukuk: Post AAOIFI Pronouncement".
- AmInvestment Bank Group's Funds Management Division launched AmEmerging Market Bond, which offers access to investments in emerging markets.
- AmInvestment Bank was one of the underwriters for the proposed listing of Perwaja Holdings Berhad on the main board of Bursa Malaysia.
- AmIslamic Bank launched the AmHigh Takaful Investment-Linked Plan, a unique Shariah-compliant investment-linked plan.
- AmInvestment Bank Berhad was the Adviser, Sole Underwriter and Sole Placement Agent for the listing of Uzma Berhad on the Second Board of Bursa Malaysia.
- AmAssurance won the Regional Outstanding Entrepreneurship Award 2008 at the Asia Pacific Outstanding Entrepreneurship 2008 Awards.

August 2008

- AmInvestment Bank Group was awarded as "Top 4 Asian Investment Bank for Asia Ex-Japan M&A Deals 2008" by the Malaysian Investment Banking Association and the Pinnacle Group International Pte Ltd.
- AmBank (M) Berhad signed a Memorandum of Understanding with I-Berhad to form a Strategic Smart Partnership in providing financial products and services to i-City customers.
- AMMB Holdings Berhad and ANZ established the AmBank Group foreign exchange, interest rate and commodities derivatives business.
- AmInvestment Bank Group's Funds Management Division launched a new fund called AmCommodities Extra.
- AmIslamic Bank launched its first Islamic Structured Deposit called Active Commodities Islamic Negotiable Instrument of Deposit ("NID-i").
- AmIslamic Capital Markets was a sponsor at the third edition of the Malaysian Islamic Finance ("MIF") 2008 Issuers and Investors.

Left: **December 2008** At the announcement of the Strategic Partnership between Friends Provident plc and AmBank Group, from left: Mr Richard Duxbury, Strategic Development Director, International, Friends Provident Life and Pensions Ltd; Mr Rocco Sepe, Managing Director, International, Friends Provident Life and Pensions Ltd; Sir Adrian Montague, CBE, Chairman, Friends Provident plc, Y Bhg Tan Sri Dato' Azman Hashim, Chairman, AmBank Group; Mr Cheah Tek Kuang, Group Managing Director, AmBank Group; and Mr Ng Lian Lu, Chief Executive Officer, AmAssurance.

September 2008

- The Islamic Stockbroking Unit ("ISB") of AmInvestment Bank Group officially launched Islamic Stockbroking, a step ahead in further developing Islamic financial services for the industry.
- AmInvestment Bank Group's Funds Management Division launched AmCommodities Active-Capital Protected, AmMutual's latest unconventional capital protected fund.
- AmAssurance launched its second edition of the nationwide road safety campaign "Drive Safely. We Care".

October 2008

- AmAssurance launched AmLifestyle, a signature investment-linked plan that covers both comprehensive protection and investment needs.
- AmTrustee Berhad was one of the speakers at the National Convention on the Administration of Estate, Will and Waqf, organised by Majlis Agama Islam dan Adat Melayu Tereggานu ("MAIDAM") and Syariah Department of Islamic Faculty, National University of Malaysia.

November 2008

- AmBank Group participated as a Silver Sponsor in the Minggu Kesedaran Kewangan in Johor Bahru.
- AmBank Group and MAA Holdings Berhad announced a proposal that involves AmBank Group's general insurance arm in a 100.0% acquisition of Malaysian Assurance Alliance Berhad's ("MAA Assurance") general insurance business, and a strategic partnership in MAA Takaful Berhad.
- AmBank launched Malaysia's first "no-frills" credit card, the AmBank True Visa.
- Bancassurance launched MegaFD Enhanced in conjunction with AmBank's Bancassurance Campaign.

December 2008

- AmBank's Contact Centre was awarded the Gold Award for "Best Contact Centre Telemarketer" and Special Excellence Award for "Best Mystery Shopper Results for Telemarketing Contact Centre" at the Ninth CCAM Annual Contact Centre Awards 2008.
- AMMB Holdings Berhad received a Certificate of Merit at the National Annual Corporate Report Awards ("NACRA") 2008.
- AmBank Group's retail banking arm, was voted as one of Malaysia's Top 30 Most Valuable Brands.
- AmBank won the Best Business Platinum Programme category at the MasterCard Asia/Pacific Middle East and Africa Awards 2008 in Singapore.
- AmBank Group announced a strategic partnership with Friends Provident plc (UK) in the Life Insurance Business.
- AmBank purchased 600 machines to be installed at branches nationwide by mid-2009.
- AmAssurance Berhad was separated into general insurance operations and life insurance operations, carried out by two separate companies.
- AmInvestment Bank Group ("AIGB") sponsored the Brunei Islamic Finance News Forum.

January 2009

- AmInvestment Bank Group's Funds Management Division launched AmMutual's Shariah-based structured product fund, AmStaples.
- AmBank (M) Berhad launched Family First, an all-in-one financial solution to meet every aspect of a family's financial needs.
- AmBank embarked on a two-month roadshow to introduce the new innovative AmBank NexG Prepaid MasterCard to students at various colleges and universities.

February 2009

- AmBank Group launched its second conventional structured deposit product, a Floating Rate Negotiable Instrument of Deposit ("FRNID") known as AmTriple Opportunities FRNID.
- AmInvestment Bank Group's Funds Management Division launched AmTriple 30-Capital Protected.
- AmBank (M) Berhad launched a deposit campaign called the AmBank Treasure Quest Contest.
- AmIslamic Funds Management Sdn Bhd is announced to the press as the new dedicated Islamic Funds management arm from the Funds Management Division of AmInvestment Bank Group.
- The Wealth Advisory business unit announced a business partnership between AmBank (M) Bhd and UAS Bistari Management Sdn Bhd.
- AmInvestment Bank won the award for Best Real Estate Deal of the Year at the Islamic Finance News Deals of the Year 2008 in recognition of the Al-'Aqar Capital RM300 million Sukuk Ijarah programme where AmInvestment Bank was the Lead Arranger and Principal Adviser.

March 2009

- AmInvestment Bank Group's FBM30etf exchange traded fund declared a final income distribution of 6 sen per unit for the financial year ended December 2008.
- AmBank (M) Berhad completed the issuance of its maiden RM500 million Non-Innovative Tier 1 capital issuance.
- AmInvestment Bank launched up to RM100 million of zero strike warrants over Warren Buffet's Berkshire Hathaway Inc Class B shares.
- Funds Management Division partnered with Bursa Malaysia in showcasing the AmIslamic Funds Management division at the Islamic World Asia 2009 conference.

CALENDAR OF EVENTS:
Social Activities

April 2008

- AmBank Group organised a Family Day outing at the Desaru Golden Beach Resort in Johor Bahru.
- AmBank Group participated in the Kuala Lumpur leg of the Beijing 2008 Olympics Torch Run. The torch was carried by Y Bhg Tan Sri' Dato Azman Hashim, Chairman, AmBank Group.
- Kelab AmBank Group's ("KAG") Charity and Community Project 2008 treated 80 children from three charity homes to a Disney on Ice show, "Mickey and Minnie's Magical Journey".
- Kelab AmBank Group presented a cheque of RM5,000 to the Children's Protection Society ("CPS") as part of its charity drive held in conjunction with the "Pirates of the AmCarribean" – KAG's 2008 Treasure Hunt, Pulau Pinang.

May 2008

- Mr. Andrew Kerr (Chief Risk Officer, AmBank Group) clinched his first title in the Inaugural KAG Golf Tournament at the Tropicana Golf & Country Club, Petaling Jaya.
- The AmBank Group Men's and Women's Futsal teams participated in the Central Zone level of the Karnival Futsal i-Metro 2008.
- Y Bhg Tan Sri Dato' Azman Hashim, Chairman, AmBank Group, donated an Ibrahim Hussein painting to USM Muzium & Galeri Tuanku Fauziah.

June 2008

- AmBank Group organised a Family Day gathering for Region 2 at the Clearwater Sanctuary Golf Resort in Batu Gajah, Perak. Four charity organisations were presented with a total of RM20,000. Y Bhg Tan Sri Dato' Azman Hashim, Chairman, AmBank Group also presented 27 long service staff with certificates of appreciation.
- In conjunction with the 51st Merdeka celebrations, AmBank Group sponsored a 10-minute firework display and decorations for the celebration held at Dataran Merdeka, Kuala Lumpur.
- AmIslamic Bank contributed RM150,000 to Rumah Amal Limpahan Kasih, Puchong to assist in their day-to-day activities and top up for the purchase of existing land.
- AmBank Group renewed its sponsorship of Zoo Negara's Dromedary Camels for the 23rd year.
- KAG held its Fourth KAG Go-Kart Championship which attracted 405 Go-Karters.

July 2008

- AmBank Savers' G.A.N.G celebrated 20 years of "Great Activities and Games" nationwide with Birthday Carnivals.
- The AmBank-ANZ Exchange Programme created new learning experiences for personnel from both countries.
- AmAssurance recognised its top achievers during its annual 20th AmMillionaire Awards Presentation, attended by 1,000 of the organisation's strongest wealth solution planners.
- The AmBank Group Toastmasters club made official the installation of its 2008/2009 Exco.
- AmInvestment Bank Group was the Overall Champion in the 25th Malaysian Investment Banking Association ("MIBA") Athletics Meet 2008.

August 2008

- AmBank Group sponsored the Third AmBank Group Malaysia Chess Challenge 2008.
- AmBank Group participated in The Edge-Bursa Malaysia Kuala Lumpur Rat Race 2008 which raised RM1.75 million for 20 charitable organisations.
- KAG hosted their annual Community and Charity Project for underprivileged children at Sunway Lagoon theme park.
- AmBank Group was one of the main sponsors for the Selangor Masters gold tournament at the Seri Selangor Gold club.
- AmBank Group contributed RM10,000 to "Melaka Hari Ini", in conjunction with the 3rd anniversary of the publication.
- KAG hosted its annual Community and Charity Project for Orang Asli villagers of Kampung Sungai Rasau, Puchong.
- In conjunction with the 51st Merdeka celebrations, AmBank Group sponsored a 10-minute firework display and 50,000 balloons for the celebration held at Dataran Merdeka, Kuala Lumpur.

September 2008

- AmBank Group donated ten used computers to Yayasan Kasih Sayang Malaysia.

October 2008

- AmBank Group sponsored a fireworks display during the ceremony of Declaration of the Credentials for the Declaration of Melaka and Georgetown as a World Heritage City by UNESCO.
- AmBank Group contributed RM100,000 for the Royal Charity Dinner of the Kuala Lumpur Foundation to Criminalise War.
- Kelab AmBank Group ("KAG") held its KAG Charity Bowling 2008 tournament at Pyramid Megalanes.

November 2008

- AmInvestment Bank was the Overall Champion in the Malaysian Investment Banking Association Games 2008.
- The AmBank Challenge IX attracted a total of 204 participants at the Nur Lembah Pangsun Eco Resort, Ulu Langat.
- AmBank Group was the Title Sponsor for the AmBank Group Inter-Financial Institutions Futsal Tournament with a contribution of RM25,000.

December 2008

- AmBank Group inked a three-year charter membership deal worth RM45,000 with SportExcel in support of junior gold development in the country.
- AmBank Group presented its fourth year-end concert extravaganza, Ambang 2009 Kuala Lumpur at Dataran Merdeka attracting over 70,000 year-end revellers which was telecast-live nationwide over RTM2.

January 2009

- AmBank participated at the 8th Malaysia Career and Training Fair and received more than 2,000 resumes from potential candidates.
- The Regional Office of Region 3 held its Chinese New Year celebrations for its customers where ang pow and goodie bags were given to 38 underprivileged senior citizens.

February 2009

- AmBagus 2009 was organised by KAG in Restoran Seri Melayu, in Kuala Lumpur. The winner of the event, Sharifah Salwa, received a prize of RM2,500 from Y Bhg Tan Sri Dato' Azman Hashim, Chairman, AmBank Group and Encik Mustafa Mohd. Nor, President, Kelab AmBank Group ("KAG").
- The new AmBank branch in Bandar Menjalara organised a Gong Xi Raya Open House.

March 2009

- AmBank participated in the Inter-Financial Institutions Football Tournament 2009.
- At the Inter-Financial Institutions Carrom Tournament 2009, AmBank came in at Fifth placing.

NOTABLES AND Awards

Award/Recognition	Awarded by
AmInvestment Bank	
• Best Deal of the Year for Malaysia (Binariang RM12 billion (USD3.6 billion) multi-tranche bond. AmInvestment Bank was Joint Bookrunner)	Asiamoney Country Deals of the Year 2008
• Best Islamic Financing Deal of the Year in South East Asia (Syarikat Prasarana Negara's RM2000 million Sukuk Ijarah) • Best Privatisation Deal of the Year in South East Asia (Privatisation of AmInvestment Group Berhad and RM1.0 billion Renouncable Rights Issue)	Alpha South East Asia Second Alpha Southeast Asia Awards 2008
• Real Estate Deal of the Year (Al-'Aqar Capital's RM300 million Sukuk Ijarah programme. AmInvestment Bank was the Lead Arranger and Principal Adviser)	Islamic Finance News Deals of the Year 2008
• Malaysia Capital Markets Deal (RM15.35 billion capital markets deal for Binariang GSM)	IFR Asia Awards 2008
• Top 4 Asian Investment Bank for Asia Ex-Japan M&A Deals 2008	Malaysian Investment Banking Association and The Pinnacle Group International Pte Ltd
• Blueprint Award – New Real Estate Benchmark Deal (RM300 million Sukuk Ijarah issued by Al-'Aqar Capital Sdn Bhd) • 2nd Place – Lead Manager Award, Number of Deals • 2nd Place – Lead Manager Award, Islamic, Number of Deals • 3rd Place – Lead Manager Award, Islamic, Issue Value	RAM League Awards 2009
AmInvestment Bank Group	
• Best Malaysia Islamic Bond Fund, 3 Years (AmBon Islam) • Best Global Islamic Equity Fund Award (won by AmOasis Global Islamic Equity's master fund, Oasis Crescent Global Equity Fund), 1 Year, 3 Year and 5 Year periods.	4th Annual Failaka Islamic Fund Awards
• Best Bond Group (for second consecutive year) • Best Bond MYR Fund – 3 Years (AmDynamic Bond, for fourth consecutive year) • Best Bond MYR Fund – 5 Years (AmDynamic Bond) • Best Bond MYR Islamic Fund – 3 Years (AmBon Islam, for second consecutive year)	The Edge-Lipper Malaysia Fund Awards 2009
AmBank	
• Automotive Finance Company of the Year	2008 Frost & Sullivan ASEAN Automotive Awards
• Best Business Platinum Programme	MasterCard Asia/Pacific Middle East and Africa Awards 2008
• Gold Award for "Best Contact Centre Telemarketer" (Individual Category) • Special Excellence Award for "Best Mystery Shopper Results for Telemarketing Contact Centre"	Ninth CCAM Annual Contact Centre Awards 2008
• One of the Top 30 companies in Malaysia from "Malaysia's Most Valuable Brands"	Association of Accredited Advertising Agents Malaysia (4As) and Interbrand
AmBank Group	
• BrandLaureate Brand Personality Award (Awarded to Y Bhg Tan Sri Dato' Azman Hashim in recognition of an outstanding individual that has contributed greatly to the brands of the banking industry) • BrandLaureate Conglomerate Award (Awarded to AmBank Group, for an organisation that has a basket of successful brands that have contributed to Brand Malaysia's equity)	The BrandLaureate Brand Personality Award
AmAssurance	
• Regional Outstanding Entrepreneurship Award 2008	Asia Pacific Entrepreneurship Awards 2008 (APEA)
• Winner of Superior Company category for a well-established company with a steady record in profits	3rd Business of the Year Award 2007

REVIEW AND OUTLOOK OF THE Malaysian Economy

Developments In 2008

Global Economy

The global economy faced immense challenges during 2008 due to the global financial crisis, triggered by the US sub-prime mortgage and credit crisis. In spite of a favourable first half, principally led by China and India, world economic growth for the whole of last year slowed to 3.2% from 5.2% in 2007 as the advanced economies fell into recession during the second half. On average, growth rate in advanced economies eased considerably to 0.9% in 2008 from 2.7% in 2007. The US saw its economy growing at a slower 1.1% last year compared with 2.0% in 2007, while growth in the Euro area moderated to 0.9% from 2.7%. Japan in turn charted a contraction of 0.6% in 2008 from a growth of 2.4% in the preceding year.

The emerging and developing economies also slowed down in 2008 with a growth of 6.1% against 8.3% in 2007. China and India continued to perform strongly with 9.0% and 7.3% growth last year, but moderated from 13.0% and 9.3% in 2007.

The effect of a sharp downturn in advanced economies had depressed global trade, investment and capital flows in 2008. Growth in world trade of goods and services moderated to 3.3% last year from 7.2% in 2007, while net private capital flows to the emerging and developing economies fell substantially to USD109.3 billion in 2008 from USD617.5 billion in the preceding year.

Inflation was the primary global macroeconomic concern during the first half of last year as prices of food and other commodities surged in the world market. However, the prices of oil and other commodities eased sharply in the final part of last year following a deceleration in world demand. The price of crude oil tumbled to USD44.60 a barrel at the end of 2008 with the effect to moderate global inflation. Nonetheless, on average global inflation rate for the whole of 2008 was higher at 6.4% compared with 4.3% in 2007.

The global financial markets had suffered the most as a consequence of the financial and economic crisis. According to a study commissioned by the Asian Development Bank, losses on global financial markets in 2008 amounted to USD50 trillion. The developing Asia recorded the biggest loss relative to the other parts of developing world amounting to USD9.6 trillion as the region's market have expanded much more rapidly.

The International Monetary Fund ("IMF") in turn reported that global write-downs of toxic debts among banks and other financial institutions in the US, Europe and Japan could reach USD4.1 trillion, with banks to write-down about USD2.8 trillion.

Another significant issue affecting global economy in 2008 is the rising unemployment rate. The rate showed a sharp upturn particularly during the second half as retrenchments accelerated. On average, global unemployment rate rose to 6.0% last year from 5.7% in 2007.

Aggressive interventions by governments are necessary to help stabilise the financial system, ensure credit flow and support economic growth. In particular, the governments of US and European countries had to bail out banks and other financial institutions as well as ease monetary policy by injecting liquidity and lowering interest rate to near zero. The emerging and developing economies similarly had cut interest rates.

The advanced as well as emerging and developing economies have also introduced fiscal stimulus packages to prevent further deterioration in the economy and stimulate recovery. The announced total stimulus package till April 2009 amounted to USD2.3 trillion or about 3.5% of global GDP. China had announced USD586 billion or close to 7.0% of GDP fiscal stimulus package in November 2008, while the US unveiled a package of USD787 billion or 5.5% of GDP in February 2009. Other countries that embarked on large fiscal stimulus package include Japan, Germany and Spain.

The Malaysian Economy

The Malaysian economy experienced mixed developments during 2008. The first half was characterised by high growth with inflation trending upward principally due to rising cost pressure. Exports accelerated during the January-June period, contributed by both the manufacturing and primary commodities and together with continuing robust consumption spending; the overall real GDP rose strongly by 7.1%. However, growth momentum moderated during the second half following weakening export performance as major economies experienced greater difficulties following the deepening of global financial crisis. The income and cost effects had also slowed domestic spending during the second half of 2008 and real GDP growth for this period had moderated to 2.4%, with the final quarter growth rate hitting a low of 0.1%. Consequently, growth for the whole of 2008 moderated to 4.6% from 6.3% in the preceding year. This is also the slowest growth rate for the economy since 2001.

Meanwhile, domestic inflationary pressures continued to build up till the third quarter, before descending in the final quarter, as prices of food and fuel sustained an upturn. For the whole of 2008, Malaysia's inflation rate averaged 5.4%, the fastest in 26 years (1982: 5.8%). However, the monetary authority did not embark on a tightening policy. Instead, it had moved down interest rates and kept the banking system flushed with liquidity as concerns on growth escalated.

Generally, the Malaysian financial system continued to see stability in 2008 with liquidity condition remaining ample. Despite withdrawals of portfolio capital from the domestic financial system, the rate of reduction in the country's external reserves was cushioned by the continuing large surplus in the current account of balance of payments. The current account surplus in 2008 amounted to RM129.4 billion or 17.5% of GDP compared with RM100.4 billion or 15.6% of GDP in 2007. The external reserves at the end of 2008 amounted to RM317.4 billion or USD91.5 billion as opposed to RM335.7 billion or USD101.3 billion in 2007.

Demand Conditions

Domestic demand condition remained strong in the first half of 2008, contributed principally by buoyant consumption spending. While private consumption increased by 8.4%, final public spending had expanded by 6.5%. The high commodity prices, stable labour market condition and favorable financing environment had supported higher passenger car sales, credit card spending and imports of consumption goods during the first half of last year.

The second half of the year saw a slow down in private consumption following slowing income growth and rising cost of living as inflationary pressures escalated. Growth in private consumption in the second half of 2008 had moderated to 6.7%. However, the average rate of expansion in private consumption for the whole of 2008 remained firm at 8.4% compared with 10.8% in 2007. The contribution by private consumption to the overall real GDP growth last year had declined to 4.3 percentage points (pps) from 5.2 pps in 2007.

Real GDP By Demand Aggregate

% Change	2004	2005	2006	2007	2008	2009f
Consumption	**9.4**	**8.5**	**6.1**	**9.9**	**9.1**	**4.3**
Public	*7.6*	*6.5*	*4.9*	*6.6*	*11.6*	*7.5*
Private	*9.8*	*9.1*	*6.5*	*10.8*	*8.4*	*3.5*
Investment (ex-stock)	**3.6**	**5.0**	**7.9**	**9.6**	**1.1**	**-8.5**
Public	*-21.5*	*6.8*	*8.9*	*7.5*	*0.7*	*n.a.*
Private	*46.5*	*3.3*	*7.0*	*12.3*	*1.5*	*n.a.*
Agg. Domestic Demand	**7.7**	**7.6**	**6.6**	**9.8**	**6.9**	**1.1**
Public	*-7.8*	*6.6*	*6.8*	*6.9*	*6.5*	*n.a.*
Private	*15.6*	*7.6*	*7.0*	*11.8*	*7.1*	*n.a.*
Exports	16.1	8.3	7.0	4.2	1.5	-17.6
Imports	19.6	8.9	8.5	5.4	2.2	-16.8
Real GDP	**6.8**	**5.3**	**5.8**	**6.3**	**4.6**	**-2.0**

Capital spending witnessed a sharper slowdown during 2008, especially in the second half. Both the private and public sector contributed to the slowdown. Against a growth of 9.6% in 2007, total investment had increased only marginally by 1.1% last year. The second half saw investment spending contract by 3.6%.

Private investment rose at a slower rate of 1.5% in 2008 from 12.3% in 2007, particularly to reflect weaknesses in the manufacturing sector following the deterioration in global economic condition. The downturn in private investment spending was most visible during the final quarter as companies deferred and cancelled investments on concerns of worsening global economic prospects. Imports of capital goods declined sharply by 12.4% in the fourth quarter after posting a weak increase of 0.2% in the preceding three months. Loans extended by the banking system to the manufacturing and construction sectors also contracted by 3.3% and 0.9% respectively compared to the levels in the preceding quarter. The amount of funds raised by the private sector via the capital market also charted a downturn, particularly in the final three months of last year.

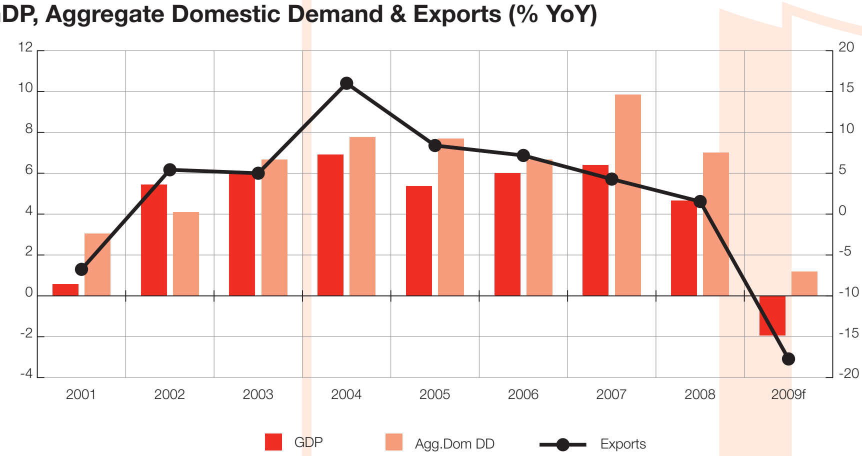
Growth in public investment also slowed sharply to 0.7% in 2008 from 7.5% in 2007, reflecting the impact of rising cost, amidst the need to contain the size of fiscal deficit of the Federal Government. Overall, investment contribution to real GDP declined to 0.3 pp from 2.2 pps in 2007.

The external sector had been impacted the most by the global economic downturn especially during the second half of 2008. In the final quarter, total exports and services measured in constant 2000 prices fell by 10.2%. For the whole of last year, exports had only charted a modest 1.5% increase compared with a growth of 4.2% in 2007.

However, measured in current prices, exports of goods and services charted a faster growth of 8.4% last year compared with 5.6% in 2007. This was attributed principally to the sharply higher commodity prices, including oil and gas, palm oil and rubber.

Imports had also decelerated during 2008, in response to slowing external and domestic demand. However, the rate of import growth for the whole of last year was slightly higher than exports at 2.2%, thus resulting in net exports contracting by 3.8%. Net exports continued to record a negative contribution of 0.5 pp to the overall GDP growth in 2008 compared with -0.6 pp in 2007.

GDP, Aggregate Domestic Demand & Exports (% YoY)



Supply Conditions

The performance by sectors was generally mixed in 2008. While growth of the manufacturing sector had slipped to 1.3% from 3.1% in 2007 arising from the global economic downturn, the agriculture sector expanded at a faster rate of 3.8% from 2.2% for the two years under comparison. However, the mining sector charted a fall of 0.8% last year after posting 3.3% rise in 2007. The services sector continued to lead the economy last year, but grew at a slower 7.3% pace compared with 9.7% in 2007. Nonetheless, all sectors showed a steep deceleration in the fourth quarter.

In the final three months of last year, the manufacturing, mining and construction sectors reported contraction, while the services and agriculture saw sliding growth momentum. The manufacturing sector fell by 8.8% in the final three months of 2008, as it was severely affected by falling world demand for the E&E.

Meanwhile, the mining sector contracted by 5.7% in the fourth quarter of last year, principally following lower output of oil and gas as the country was already gaining significantly from the escalating international prices of the commodity. The construction sector had reported a decline of 1.6% in the last year's final quarter mainly as a result of weakening activity in the private residential and commercial sector. However, the overall performance of this sector was partly cushioned by activity in the public sector from the implementation of projects under the Ninth Malaysia Plan ("9MP") as well as projects in the oil and gas industry.

The services sector had shown a deceleration in the fourth quarter, but it remained as the fastest growing sector of the economy. The sector chartered a growth of 5.6% in the final three months of 2008, moderating from 7.1% in the preceding quarter, mainly supported by continuing strong activity in sub-sectors such as wholesale and retail trade, finance and insurance, communication, transport and storage, real estate, business services and accommodation and restaurant.

The agriculture sector also decelerated in the last year's final quarter with a growth of 0.5% against an increase of 3.0% in the preceding quarter.

Consequently, all sectors with the exception of agriculture contributed less to the overall GDP growth in 2008 compared with the preceding year. While the contribution of manufacturing sector fell to 0.4 pp last year from 1.0 pp in 2007, the mining sector contributed a negative 0.1pp from a positive contribution of 0.3pp for the two years under comparison. The construction sector had retained a small 0.1pp contribution last year.

Contribution To Growth – Demand

% Points	2004	2005	2006	2007	2008	2009f
Consumption	5.4	5.1	3.7	6.1	5.8	3.2
Public	*1.0*	*0.8*	*0.6*	*0.9*	*1.5*	*1.0*
Private	*4.4*	*4.2*	*3.1*	*5.2*	*4.3*	*2.3*
Investment (ex-stock)	0.8	1.1	1.7	2.2	0.3	0.1
Public	*-3.1*	*0.7*	*1.0*	*0.8*	*0.1*	*n.a.*
Private	*3.9*	*0.4*	*0.8*	*1.4*	*0.8*	*n.a.*
Stocks	0.8	-1.7	0.7	-1.3	-0.8	0.2
Agg. Domestic Demand	6.2	6.2	5.5	8.2	6.0	1.0
Public	*-2.1*	*1.5*	*1.6*	*1.7*	*0.9*	*n.a.*
Private	*8.4*	*4.4*	*4.2*	*7.1*	*5.0*	*n.a.*
Exports	17.7	10.0	8.6	5.2	1.8	-20.9
Imports	18.0	9.1	9.0	5.8	2.4	-17.7
Net Exports	-0.2	0.8	-0.4	-0.6	-0.5	-3.2
Real GDP	**6.8**	**5.3**	**5.8**	**6.3**	**4.6**	**-2.0**

The services sector had retained a large contribution of 3.9 pps to the overall GDP growth in 2008, but declined from 5.0 pps in 2007. However, the sector's share of total GDP was larger at 55.0% compared with 53.6% in 2007. Meanwhile, the contribution of agriculture to the overall GDP growth in 2008 increased slightly to 0.3 pp from 0.2 pp in 2007 as it gained a faster expansion.

Prospects In 2009

Global Economy

The global economic conditions continued to worsen during the first half of 2009, as recessions deepened and became more widespread. Although there are signs of moderation emerging, the International Monetary Fund ("IMF") – in its April report – projected global economy to contract by 1.3% in 2009 in light of the significant financial strains and loss of investor and consumer confidence. This is the deepest global recession since the Great Depression. In March, the World Bank predicted global output to shrink by a larger 1.7% this year. The advanced economies are forecast to chart an average contraction of 3.8% in 2009, with Japan to fall by a steep 6.2%. The US economy is projected to contract by 2.8% this year, while the economy of Euro zone could decline by 4.2%.

The emerging and developing economies as a group could see growth decelerating sharply to 1.6% in 2009 from 6.1% in 2008. The slowdown principally results from slowing global trade and investment as the advanced economies slipped into more severe economic difficulties.

The world economy may recover in 2010. The IMF has projected global output to record a moderate increase of 1.9% next year, mainly following expansion in the emerging economies, while the advanced economies would stabilise. However, the downside risks to growth remain significant unless the functionality of financial systems, especially in the US and Europe, are restored and problems in credit markets resolved.

According to IMF, banks worldwide will require additional capital of between USD775 billion to USD1.5 trillion in 2009-2010 following larger write-downs of loans and securities amounting to an estimated USD2.8 trillion triggered by the financial and economic crises. The US banks would require additional capital up to USD500 billion in the two years following further write-downs of up to USD550 billion. Subsequently, the prospects of emerging economies recovering to help pull up global growth could also be limited following strains in accessing external financing.

The Malaysian Economy

Malaysia has been feeling the effect of global economic downturn, particularly in the last quarter of 2008. Exports and investment had contracted during the period, which consequently caused real GDP growth to decelerate sharply to a marginal 0.1%.

In the face of rising global economic difficulties, the Government had announced the second Stimulus Package of RM60 billion in March 2009 to prevent the domestic economy from falling into a deep recession. The package is to be implemented over 2009 and 2010 that would also help address issues relating to employment, private sector investment and consumption as well as providing social safety net. In November 2008, the Government had announced the first stimulus package amounting to RM7.0 billion. The fiscal stimulus packages are to compliment expansionary monetary policy to help support domestic spending and overall economic growth.

The Government recently revised downward the country's GDP forecast for 2009 to between minus 5.0% and minus 4.0% from its earlier projection of minus 1.0% to 1.0%. The revision was made after first quarter 2009 GDP shrank a worse-than expected 6.2%. This is the first decline since third quarter of 2001 (-0.4%).

The severe slowdown in the first quarter was largely due to the drop in external demand. Gross exports fell sharply by 20.0% following a significant contraction in manufactured exports due to lower demand for E&E and non-E&E products as well as a decline in commodity exports arising from lower prices and weaker demand.

During the quarter, domestic demand shrank 2.9% as households and businesses adopted a more cautious spending amidst deteriorating economic and business conditions. In particular, gross fixed capital investment fell 10.8%, due to weakening private investment activity. However, higher public sector capital spending helped to mitigate the adverse impact of external developments on the domestic economy.

On the supply side, with the exception of construction, all economic sectors recorded contraction in the first quarter. In particular, the manufacturing sector declined significantly while the services sector registered a mild contraction largely affected by sub-sectors closely linked to the manufacturing sector.

Despite registering the sharper than expected contraction in the first quarter, there are signs of stabilisation emerging in the economy. In particular, the manufacturing sector, which contributes one-third to GDP and over 70.0% to industrial production index posted a smaller decline of 15.7% in April as compared to -17.0% in March. On month-on-month basis, manufacturing output expanded by 1.5% in April after registering a 3.5% growth in March.

Meanwhile, the impact of the first and second stimulus packages should be seen in the third and final quarters of this year, in terms of raising aggregate domestic demand, particularly through public spending and private consumption. While the domestic economy would remain in contraction in the second quarter and third quarter, it might recover in the last quarter of 2009. Therefore, for the whole of 2009 real GDP is estimated at -2.0% as opposed to the official forecast of between -5.0% and -4.0%.

Demand Conditions

Domestic demand is projected to moderate significantly in 2009 with a growth of 1.1% compared with 6.9% in 2008 mainly following falling investment spending, amidst slowing consumption spending. Private consumption is projected to expand moderately by

3.5% largely following weaker labour market conditions and less favourable job opportunities, particularly in the manufacturing sector. Several measures introduced by the Government as contained in the stimulus packages, such as the reduction of EPF contribution from 11.0% to 8.0%, and increased car loans for civil servants could help moderate the slide in growth of private consumption.

The public consumption is also projected to show a slower increase, but to remain steady at 7.5%, mainly in response to increased emoluments and purchases of supplies and services. Consequently, total consumption spending would grow by an estimated 4.3% in 2009, decelerating from 9.1% in 2008. Thus, the contribution by consumption to the overall GDP growth this year is expected to decline to 3.2 pps from 5.8 pps in 2008.

The condition on private investment spending would be more depressing following contraction in global demand and softening domestic spending. The weakening of business sentiment and rising risk aversion among investors consequently would cause a sharp decline in private investment of up to 18.0% this year after charting a marginal growth of 1.5% in 2008. The manufacturing sector is most likely to experience a significant drop in investment this year as foreign direct investment inflow is expected to drop. Meanwhile, the implementation of new investment projects and expansion programs would likely be delayed until clearer signs of recovery emerge.

On the other hand, public investment is expected to record a stronger increase this year as the Government embarks on implementing counter-cyclical measures under the stimulus packages to mitigate the impact of global economic downturn on the domestic economy.

On the external front, real exports of goods and services is also projected to record a sharp decline of 17.6% this year following a marginal rise of 1.5% in 2008 as global demand especially for manufactured goods slumps. The exports of primary commodities such as oil and gas, palm oil and rubber and resourced based manufactured products are also expected to weaken further largely due to falling prices, following price correction which started in the second half of 2008. The export performance is expected to be worse during the first half before moderating gradually during the second half. Exports would record a negative contribution of 20.9 pps to the overall GDP growth in 2009.

Similarly, imports would contract in 2009 by a projected 16.8%, following falling exports and weakening domestic demand. However, as a result of a sharper contraction in exports compared with imports, the negative contribution by net exports to the overall GDP growth in 2009 is forecast to widen to 3.2 pps from -0.5 pp in 2008.

Supply Conditions

All sectors of the economy, with the exception of construction, would be affected more adversely this year following the deepening of global recession. The manufacturing, trade and tourism related services sectors in particular are expected to report large contractions especially during the first half as a consequence of falling global demand.

The manufacturing sector is envisaged to decline sharply by 12.5% in 2009 from 1.3% growth last year mainly depressed by falling output of export-oriented industries, particularly E&E. The performance of domestic-oriented industries is also expected to ease following the deceleration in domestic consumption and investment demand. In the first three months of this year, the sector had charted a contraction of 15.6% mainly caused by a 41.4% decline in E&E output.

The mining sector is also projected to chart a fall this year. In the first quarter, the sector had reported a 5.4% drop due to reduced production of oil and gas. The whole of 2009 may see the sector contracting by 5.3%.

The services sector will remain as the main driver of the domestic economy this year, but it will grow more slowly at an estimated 3.7% from 7.3% last year. This is mainly in response to slowing performance of sub-sectors such as trade, transport and storage, utilities, finance and insurance, wholesale and retail, communication, accommodation and restaurants.

Real GDP By Sector

% Change	2004	2005	2006	2007	2008	2009f
Agriculture	4.7	2.6	5.4	2.2	3.8	-2.3
Mining	4.1	-0.4	-2.7	3.3	-0.8	-5.3
Manufacturing	9.6	5.2	7.1	3.1	1.3	-12.5
Construction	-0.9	-1.5	-0.5	4.6	2.1	4.1
Services	6.4	7.2	7.3	9.7	7.3	3.7
Real GDP	**6.8**	**5.3**	**5.8**	**6.3**	**4.6**	**-2.0**

On the other hand, the construction sector will register a stronger growth of 4.1% compared with 2.1% in 2008. This is chiefly in response to aggressive implementation of projects under the two stimulus packages and the 9MP. However, private construction activity on residential and commercial projects may continue to decline as the weakening of consumer sentiment causes contractors to defer launches of new projects.

The agriculture sector is also to chart a sharp downturn this year as production in palm oil and rubber is likely to contract following the significant slide in prices. However, the production of other products particularly livestock, fisheries and vegetables may continue to expand following increases in domestic demand. Overall, the agriculture sector may record a decline to 2.3% in 2009 after a favorable 3.8% growth in 2008.

External Balance And Monetary Policy

Malaysia's external balance posted a contraction in 2008 and is projected to fall further in 2009 following the worsening of global economic conditions. In 2008, total external reserves fell to RM317.4 billion or USD91.5 billion from RM335.7 billion or USD101.3 billion as the deficit in financial account widened to RM123.9 billion from -RM37.7 billion in 2007 mainly caused by large outflow of portfolio capital during the second half. This was despite the larger current account surplus of RM129.4 billion or 18.1% of GNP compared with RM100.4 billion or 16.0% of GNP in 2007.

More capital had flowed out during the first quarter of 2009 triggered by the deterioration in global financial markets and economic condition. As at end of March, the external reserves were lower at RM320.7 billion or USD87.8 billion compared with the level at end-December 2008. While portfolio capital flow into the domestic financial markets would resume following the stabilisation of global financial markets to help narrow the deficit in financial account, the overall balance in 2009 may continue to chart a decline as a consequence of a significantly smaller current account surplus. The external reserves are projected to decline to RM303.4 billion in 2009 as opposed to RM317.4 billion as at end of 2008.

The surplus in the current account may narrow sharply to RM50 billion or 8.7% of GNP in 2009 compared with RM130 billion or 18.1% of GNP last year, principally due to a substantially smaller merchandise surplus. The lower surplus in the current account in turn mirrors the smaller resource balance or saving-investment surplus of the economy in 2009.

Balance Of Payments

RM billion	2005	2006	2007	2008	2009f
Current Acc. Balance	78.4	93.5	100.4	129.4	50.0
% of GNP	15.7	16.8	16.0	18.1	8.7
Merchandise Balance	128.9	134.6	127.7	170.1	80.0
Services Balance	-9.6	-6.9	2.4	1.7	-1.2
Income Balance	-23.9	-17.3	-13.9	-25.4	-11.0
Net Transfer	-17.0	-16.9	-15.7	-17.0	-18.2
Real GDP (% YoY)	**5.3**	**5.8**	**6.3**	**4.6**	**-2.0**

Despite the drop in external reserves, domestic liquidity position had remained ample throughout 2008. Private sector liquidity as measured by broad money or M3 in fact charted a firmer expansion of 11.9% last year compared with 9.5% in the preceding year, largely on account of strengthening loan growth. At the end of 2008, loans outstanding showed a 12.8% increase compared with 8.6% in 2007.

However, growth in private sector liquidity had shown a moderation in the first quarter of 2009 to 7.7%, mainly caused by the further outflow of portfolio capital but supported by continuing steady rise in loans of 10.9%. Thus excess liquidity remained large in the financial system, but reduced to RM173.4 billion as end-March from RM184.1 billion as at end of December 2008. The liquidity condition for the whole of 2009 is likely to remain ample, but reducing from the level in 2008 as a consequence of smaller current account surplus and capital inflows.

The ample liquidity condition to a significant extent had cushioned the impact of global financial and economic crises on the country's financial system and real economy in 2008 and the current year. On the other hand, the presence of excess liquidity demands for regular interventions by the monetary authority in money market to help stabilise the banking system and interest rates. The excess liquidity had reached a high of RM287.4 billion in April of last year, amidst rising inflationary pressures. However, interest rate was not raised as concerns on growth elevated following increased uncertainties in world economic prospects as the US financial crisis spread quickly around the globe.

The rate of inflation in 2008 had hit a high of 8.5% in July, before decelerating to 4.4% in December. On average, Malaysia charted a significantly higher inflation of 5.4% in 2008 compared with 2.0% in 2007. This is the highest rate since 1982 (5.8%).

As global economy experienced a more severe downturn, and the downside risks on domestic economy rising, Malaysia's monetary policy focus was shifted to support economic growth. Consequently, on 24 November 2008 Bank Negara Malaysia ("BNM") cut the overnight policy rate by 25 basis points to 3.25%. It also reduced the statutory reserve requirement ratio ("SRR") for banks by 50 basis points to 3.5%.

Monetary easing programs continued through March 2009 with the OPR reduced to 2.0% and the SRR cut to 1.0% to help lower borrowing cost and ensure adequate liquidity to support domestic demand. Decelerating inflationary pressure has facilitated the conduct of accommodative monetary policy. Inflation eased to an average of 3.7% in the first quarter of this year, as fuel prices in particular declined following lower world crude oil prices. Inflation is expected to decelerate further in the coming quarters and is projected to average between 2.0-3.0% for the whole of 2009.

On the exchange rate front, the Ringgit performance was mixed last year. In the early part of 2008 the Ringgit strengthened, driven by significant inflows of portfolio funds and large trade surplus following surging commodity prices. It was also supported by the falling US Dollar, due to concerns on weakening US economic prospects following the financial crisis. The local unit appreciated by 10.6% to a high of RM3.13 against the US Dollar on April 23 last year, the strongest level since the removal of fixed exchange regime in July 2005.

However, the Ringgit showed a downtrend against the US Dollar and Yen after the second quarter triggered by outflow of capital from the domestic financial markets back to home markets and markets with most liquid and safe government securities. The green back had also appreciated following its reduced supply in the international markets after the reported troubles of several large banking institutions in the US and Europe. The Ringgit had touched a low of RM3.64 against the US Dollar on December 12 last year, but it had ended the year stronger at RM3.46. Against the Yen, the Ringgit fell to a low of 3.83 at the end of 2008 from 2.95 at end-December 2007.

On the other hand, the Ringgit recorded a marked decline against the Euro during the first half of 2008, but it rebounded during the second half as the Euro falls in the international markets in response to interest rate cuts in the Euro zone. The local currency had weakened to a low of 5.15 against the Euro at the end of second quarter, but it recovered to 4.89 at the end of 2008. However, the Ringgit strengthened significantly against the UK pound in 2008 and ended the year at 5.0 from 6.60 at the end of 2007.

The Ringgit movement continued to fluctuate, mainly mirroring the movement of the US Dollar during the first half of 2009. While it slipped to a low of RM3.69 in February and stayed at the 3.60 levels in the next two months, the local unit had improved in May. The Ringgit may stabilise at around 3.50-3.60 against the US Dollar in the coming months till the end of the year.

Conclusion

The Malaysian economy recorded a moderation in 2008 affected by the sharp deterioration in global economy as the US sub-prime mortgage problems evolved into a full-blown global financial crisis. The deterioration in external demand had adversely affected the country's export and investment performance, while slowing down spending on consumption.

The global economic condition has been worsening with the advanced and a number of emerging economies falling into deep recessions. The expectation is for recovery to begin during the late part of this year, following wide-ranging monetary and fiscal policy actions. However, the downside risks to growth remain significant and the global economic recession may be prolonged if problems of banks and financial institutions in the advanced countries are not effectively addressed and confidence in the financial sector is not fully restored.

As an open economy, Malaysia is experiencing the stronger impact of global economic crisis this year and the country's real GDP could also slip into recession after posting a moderate 4.6% growth last year. A number of monetary and fiscal policy measures have also been announced by the Government to help support the economy. While the fiscal stimulus involves high budgetary cost to the Government, and the fiscal deficit will significantly expand, the expansionary policy responses are necessary to help prevent the economy from sliding into a deeper downturn. However, the positive effects of these policy measures can only be achieved following their quick and effective implementation.

AMMB Holdings Berhad

Company Number 223035-V
Incorporated In Malaysia

Financial Statements 2009

Expressed In Ringgit Malaysia
For The Year Ended 31 March 2009

DIRECTORS'
Report

The directors have pleasure in presenting their report together with the audited financial statements of AMMB HOLDINGS BERHAD for the financial year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company.

The subsidiaries, as listed in Note 15 to the financial statements, provide a wide range of investment banking, commercial banking, retail financing and related financial services which also include the Islamic banking business, underwriting of general and life insurance, stock and share-broking, futures broking, investment advisory and asset, real estate investment and unit trusts management.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

SIGNIFICANT AND SUBSEQUENT EVENTS

The significant and subsequent events during the financial year are as disclosed in Note 57 and Note 58 to the financial statements respectively.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit before taxation and zakat	1,217,636	1,083,872
Taxation and zakat	(339,382)	(22,947)
Profit before minority interests	878,254	1,060,925
Minority interests	(17,430)	-
Net profit attributable to the equity holders of the Company	860,824	1,060,925
Unappropriated profit at beginning of year	1,163,267	707,073
Profit available for appropriation	2,024,091	1,767,998
Transfer to statutory reserve	(78,334)	-
Dividends paid	(122,534)	(122,534)
Unappropriated profit at end of year	1,823,223	1,645,464

BUSINESS PLAN AND STRATEGY

The global economic and financial downturn underway has, to date, impacted different countries to varying degrees. The Malaysian economy is expected to feel the full impacts of the downturn in 2009, with slow recovery commencing sometime next year. Lending growth is expected to slow down, with non-performing loans increasing, albeit from its current historical lows. Nonetheless, the Malaysian banking system has learnt valuable lessons from the previous financial crisis in 1998 – 2000. The domestic banking industry has remained substantially intact with no major stresses on capital positions. The easing of monetary policies by Bank Negara Malaysia ("BNM") and countercyclical fiscal measures introduced by the government are expected to both minimise contraction and build longer-term capacity of the domestic economy.

Despite the tougher operating landscape, AMMB will continue to target for profitable growth and dynamic rebalancing via execution on its key strategic agenda. Focus will include volume versus price trade offs and re-positioning the business for growth in viable segments. In addition, other priorities for AMMB Group for the coming financial year will be to preserve its strong capital position, enhance risk management and asset quality, focusing on restructuring, rescheduling and collections activities. Other plans include streamlining operations for improved productivity and cost efficiency whilst investing for the medium term. The Group remains committed in delivering value to our shareholders, customers and employees. We will stay disciplined in executing to our strategic agenda. This will enable AMMB to stay resilient and build on the headstart advantage that we have had since early 2008.

Growing customer deposits and increasing the mix of low cost deposits are key planks for retail and business banking arms. Initiatives to harness savings and current accounts centre on three key pillars:

- Acquisition focus on transact and save needs of mass market, small businesses, and emerging and mass affluent segments;
- Activation focus on payroll crediting, cash management and transactional services; and
- Anti attrition focus to prevent dormancy.

In order to support deposits and fee growth, and new products and services, distribution footprints will continue to be expanded, albeit at a moderated pace.

In the retail banking segment, AMMB Group continues to consolidate its position as the fourth largest by retail assets size. In view of the less optimistic market outlook, retail banking aims to sustain growth via focusing on higher return businesses and superior customer service. Lending growth will be modest, geared towards diversification of assets, and supported by enhanced risk management disciplines and operating efficiency.

Business banking segment has achieved good growth in its credit facilities over the previous three years. Action plans are in place to conserve existing customer relationships and cautiously acquire new businesses. Sustaining portfolio profitability will require realigning lending to more stable economic segments including agriculture, oil and gas, medical, fast moving consumer goods, broad property sector and contract financing. Navigating through the more difficult environment will also require closely monitoring customer positions and restructuring of accounts.

Investment banking activities are being repositioned towards customer based activities in the local and regional markets, including cross-selling of institutional products, corporate and institutional lending, Islamic finance and Islamic funds management opportunities. Higher emphasis will be accorded to private banking, wealth management and funds under management. In the debt capital market, focus will be on higher grade credit bond origination activities, utilities and infrastructure programs. More advisory type assignments will continue to be undertaken, in mergers & acquisitions and restructuring activities.

In the markets and trading domain, product range has been expanded to include foreign exchange and derivatives, with technical and resource assistance from Australia and New Zealand Banking Group Ltd. ("ANZ") Proprietary trading will continue to occur, but within smaller limits in line with its de-risking strategy.

During the financial year, for greater specialization, AMMB Group completed the separation of the composite business of AmLife Insurance Berhad (formerly AmAssurance Berhad), with the transfer of its general insurance business to AmG Insurance Berhad. This has paved the way for the entry of new strategic partner, Friends Provident Fund plc, in the life insurance business, and increased shareholding and strategic involvement by our general insurance partner, Insurance Australia Group.

Further to that, the Group is conducting a due diligence exercise to acquire the general insurance business of another domestic insurance company. Internally, the insurance business is revamping its sales and distribution capabilities, operating models, work processes and customer analytics for enhanced productivity.

OUTLOOK FOR NEXT FINANCIAL YEAR

Global financial turmoil continues to worsen with economic contraction in developed nations and the knock-on effects on the Malaysian economy have begun to precipitate since end 2008. Most analysts and economists have projected a broad economic downturn for 2009 and negative GDP growth of at least -2% for Malaysia. Whilst the pace of economic contraction may slow down later this year, our current view is that any rebound can be expected only towards late 2010. Unemployment rate is forecasted to rise to circa 5%. The contraction in external sector can only be partly offset by moderate growth in domestic demand.

The banking system will face slower credit demand in most segments and deteriorating asset quality as compared to 2008. At present, system's non-performing loans ('NPL") is at its lowest since the Asian financial crisis period in 1998-2000. The Second Stimulus Package (of RM60 billion announced by the Federal Government on 10 March 2009) is expected to shield the economy from the worst impacts of the global downturn. This is expected to provide some cushion against increasing NPL's, as it is focused on reducing unemployment, and providing working capital schemes and financial guarantees for credit enhancement. Further easing of monetary policies may materialize to boost economic activity.

AMMB Group will stay focused through its execution of its medium term strategic themes, and building around rebalancing of portfolios and profitable growth (de-risking, diversifying and differentiated growth). This also provides for greater resilience for the Group to meet current challenges. Enhanced credit control, new risk scorecards and methodologies, and collections and recoveries management will receive heightened focus areas in the coming year. The Group will also continue to focus on building its brand name, growing deposits including low-cost deposits, progressively expanding distribution footprints, and introducing superior products and services. Over the past two years, the Group has also taken steps to strengthen its capital and balance sheet positions.

AMMB Group is well positioned to weather short term global, regional and national volatilities with its diversified business portfolio across retail and business banking, investment banking and markets, and insurance. The Group's strategic partnership with Australia and New Zealand Banking Group Ltd ("ANZ"), privatization of AmInvestment Group Berhad, and internal business restructuring will continue to underpin its ability to deliver profitable growth over the medium term.

ITEMS OF AN UNUSUAL NATURE

In the opinion of the directors, the results of operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed under significant events in Note 57 to the financial statements.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the succeeding twelve months.

DIVIDENDS

During the financial year, the Company paid a first and final dividend of 6.0% less 25.0% taxation, in respect of the previous financial year totalling RM122,533,632 which amount had been dealt with in the directors' report for that financial year and paid on 21 October 2008 to shareholders whose names appeared in the Record of Depositors on 7 October 2008.

In respect of the current financial year, the directors now recommend the payment of a first and final dividend of 8.0%, less 25.0% taxation, amounting to RM163,378,175 to be paid to shareholders whose names appear in the Record of Depositors on a date to be determined by the directors. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of unappropriated profits in the next financial year ending 31 March 2010.

RESERVES, PROVISIONS AND ALLOWANCES

The following material transfers to or from reserves, provisions and allowances were made during the financial year:

		Note to the Financial Statements	Group RM'000	Company RM'000
a.	Statutory Reserve			
	Transfer from unappropriated profits	32	78,334	-
b.	Available-For-Sale Reserve			
	Arising from net unrealised loss on revaluation of securities available-for-sale	32	(84,644)	-
c.	Exchange Fluctuation Reserve			
	Arising from translation of subsidiaries and associate expressed in foreign currency	32	11,425	-
d.	Cash Flow Hedging Reserve			
	Arising from unrealised loss on cash flow hedge	32	(91,486)	-
e.	Shares Held-In-Trust for Executives' Share Scheme			
	Arising from purchase of shares pursuant to Executives' Share Scheme	32	(7,064)	(7,064)
f.	Allowances/(Reversal of Allowances):			
	Interest suspended	35	95,486	-
	Allowance for losses on loans and financing:			
	Specific allowance - net	39	660,081	-
	General allowance	39	53,561	-
	Transfer to profit equalisation reserve	25	24,518	-
	Impairment loss / (writeback) on:			
	Securities		76,524	-
	Amount recoverable under asset-backed securitisation transactions		(17,000)	-

BAD AND DOUBTFUL DEBTS AND FINANCING

Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and financing and the making of allowances for doubtful debts and financing and have satisfied themselves that all known bad debts and financing had been written off and adequate allowance had been made for doubtful debts and financing.

At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts and financing or the amount of the allowance for doubtful debts and financing in the Group and the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps to ascertain that current assets, other than debts and financing, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, have been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the Group's and the Company's financial statements misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

a. any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or

b. any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year, other than those incurred in the normal course of business.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company, that would render any amount stated in the financial statements misleading.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares and debentures during the financial year.

SHARES OPTIONS

There are no options granted during the financial year by the Company to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

EXECUTIVES' SHARE SCHEME

At the 22nd Extraordinary General Meeting held on 26 September 2008, the shareholders approved the proposal by the Company to establish an executives' share scheme ("ESS") of up to fifteen percent (15%) of the issued and paid-up ordinary share capital of the Company at any point in time for the duration of the ESS for eligible executives (including senior management) and executive directors of the Group (excluding subsidiaries which are dormant or such other subsidiaries which may be excluded under the terms of the By Laws) who fulfil the criteria for eligibility stipulated in the By-Laws governing the ESS ("Eligible Executives"). The ESS is implemented and administered by an executives' share scheme committee ("ESS Committee"), in accordance with the By-Laws. The members of the ESS Committee are duly appointed and authorised by the Board. The ESS was established on 12 January 2009 and would be in force for a period of ten (10) years.

The awards granted to such Eligible Executives can comprise of shares and/or options to subscribe for shares ("Options"). Shares to be made available under the ESS ("Scheme Shares") will only vest or Options are only exercisable by Eligible Executives who have duly accepted the offers of awards under the ESS ("Scheme Participants") subject to the satisfaction of stipulated conditions. Such conditions are stipulated and determined by the ESS Committee.

To facilitate the implementation of the ESS, the Company entered into a Trust via the signing of a Trust Deed on 24 February 2009 with an appointed Trustee. The Trustee shall, at such times as the ESS Committee shall direct, subscribe for or acquire the necessary number of new or existing ordinary shares to accommodate any future transfer of Scheme Shares to Scheme Participants. For the aforementioned purpose and to enable the Trustee to meet payment of expenses in relation to the administration of the Trust, the Trustee will be entitled from time to time to accept funding and/or assistance, financial or otherwise from the Company and/or its subsidiaries.

The salient features of the ESS are disclosed in Note 33 to the financial statements.

During the financial year, the Trustee of the ESS had purchased 2,896,000 of the Company's issued ordinary shares from the open market at an average price of RM2.44 per share. The total consideration paid for the purchase including transaction costs amounted to RM7,063,679.

As at 31 March 2009, the Trustee of the ESS held 2,896,000 ordinary shares representing 0.11% of the issued and paid-up capital of the Company. There were no Scheme Shares or Options granted during the financial year.

DIRECTORS

The directors who served on the Board since the date of the last report are:
- Tan Sri Dato' Azman Hashim
- Dato' Azlan Hashim
- Tun Mohammed Hanif Omar
- Tan Sri Datuk Dr Aris Osman @ Othman
- Tan Sri Datuk Clifford Francis Herbert
- Tan Sri Dato' Mohd Ibrahim Mohd Zain
- Dato' Izham Mahmud
- Alexander Vincent Thursby
- Dr Robert John Edgar
- Mark David Whelan (appointed on 2.1.2009)
- Cheah Tek Kuang
- Soo Kim Wai
- Wayne Hugh Stevenson (Alternate Director to Alexander Vincent Thursby, Dr Robert John Edgar and Mark David Whelan, appointed on 2.1.2009)
- Peter John Hodgson (resigned on 29.8.2008)
- Owen James Wilson (ceased to be Alternate Director to Alexander Vincent Thursby, Dr Robert John Edgar and Peter John Hodgson on 15.8.2008)

In accordance with Article 89 of the Company's Articles of Association, Tan Sri Dato' Mohd Ibrahim Mohd Zain, Dr Robert John Edgar and Mr Cheah Tek Kuang retire, and being eligible, offer themselves for re-election.

In accordance with Article 97 of the Company's Articles of Association, Mr Mark David Whelan retire, and being eligible, offer himself for re-election.

Pursuant to Section 129 of the Companies Act, 1965, Tan Sri Dato' Azman Hashim and Tun Mohammed Hanif Omar retire at the forthcoming Annual General Meeting ("AGM") and offer themselves for re-appointment to hold office until the conclusion of the next AGM.

DIRECTORS' INTERESTS

Under the Company's Articles of Association, the directors are not required to hold shares in the Company.

The interests in shares in the Company and subsidiaries, of those who were directors at the end of the financial year as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

DIRECT INTERESTS

In the Company

	No. of Ordinary Shares of RM1.00 each			
Shares	Balance at 1.4.2008	Bought	Sold	Balance at 31.3.2009
Dato' Azlan Hashim	180,000	35,684	-	215,684
Dato' Izham Mahmud	7,000	-	-	7,000
Cheah Tek Kuang	78,800	-	-	78,800

INDIRECT INTERESTS

In the Company

		No. of Ordinary Shares of RM1.00 each			
Shares	Name of Company	Balance at 1.4.2008	Bought	Sold	Balance at 31.3.2009
Tan Sri Dato' Azman Hashim	AmcorpGroup Berhad	480,151,333	1,850,000	-	482,001,333

By virtue of Tan Sri Dato' Azman Hashim's shareholding in the Company, he is deemed to have interests in the shares of its subsidiaries to the extent the Company has an interest.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in shares in the Company or its subsidiaries during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in Note 41 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm in which the director is a member, or with a company in which the director has a substantial financial interest, except for the related party transactions as shown in Note 40 to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CORPORATE GOVERNANCE

i. BOARD RESPONSIBILITY AND OVERSIGHT

The Board of Directors (the "Board") remains fully committed in ensuring that the principles and best practices in corporate governance are applied consistently in the Group. Since the Company is a holding company, its major business activities are conducted through its various subsidiaries. The Board complies with the best practices in corporate governance as set out in the Malaysian Code on Corporate Governance.

The Board supervises the management of the Group's businesses, policies and affairs with the goal of enhancing shareholders' value. The Board meets monthly to carry out its duties and responsibilities, with additional Board meetings being convened, whenever required.

The Board addresses key matters concerning strategy, finance, organisation structure, business developments, human resource (subject to matters reserved for shareholders' meetings by law), and establishes guidelines for overall business, risk and control policies, capital allocation and approves all key business developments.

The Board currently comprises twelve (12) directors with wide skills and experience, of which five (5) are Independent Non-Executive Directors. The Directors participate fully in decision making on key issues regarding the Company and its subsidiaries. The Independent Non-Executive Directors ensure strategies proposed by the management are fully discussed and examined, as well as take into account the long term interests of various stakeholders.

There is a clear division between the roles of Chairman and the Group Managing Director.

The Senior Management team of the subsidiaries are invited to attend Board Meetings to provide presentations and detailed explanations on matters that have been tabled. The Group Company Secretary has been empowered by the Board to assist the Board in matters of governance and in complying with statutory duties.

ii. COMMITTEES OF THE BOARD

The Board delegates certain responsibilities to Board Committees. These committees, which were created to assist the Board in certain areas of deliberation are:

1. Group Nomination Committee
2. Group Remuneration Committee
3. Audit and Examination Committee
4. Group Risk Management Committee
5. Group Information Technology Committee

The roles and responsibilities of each committee is set out under the respective terms of reference, which have been approved by the Board. The minutes of the Committee meetings are tabled at the subsequent Board meetings for comment and notation.

The attendance of Board members at the meetings of the Board and the various Board Committees is as set out below:

Number of Meetings attended in Financial Year 2009

	Board of Directors	Group Nomination Committee(1)	Group Remuneration Committee (2)	Audit and Examination Committee	Group Risk Management Committee	Group Information Technology Committee
Tan Sri Dato' Azman Hashim	11	5	2 (Appointed wef 23.7.08)	N/A	N/A	N/A
Dato' Azlan Hashim	11	N/A	2 (Resigned wef 23.7.08)	5	N/A	7
Tun Mohammed Hanif Omar	11	4 (Chairman wef 23.7.08)	N/A	N/A	N/A	N/A
Tan Sri Datuk Dr Aris Osman @ Othman	11	6	2	6 (Chairman)	6	N/A
Tan Sri Datuk Clifford Francis Herbert	11	6	N/A	6	6 (Chairman)	N/A
Tan Sri Dato' Mohd Ibrahim Mohd Zain	9	N/A	N/A	N/A	N/A	N/A
Dato' Izham Mahmud	11	2 (Resigned wef 23.7.08)	4 (Chairman)	5	N/A	N/A
Dr Robert John Edgar	10	5	- (Appointed wef 22.12.08)	4	N/A	N/A
Alexander Vincent Thursby	10	N/A	N/A	N/A	N/A	N/A
Mark David Whelan	3 (Appointed wef 2.1.09)	N/A	N/A	N/A	2 (Appointed wef 2.1.09)	N/A
Cheah Tek Kuang	11	N/A	N/A	N/A	N/A	4
Soo Kim Wai	10	N/A	3	N/A	N/A	N/A
Peter John Hodgson	4 (Resigned wef 29.8.08)	N/A	2 (Resigned wef 29.8.08)	N/A	3 (Resigned wef 29.8.08)	N/A
Number of meetings held in FY 2009	11	6	4	6	6	7

wef: with effect from

Notes:
1. There was no Group Remuneration Committee meeting held from the date of Dr Robert John Edgar's appointment.
2. All attendances reflect the number of meetings attended during the Directors' duration of service.
3. N/A represents non-committee member.

Group Nomination Committee

The Nomination Committee of the Company, AmInvestment Bank Berhad ("AmInvestment Bank") and AmBank (M) Berhad ("AmBank") collapsed into a single Committee at the Company (Group) level, with effect from 23 July 2008.

The Committee comprises five (5) members, three (3) of whom are Independent Non-Executive Directors. It is responsible for regularly reviewing the board structure, size and composition, as well as making recommendation to the Board of the Company and the Board of AmInvestment Bank and AmBank with regard to any changes that are deemed necessary. It also recommends the appointment of Directors to the Board and Committees of the Board as well as annually reviews the performance of the Board, Committees of the Board and the Chairman and individual Directors, the mix of skills and experience and other qualities and competencies that Non-Executives and Executive Directors should bring to the Board.

The Board, on the recommendation of the Nomination Committee had also approved the mechanism for the formal assessment on the effectiveness of the Board as a whole and the committee and the contribution of the Chairman and each Director to the effectiveness of the Board.

Group Remuneration Committee

The Remuneration Committee of the Company, AmInvestment Bank and AmBank collapsed into a single Committee at the Company (Group) level, with effect from 23 July 2008.

The Committee comprises five (5) members, all of whom are Non-Executive Directors. The Committee is responsible for determining and recommending to the Board of the Company, AmInvestment Bank and AmBank the framework or broad policy for the remuneration of the Directors, Chief Executive Officers and other Senior Management staff.

Remuneration is determined at levels, which enable the Group to attract and retain the Directors, Chief Executive Officers and Senior Management staff with the relevant experience and expertise needed to assist in managing the Group effectively. The services of consultants are utilised to review the methodology for rewarding Executive Directors and Management staff according to the Key Performance Indicators required to be achieved.

Audit And Examination Committee

The Committee comprises five (5) members, three (3) of whom are Independent Non-Executive Directors.

The Board has appointed the Audit and Examination Committee (the "AEC") to assist in discharging its duties of maintaining a sound system of internal control to safeguard the Group's assets and shareholders' investments.

The AEC met during the year to review the scope of work of both the internal audit function and the statutory auditors, the results arising thereafter as well as their evaluation of the system of internal controls. The AEC also followed up on the resolution of major issues raised by the internal auditors, statutory auditors as well as the regulatory authorities in the examination reports. The consolidated financial statements of the Group and of its subsidiaries were reviewed by the AEC prior to their submission to the Board of the Company for adoption.

In addition, the AEC has reviewed the procedures set up by the Group to identify and report, and where necessary, seek approval for related party transactions and, with the assistance of the internal auditors, reviewed the related party transactions.

Group Risk Management Committee

Risk management is an integral part of the Group's strategic decision-making process which ensures that the corporate objectives are consistent with the appropriate risk-return trade-off. The Board approves the risk management strategy and set the broad risk tolerance level; and approves activities after considering the risk bearing capacity and readiness.

The Risk Management Committees have also been established at AmInvestment Bank, AmBank and AmIslamic Bank Berhad ("AmIslamic Bank") to oversee the overall management of credit, market, liquidity, operational, legal and capital risks impacting the Group.

The Committee is independent from management and comprises three (3) members, all of whom are Non-Executive Directors. The Committee ensures that the Board's risk tolerance level is effectively enforced, the risk management process is in place and functioning; and reviews high-level risk exposures to ensure that they are within the overall interests of the Group. It also assesses the ability to accommodate risks under normal and stress scenarios.

The Risk Management Department is independent of the various business units and acts as the catalyst for the development and maintenance of comprehensive and sound risk management policies, strategies and procedures within the Group. The functions encompass research and analysis, portfolio risk exposure reporting, compliance monitoring, formulation of policies and risk assessment methodologies, and formulation of risk strategies.

Group Information Technology Committee

The Group Information Technology Committee ("GITC") comprises two (2) members. The Committee is responsible for determining and recommending to the Board, to ensure that the IT development within the Group is in line with its business objectives and strategies and to serve as an independent and objective party in the review of the Group's utilisation of its IT resources including computer hardware, software, manpower and other IT related investments.

In addition, the GITC will review and recommend for approval major IT acquisitions by the various companies of the Group and ensure conformance of the acquisition with the overall Group IT plan.

Internal Audit And Internal Control Activities

The Head of the Group Internal Audit Department reports to AEC. Group Internal Audit assists the AEC in assessing and reporting on business risks and internal controls, and operates within the framework defined in the Audit Charter.

The AEC approves the Group Internal Audit's annual audit plan, which covers the audit of all major business units and operations within the Group. The results of each audit are submitted to the AEC and significant findings are discussed during the AEC meeting. The minutes of the AEC meeting are formally tabled to the Board for noting and action, where necessary. The Group Chief Internal Auditor and the external auditors also attend the AEC meetings by invitation and the AEC holds separate meetings with the Chief Internal Auditor and external auditors whenever necessary.

The scope of internal audit covers review of adequacy of the risk management processes, operational controls, financial controls, compliance with laws and regulations, lending practices and information technology, including the various application systems in production, data centres and network security.

Group Internal Audit focuses its efforts on performing audits in accordance with the audit plan, which is prioritised based on a comprehensive risk assessment of all significant areas of audit identified in the Group. The structured audit risk assessment approach ensures that all risk-rated areas are kept in view to ensure appropriate audit coverage and audit frequency. The risk based audit plan is reviewed annually taking into account the changing financial significance of the business and risk environment.

Group Internal Audit also participates actively in major system development activities and project committees to advise on risk management and internal control measures.

iii. MANAGEMENT INFORMATION

All Directors review Board papers and reports prior to the Board meeting. Information and materials, relating to the operations of the Company and its subsidiaries that are important to the Directors' understanding of the items in the agenda and related topics, are distributed in advance of the meeting. The Board reports, include among others, minutes of meetings of all Committees of the Board, monthly performance of the Group, credit risk management, asset liability and market risk management and industry benchmarking as well as prevailing regulatory developments and the economic and business environment.

These reports are issued giving sufficient time before the meeting to enable the Directors to be prepared and to obtain further explanations, where necessary, and provides input on Group policies.

RATINGS BY EXTERNAL AGENCIES

AmInvestment Bank's long-term and short-term rating of AA3/P1 was re-affirmed by Rating Agency Malaysia Berhad ("RAM") and AA-/MARC-1 from Malaysian Rating Corporation Berhad. This was complemented by international ratings of BB+/B from Standard and Poor's Rating Services and BBB-/F3 from Fitch Ratings Ltd ("Fitch"). The RM200.0 million Subordinated Tier 2 Bonds were also reaffirmed with a long-term rating of A1 by RAM.

AmBank's long-term rating of A1 and short-term rating of P1, with stable outlook, was re-affirmed by RAM. Additionally, AmBank's rating was complemented by international ratings of Baa2/P3/Stable by Moody's Investors Services, BBB-/Stable/A3 by Standard and Poor's Ratings Services, BBB-(Stable)/F3 by Fitch Ratings Ltd and BBB-/A3/Stable from Capital Intelligence Ltd.

AmBank's RM575.0 million Exchangeable Bonds and RM2.0 billion Medium Term Notes Programme were reaffirmed at A2 (Stable) by RAM. The Non-Cumulative Perpetual Capital Securities ("NCPCS") issued during the current financial year was rated A3 by RAM. The long-term rating of AmBank's RM1.0 billion Negotiable Instruments of Deposits vested over from AmInvestment Bank Berhad was rationalised at A1.

AmBank's issuance of NCPCS was stapled to Subordinated Notes ("Sub-Notes") issued by its wholly-owned subsidiary, AmPremier Capital Berhad ("AmPremier"). As at 31 March 2009, AmPremier had issued RM500.0 million Sub-Notes which have been assigned a long-term rating of A3 (Stable).

The Hybrid Securities of USD200.0 million issued by AmBank has been reaffirmed a rating of Ba2 by Moody's Investor Services, BB by Standard and Poor's Ratings Services and BB by Fitch.

RAM had re-affirmed the long term and short term financial institution ratings of AmIslamic Bank at A1 and P1 respectively, with Stable outlook.

The long term rating of the AmIslamic Bank's RM400.0 million Subordinated Sukuk Musyarakah also had been re-affirmed at A2 (Stable) by RAM.

SHARIAH COMMITTEE

The Shariah Committee, comprising three (3) advisers, was established under BNM "Guidelines on the Governance of Shariah Committee for the Islamic Financial Institutions" (BNM/GPS1) to advise and provide guidance to the Board on all matters pertaining to Shariah in order to ensure the business operations comply with Shariah principles. The Shariah Committee also provides Shariah opinions and validation on relevant documentations to be used.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors.

TAN SRI DATO' AZMAN HASHIM **CHEAH TEK KUANG**

Kuala Lumpur, Malaysia
Date: 15 May 2009

STATEMENT BY
Directors

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, **TAN SRI DATO' AZMAN HASHIM** and **CHEAH TEK KUANG**, being two of the directors of **AMMB HOLDINGS BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia as modified by Bank Negara Malaysia Guidelines so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2009 and of the results and the cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors.

TAN SRI DATO' AZMAN HASHIM

CHEAH TEK KUANG

Kuala Lumpur, Malaysia
Date: 15 May 2009

STATUTORY
Declaration

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **ARUNASALAM MUTHUSAMY**, being the officer primarily responsible for the financial management of **AMMB HOLDINGS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act,1960.

Subscribed and solemnly declared by the abovenamed **ARUNASALAM MUTHUSAMY** at Kuala Lumpur in the Wilayah Persekutuan on 15 May 2009

ARUNASALAM MUTHUSAMY

Before me,

COMMISSIONER FOR OATHS

PESURUHJAYA SUMPAH
No. W023
Dato Ng
Mann Cheong
MALAYSIA

18th Floor, Bangunan AmBank Group
Letter Box No: 18D,
55, Jalan Raja Chulan,
50200 Kuala Lumpur.

Lodged on behalf by:
Address: 22nd Floor, Bangunan AmBank Group,
No. 55 Jalan Raja Chulan,
50200 Kuala Lumpur.
Telephone number: 03-2036 2633/44/55

REPORT OF THE

Auditors

Report on the financial statements

We have audited the accompanying financial statements of AMMB HOLDINGS BERHAD, which comprise the balance sheets as at 31 March 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with applicable Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2009 and of their financial performance and cash flows for the financial year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

a. In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b. We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 15 to the financial statements.

c. We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

d. The auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young

ERNST & YOUNG
AF :0039
Chartered Accountants

LIM SAW KENG
No.2215/10/09(J)
Partner

Kuala Lumpur, Malaysia
Date: 15 May 2009

BALANCE
Sheets

AS AT 31 MARCH 2009

	Note	2009 Group RM'000	2009 Company RM'000	2008 Group RM'000	2008 Company RM'000
ASSETS					
Cash and short-term funds	5	**17,186,941**	**284,037**	11,045,426	315,078
Securities purchased under resale agreements	6	**16,807**	**-**	52,468	-
Deposits and placements with banks and other financial institutions	7	**46,026**	**16,986**	1,387,810	15,034
Securities held-for-trading	8	**1,399,873**	**20,000**	6,699,010	20,000
Securities available-for-sale	9	**6,626,054**	**3,978**	1,850,935	3,978
Securities held-to-maturity	10	**780,209**	**-**	1,179,878	-
Loans, advances and financing	11	**56,947,831**	**-**	52,574,320	-
Derivative financial assets	12	**482,933**	**-**	370,681	-
Other assets	13	**1,490,006**	**30,331**	2,023,969	26,973
Statutory deposits with Bank Negara Malaysia	14	**517,578**	**-**	1,660,197	-
Investments in subsidiaries	15	**-**	**6,204,678**	-	6,543,314
Investment in jointly controlled company	16	**380**	**-**	-	-
Investment in associate	17	**1,301**	**-**	1,301	-
Prepaid land lease payments	18	**6,646**	**-**	7,059	-
Property and equipment	19	**228,399**	**2,044**	225,616	900
Life fund assets	55	**2,006,799**	**-**	1,702,469	-
Deferred tax assets	44	**346,997**	**-**	608,583	-
Intangible assets	20	**1,808,101**	**-**	1,801,985	-
TOTAL ASSETS		**89,892,881**	**6,562,054**	83,191,707	6,925,277
LIABILITIES AND EQUITY					
Deposits from customers	21	**64,131,506**	**-**	55,768,861	-
Deposits and placements of banks and other financial institutions	22	**6,135,409**	**-**	7,117,279	-
Bills and acceptances payable	23	**2,120,247**	**-**	1,909,243	-
Recourse obligation on loans sold to Cagamas Berhad	24	**155,037**	**-**	243,979	-
Derivative financial liabilities	12	**587,763**	**-**	410,929	-
Other liabilities	25	**2,639,015**	**9,155**	3,250,328	3,684
Term loans	26	**351,859**	**206,000**	1,790,844	1,506,000
Subordinated term loan	27	**-**	**-**	460,000	-
Unsecured bonds	28	**1,090,000**	**-**	1,750,000	-
Medium term notes	29	**1,460,000**	**-**	860,000	-
Hybrid capital	30	**1,303,691**	**-**	673,830	-
Life fund liabilities	55	**222,160**	**-**	189,819	-
Life policyholder funds	55	**1,784,639**	**-**	1,512,650	-
Total liabilities		**81,981,326**	**215,155**	75,937,762	1,509,684
Share capital	31	**2,722,970**	**2,722,970**	2,722,970	2,722,970
Reserves	32	**5,013,123**	**3,623,929**	4,446,623	2,692,623
Equity attributable to equity holders of the Company		**7,736,093**	**6,346,899**	7,169,593	5,415,593
Minority interests	34	**175,462**	**-**	84,352	-
Total equity		**7,911,555**	**6,346,899**	7,253,945	5,415,593
TOTAL LIABILITIES AND EQUITY		**89,892,881**	**6,562,054**	83,191,707	6,925,277
COMMITMENTS AND CONTINGENCIES	50	**49,911,642**	**-**	57,539,798	-
NET ASSETS PER SHARE (RM)	53	**2.84**	**2.33**	2.63	1.99

The accompanying notes form an integral part of the financial statements.

INCOME Statements

FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 Group RM'000	2009 Company RM'000	2008 Group RM'000	2008 Company RM'000
Operating revenue	54	**5,860,729**	**1,111,127**	5,992,682	134,766
Interest income	35	**3,793,368**	**14,043**	3,768,943	26,688
Interest expense	36	**(2,017,054)**	**(23,865)**	(2,153,121)	(30,717)
Net interest income/(expense)		**1,776,314**	**(9,822)**	1,615,822	(4,029)
Net income from Islamic banking business	60(xxiv)	**572,619**	**-**	517,071	-
Other operating income	37	**922,043**	**1,097,084**	1,218,824	108,078
Net Income		**3,270,976**	**1,087,262**	3,351,717	104,049
Other operating expenses	38	**(1,612,146)**	**(3,390)**	(1,536,899)	(3,522)
Operating profit		**1,658,830**	**1,083,872**	1,814,818	100,527
Allowances for losses on loans and financing	39	**(344,187)**	**-**	(512,183)	-
Transfer (to)/from profit equalisation reserve	25	**(24,518)**	**-**	18,211	-
Impairment (loss)/writeback on:					
Securities		**(76,524)**	**-**	(111,958)	-
Amount recoverable under asset-backed securitisation transactions		**17,000**	**-**	(10,000)	-
Assets acquired in exchange of debts		**-**	**-**	(45)	-
Fixed assets		**(2,490)**	**-**	-	-
Writeback/(Allowance) for doubtful sundry receivables - net		**3,653**	**-**	(2,292)	-
Provision for foreclosed properties		**(1,942)**	**-**	(473)	-
Provision for commitments and contingencies		**(11,974)**	**-**	(1,641)	-
Profit before share in results of jointly controlled company, taxation and zakat		**1,217,848**	**1,083,872**	1,194,437	100,527
Share in results of jointly controlled company		**(212)**	**-**	-	-
Profit before taxation and zakat		**1,217,636**	**1,083,872**	1,194,437	100,527
Taxation and zakat	43	**(339,382)**	**(22,947)**	(383,618)	(26,563)
Profit for the year		**878,254**	**1,060,925**	810,819	73,964
Attributable to:					
Equity holders of the Company		**860,824**	**1,060,925**	668,542	73,964
Minority interests		**17,430**	**-**	142,277	-
Profit for the year		**878,254**	**1,060,925**	810,819	73,964
Earnings per share (sen)	46				
Basic		**31.61**	**38.96**	28.24	3.12
Fully diluted		**31.61**	**38.96**	27.91	3.09
First and final dividend per ordinary share (sen)					
Gross		**8.0**	**8.0**	6.0	6.0
Net		**6.0**	**6.0**	4.4	4.4

The accompanying notes form an integral part of the financial statements.

STATEMENT OF

Changes In Equity

FOR THE YEAR ENDED 31 MARCH 2009

	Attributable to Equity Holders of the Company									
			Non-Distributable				Distributable			
	Share capital RM'000	Converting preference shares^ RM'000	Share premium RM'000	Statutory reserve RM'000	Available-for-sale reserve RM'000	Exchange fluctuation reserve RM'000	Unappro-priated profits RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
Group										
At 1 April 2007										
As previously stated	2,130,565	-	791,588	1,107,757	36,362	10,297	798,502	4,875,071	1,201,516	6,076,587
Prior year adjustments	-	-	-	-	-	-	(87,270)	(87,270)	-	(87,270)
At 1 April 2007 (restated)	2,130,565	-	791,588	1,107,757	36,362	10,297	711,232	4,787,801	1,201,516	5,989,317
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	6,538	-	-	6,538	-	6,538
Expenses relating to Rights Issue	-	-	(6,434)	-	-	-	-	(6,434)	-	(6,434)
Transfer from unappropriated profits	-	-	-	137,676	-	-	(137,676)	-	-	-
Exchange fluctuation adjustments	-	-	-	-	-	(2,131)	-	(2,131)	-	(2,131)
Net Income/(expense) recognised directly in equity	-		(6,434)	137,676	6,538	(2,131)	(137,676)	(2,027)	-	(2,027)
Profit for the year	-	-	-	-	-	-	668,542	668,542	142,277	810,819
Total recognised net income/(expense) for the year	-		(6,434)	137,676	6,538	(2,131)	530,866	666,515	142,277	808,792
Issue of CPS ^	-	458,343	-	-	-	-	-	458,343	-	458,343
Issue of shares pursuant to:										
Exercise of Warrants 2003/2008	132,497	-	155,303	-	-	-	-	287,800	-	287,800
Rights Issue	295,973	-	710,335	-	-	-	-	1,006,308	-	1,006,308
Converting of CPS	163,935	(458,343)	336,065	-	-	-	-	41,657	-	41,657
Subscription of shares in AmPrivate Equity	-	-	-	-	-	-	-	-	3,180	3,180
Arising from privatisation of AIGB	-	-	-	-	-	-	-	-	(1,188,227)	(1,188,227)
Arising from disposal of shares in MVMI	-	-	-	-	-	-	-	-	(380)	(380)
Dividends paid	-	-	-	-	-	-	(78,831)	(78,831)	(74,014)	(152,845)
At 31 March 2008	2,722,970	-	1,986,857	1,245,433	42,900	8,166	1,163,267	7,169,593	84,352	7,253,945

		Attributable to Equity Holders of the Company										
		Non-Distributable							Distributable			
	Note	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Available-for-sale reserve RM'000	Exchange fluctuation reserve RM'000	Cash Flow Hedging reserve RM'000	Shares held in trust for ESS RM'000	Unappro-priated profits RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
Group												
At 1 April 2008		**2,722,970**	**1,986,857**	**1,245,433**	**42,900**	**8,166**	**-**	**-**	**1,163,267**	**7,169,593**	**84,352**	**7,253,945**
Net unrealised loss on revaluation of securities available-for-sale		**-**	**-**	**-**	**(84,644)**	**-**	**-**	**-**	**-**	**(84,644)**	**-**	**(84,644)**
Net unrealised loss on cash flow hedge		**-**	**-**	**-**	**-**	**-**	**(91,486)**	**-**	**-**	**(91,486)**	**-**	**(91,486)**
Expenses relating to Rights Issue		**-**	**(21)**	**-**	**-**	**-**	**-**	**-**	**-**	**(21)**	**-**	**(21)**
Transfer from unappropriated profit		**-**	**-**	**78,334**	**-**	**-**	**-**	**-**	**(78,334)**	**-**	**-**	**-**
Exchange fluctuation adjustments		**-**	**-**	**-**	**-**	**11,425**	**-**	**-**	**-**	**11,425**	**-**	**11,425**
Net income/(expense) recognised directly in equity		**-**	**(21)**	**78,334**	**(84,644)**	**11,425**	**(91,486)**	**-**	**(78,334)**	**(164,726)**	**-**	**(164,726)**
Profit for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**860,824**	**860,824**	**17,430**	**878,254**
Total recognised net income/(expense) for the year		**-**	**(21)**	**78,334**	**(84,644)**	**11,425**	**(91,486)**	**-**	**782,490**	**696,098**	**17,430**	**713,528**
Purchase of shares pursuant to Executives' Share Scheme ("ESS")^^		**-**	**-**	**-**	**-**	**-**	**-**	**(7,064)**	**-**	**(7,064)**	**-**	**(7,064)**
Subscription of shares in AmPrivate Equity		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**400**	**400**
Arising from acquisition of AmG Insurance Berhad		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**112,700**	**112,700**
Dividends paid	45	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(122,534)**	**(122,534)**	**(39,420)**	**(161,954)**
At 31 March 2009		**2,722,970**	**1,986,836**	**1,323,767**	**(41,744)**	**19,591**	**(91,486)**	**(7,064)**	**1,823,223**	**7,736,093**	**175,462**	**7,911,555**

STATEMENT OF CHANGES IN EQUITY (CONTD.)

FOR THE YEAR ENDED 31 MARCH 2009

	Note	Share capital RM'000	Converting preference shares^ RM'000	Non-Distributable Share premium RM'000	Non-Distributable Shares held in trust for ESS RM'000	Distributable Unappro-priated profits RM'000	Total equity RM'000
Company							
At 1 April 2007		2,130,565	-	792,381	-	711,940	3,634,886
Profit for the year		-	-	-	-	73,964	73,964
Expenses relating to Rights Issue		-	-	(8,534)	-	-	(8,534)
Total recognised net income for the year		-	-	(8,534)	-	73,964	65,430
Issue of CPS ^		-	458,343	-	-	-	458,343
Issue of shares pursuant to:					-		
Exercise of Warrants 1997/2007		- *	-	- *	-	-	-
Exercise of Warrants 2003/2008		132,497	-	155,303	-	-	287,800
Rights Issue		295,973	-	710,335	-	-	1,006,308
Converting of CPS		163,935	(458,343)	336,065	-	-	41,657
Dividends paid		-	-	-	-	(78,831)	(78,831)
As at 31 March 2008		2,722,970	-	1,985,550	-	707,073	5,415,593
At 1 April 2008		**2,722,970**	**-**	**1,985,550**	**-**	**707,073**	**5,415,593**
Profit for the year		**-**	**-**	**-**	**-**	**1,060,925**	**1,060,925**
Expenses relating to Rights Issue		**-**	**-**	**(21)**	**-**	**-**	**(21)**
Total recognised net income for the year		**-**	**-**	**(21)**	**-**	**1,060,925**	**1,060,904**
Purchase of shares pursuant to Executives' Share Scheme ("ESS")^^		**-**	**-**	**-**	**(7,064)**	**-**	**(7,064)**
Dividends paid	45	**-**	**-**	**-**	**-**	**(122,534)**	**(122,534)**
As at 31 March 2009		**2,722,970**	**-**	**1,985,529**	**(7,064)**	**1,645,464**	**6,346,899**

^ Representing the equity component of the 163.9 million converting preference shares ("CPS") of RM1.00 each to ANZ Funds Pte Ltd, a wholly-owned subsidiary of Australia and New Zealand Banking Group Limited at an issue price of RM3.05 per CPS and was converted to 163.9 million ordinary shares of RM1.00 each during the financial year.

^^ Represent the purchase of 2,896,000 of the Company's issued ordinary shares from the open market by a trustee appointed by the ESS committee at an average price of RM2.44 per share.

* Represent 70 new ordinary shares issued pursuant to the exercise of the Warrant 1997/2007 of the Company. The resulting share premium amounting to RM386 has been credited to the share premium account.

The accompanying notes form an integral part of the financial statements.

CASH FLOW Statements

FOR THE YEAR ENDED 31 MARCH 2009

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation and zakat	**1,217,636**	**1,083,872**	1,194,437	100,527
Add/(Less) adjustments for:				
Allowance for losses on loans and financing - net	**344,187**	**-**	512,183	-
Loss on revaluation of securities held-for-trading	**32,978**	**-**	128,923	-
Impairment loss on securities	**76,524**	**-**	111,958	-
Interest suspended	**95,486**	**-**	98,355	-
Depreciation of property and equipment	**50,486**	**245**	48,425	229
Amortisation of computer software	**27,411**	**-**	23,494	-
(Writeback)/Impairment loss on amount recoverable under asset-backed securitisation transactions	**(17,000)**	**-**	10,000	-
(Writeback)/Allowance for doubtful sundry receivables - net	**(3,653)**	**-**	2,292	-
Provision for commitments and contingencies	**11,974**	**-**	1,641	-
Sundry receivables written off	**692**	**-**	1,616	-
Provision for foreclosed properties	**1,942**	**-**	473	-
(Gain)/Loss from asset securitisation	**(893)**	**-**	183	-
Amortisation of prepaid land lease payments	**159**	**-**	165	-
Impairment loss on assets acquired in exchange of debts	**-**	**-**	45	-
Property and equipment written off	**40**	**-**	37	-
Net loss/(gain) from sale of securities held-for-trading	**77,092**	**-**	(131,616)	-
Net gain on redemption of securities held-to-maturity	**(46,625)**	**-**	(106,235)	-
Gain on redemption of structured product	**(4)**	**-**	-	-
Gross dividend income from investments	**(31,718)**	**(1,097,074)**	(58,540)	(107,980)
Loss/(Gain) on revaluation of derivatives	**55,790**	**-**	(46,770)	-
Net gain from sale of securities available-for-sale	**(3,944)**	**-**	(31,735)	-
Transfer to/(from) profit equalisation reserve	**24,518**	**-**	(18,211)	-
Amortisation of premium less accretion of discounts on money market securities-net	**(23,422)**	**-**	(14,640)	-
Gain on disposal of property and equipment – net	**(1,100)**	**-**	(686)	(21)
Share in results of jointly controlled company	**212**	**-**	-	-
Operating profit/(loss) before working capital changes	**1,888,768**	**(12,957)**	1,725,794	(7,245)
Decrease/(Increase) in operating assets:				
Securities purchased under resale agreements	**6,649**	**-**	178,382	43,450
Deposits and placements with banks and other financial institutions	**1,341,784**	**(1,952)**	252,046	131,297
Securities held-for-trading	**4,347,507**	**-**	269,358	-
Loans, advances and financing	**(4,813,184)**	**-**	(5,574,103)	-
Other assets	**521,977**	**31,084**	97,150	30,800
Statutory deposits with Bank Negara Malaysia	**1,142,619**	**-**	146,861	-
Deposits and monies held in trust with financial institutions	**107,405**	**-**	65,656	-
Increase/(Decrease) in operating liabilities:				
Deposits from customers	**8,362,649**	**-**	13,387,199	-
Deposits and placements of banks and other financial institutions	**(981,870)**	**-**	(10,329,063)	-
Obligations on securities sold under repurchase agreements	**-**	**-**	(3,140,243)	-
Bills and acceptances payable	**211,004**	**-**	452,669	-
Term loans	**(1,438,985)**	**(1,300,000)**	1,481,164	1,300,000
Recourse obligation on loans sold to Cagamas Berhad	**(88,942)**	**-**	(511,082)	-
Other liabilities	**(27,180)**	**(17,476)**	168,713	(27,719)
Cash (used in)/generated from operations	**10,580,201**	**(1,301,301)**	(1,329,499)	1,470,583
Taxation paid	**(40,383)**	**-**	(93,509)	-
Net cash generated from/(used in) operating activities	**10,539,818**	**(1,301,301)**	(1,423,008)	1,470,583

CASH FLOW STATEMENTS (CONTD.)

FOR THE YEAR ENDED 31 MARCH 2009

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
(Purchase)/Proceeds from disposal of securities – net	**(3,676,857)**	**-**	1,184,502	(1,978)
Dividends received from other investments	**23,471**	**-**	43,320	-
Proceeds from disposal of property and equipment	**2,346**	**-**	900	21
Final returns received for Malaysian Ventures Sdn Bhd ("MVSB")	**-**	**-**	453	-
Acquisition of remaining 49.0% equity interest in AmInvestment Group Bhd ("AIGB")	**-**	**-**	(2,399,594)	(2,401,694)
Expenses relating to rights issue arising from AIGB privatisation	**-**	**(21)**	-	-
Purchase of property and equipment	**(81,880)**	**(1,389)**	(63,445)	-
Purchase of computer software	**(11,028)**	**-**	(15,269)	-
Expenses capitalised on acquisition of equity interest in AmFraser International Pte. Ltd.("FIPL")	**-**	**-**	(818)	-
Dividends received from subsidiaries	**-**	**1,062,633**	-	79,905
Arising from subscription of AMFB Holdings Berhad ("AMFB") rights issue	**-**	**-**	-	(150,000)
Arising from subscription of AMFB Interest Bearing Irredeemable Convertible Unsecured Loan Stock	**-**	**-**	-	(300,000)
Arising from subscription of shares in AmKonzen Water Investments Management Pte Ltd	**(592)**	**-**	-	-
Arising from subscription of shares in AMAB Holdings Sdn Bhd ("AMAB Holdings")	**-**	**(264,000)**	-	-
Arising from disposal of shares in AmAssurance to AMAB Holdings	**-**	**102,635**	-	-
Net cash (used in)/generated from investing activities	**(3,744,540)**	**899,858**	(1,249,951)	(2,773,746)

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from capital reduction in AIGB	**-**	**500,000**	-	-
Proceeds from issuance of shares pursuant to rights issue	**-**	**-**	1,006,308	1,006,308
Proceeds from medium term notes	**600,000**	**-**	860,000	-
Proceeds from redeemable unsecured bonds	**-**	**-**	575,000	-
Proceeds from issuance of converting Preference Shares	**-**	**-**	500,000	500,000
Proceeds from exercise of warrants 2003/2008 in the Company	**-**	**-**	287,800	287,800
Proceeds from issue of shares by subsidiaries to minority shareholders	**113,100**	**-**	2,800	-
Redemption of unsecured bonds	**(660,000)**	**-**	(150,000)	(150,000)
Dividends paid by the Company to its shareholders	**(122,534)**	**(122,534)**	(78,831)	(78,831)
Arising from purchase of shares for Executives' Share Scheme ("ESS") by the appointed trustee	**(7,064)**	**(7,064)**	-	-
Dividends paid to minority interests by subsidiaries	**(39,420)**	**-**	(74,014)	-
Net repayment of subordinated term loans	**(460,000)**	**-**	-	-
Net cash (used in)/generated from financing activities	**(575,918)**	**370,402**	2,929,063	1,565,277
Net increase in cash and cash equivalents	**6,219,360**	**(31,041)**	256,104	262,114
Cash and cash equivalents at beginning of year	**10,746,526**	**315,078**	10,490,422	52,964
Cash and cash equivalents at end of year (Note 1)	**16,965,886**	**284,037**	10,746,526	315,078

Note 1 : Cash and Cash Equivalents

For the purpose of the cash flow statements, cash and cash equivalents consist of cash and short-term funds, excluding deposits and monies held in trust, net of bank overdraft. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Cash and short-term funds	**17,186,941**	**284,037**	11,045,426	315,078
Bank overdrafts (Note 25)	**(786)**	**-**	(541)	-
	17,186,155	**284,037**	11,044,885	315,078
Less: Cash and bank balances and deposits held in trust (Note 5)	**(219,432)**	**-**	(297,825)	-
	16,966,723	**284,037**	10,747,060	315,078
Effect of exchange rates changes	**(837)**	**-**	(534)	-
Cash and cash equivalents	**16,965,886**	**284,037**	10,746,526	315,078

The accompanying notes form an integral part of the financial statements.

NOTES TO THE
Financial Statements

31 MARCH 2009

1. PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company.

The subsidiaries, as listed in Note 15 to the financial statements, provide a wide range of investment banking, commercial banking, retail financing and related financial services which also include the Islamic banking business, underwriting of general and life insurance, stock and share-broking, futures broking, investment advisory and asset, real estate investment trust and unit trust management.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The registered office and the principal place of business of the Company is located at 22nd Floor, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

The financial statements of the Group and of the Company have been approved and authorised for issue by the Board of Directors on 28 April 2009.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated and in accordance with the provisions of the Companies Act, 1965, the Banking and Financial Institutions Act, 1989, the Insurance Act, 1996 and the applicable Financial Reporting Standards ("FRS") in Malaysia as modified by Bank Negara Malaysia ("BNM") Guidelines.

The financial statements incorporate those activities relating to the Islamic banking business, which has been undertaken by the Group. Islamic banking business refers generally to the acceptance of deposits, dealing in Islamic securities, granting of financing, capital market and treasury activities under the Shariah Principles.

The financial statements are presented in Ringgit Malaysia ("RM") and rounded to the nearest thousand (RM'000), unless otherwise stated.

The preparation of financial statements in conformity with FRS requires management to exercise judgement, use of estimates and make assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving higher degree of judgement and complexity, are disclosed in Note 4.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies are consistent with those adopted in the previous audited annual financial statements except for the adoption of the following:

i. The new and revised Financial Reporting Standards ("FRS") that are applicable to the Group and the Company with effect from the financial period beginning on or after 1 April 2008:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contigent Liabilities and Contigent 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 Company.

Standards and IC Interpretations to existing standards that are not relevant or material for the Group and the Company 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

ii. The following are the Financial Reporting Standards ("FRS") and IC Interpretations which have been issued by the Malaysian Accounting Standards Board ("MASB") as of the balance sheet date but are not yet effective:

FRS 139	Financial Instruments: Recognition and Measurement
FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

All the new FRSs and IC Interpretations above are effective from 1 January 2010, except for FRS 8, which is effective from 1 July 2009. The new FRSs and IC Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for changes on disclosure arising from the adoption of FRS 7 and FRS 8. The Group and the Company are exempted from disclosing the possible impact, if any, in the financial statements upon the initial application of FRS 139.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

iii. The effects of adopting these standards are discussed below:

a. FRS 139 Financial Instruments: Recognition and Measurement – This standard establishes the principles for the recognition, derecognition and measurement of an entity's financial instruments and for hedge accounting. The impact of applying FRS 139 on the financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors is not required to be disclosed by virtue of exemptions provided under paragraph 103AB of FRS 139.

Since 1 January 2005, upon the Group's adoption of Bank Negara Malaysia's ("BNM") revised BNM/GP8 – Guidelines on Financial Reporting for Licensed Institutions, certain principles in connection with the recognition, derecognition and measurement of financial instruments and hedge accounting which are similar to those prescribed by FRS 139 have been adopted by the Group. These accounting policies are set out in the notes on securities and derivative instruments below.

b. FRS 4 Insurance Contracts – This new standard specifies the financial reporting requirements for insurance contracts by any entity that issues such contracts ("insurers"). In particular, it requires disclosures that identify and explain the amounts in an insurer's financial statements arising from insurance contracts and helps users of those financial statements understand the amount, timing and uncertainty of future cash flows from insurance contracts. The financial impact and effects of applying this standard are still being assessed but is not expected to be material. The impact of applying FRS 4 on the financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors is not required to be disclosed by virtue of exemptions provided under paragraph 41AA of FRS 4.

c. FRS 7 Financial Instruments: Disclosures – This new standard requires disclosures in financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which an entity is exposed and how these risks are managed. This standard requires both qualitative disclosures describing management's objectives, policies and processes for managing those risks, and quantitative disclosures providing information about the extent to which an entity is exposed to risk, based on information provided internally to the entity's key management personnel. An entity shall not apply this standard for annual periods beginning prior to 1 January 2010 unless it also applies FRS 139. The application of this standard is not expected to have a material impact on the financial results of the Group as this standard deals only with disclosures in the financial statements.

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

e. IC Interpretation 9 Reassessment of Embedded Derivatives – This interpretation clarifies that the reassessment of an embedded derivative after its initial recognition is forbidden unless the instrument's terms have changed and this has affected its cash flows significantly. This IC Interpretation is not expected to have any material impact on the financial statements of the Group.

f. IC Interpretation 10 Interim Financial Reporting and Impairment – This interpretation clarifies that an entity shall not reverse impairment losses on goodwill and investments in equity instruments and financial assets carried at cost recognised in an interim period. This interpretation is not applicable to the annual financial statements of the Group.

In August 2008, the MASB announced its plan to bring Malaysia to full convergence with International Financial Reporting Standards ("IFRS") by 1 January 2012. The financial impact and effects on disclosures and measurement ensuing from such convergence are currently still being assessed pending the issuance of such revised FRSs incorporating the full convergence.

On 20 October 2008, BNM had issued a circular setting out the limited circumstances in which banking institutions are allowed to reclassify financial instruments currently held in the securities held-for-trading portfolio into the securities available-for-sale and securities held-to-maturity portfolios. This concession is only effective for the period from 1 July 2008 to 31 December 2009.

Details of the reclassifications are disclosed in Note 59 to the financial statements.

Basis of Consolidation

The Group's financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting period as the Company.

Subsidiaries are consolidated from the date of acquisition being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intergroup balances and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

The Company adopts both the purchase method and merger method (or "pooling of interests" method) in preparing the consolidated financial statements. The merger method was adopted in respect of the transfer of subsidiaries pursuant to a scheme of arrangement under the group restructuring exercise completed in 1992. The purchase method is adopted for all other business combinations.

The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed and equity instruments issued, plus any costs directly attributable to the business combination.

Any excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in income statements.

Under the merger method, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the merged enterprises, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

The gain or loss on disposal of a subsidiary is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary being disposed. All gains or losses on disposal of subsidiaries are recognised in the consolidated income statement.

Minority interest represents that part of the net results of operations and net assets of a subsidiary attributable to equity interests and debentures that are not owned, directly or indirectly through subsidiaries, by the Company or subsidiaries. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since that date, except when the losses applicable to the minority interest exceed the minority interest in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minority interest are attributable to the equity holders of the Company or subsidiaries, unless the minority interest has a binding obligation to, and is able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority interest are attributed to the equity holders of the Company or subsidiaries until the minority interest's share of losses previously absorbed by the equity holders of the Company or subsidiaries has been recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Potential voting rights that are exercisable or convertible are considered when assessing control.

For business combinations where the Group's equity interest in a subsidiary is increased by virtue of a subscription to a higher proportion of the subsidiary's new issue of shares as compared to its existing equity interest and where the share issue price is above or below the subsidiary's net asset value, the resultant dilution or accretion of its share of net assets in the subsidiary is recognised in equity.

The gain or loss on disposal of a subsidiary is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary being disposed. All gains or losses on disposal of subsidiaries are recognised in the consolidated income statement. In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between the net disposal proceeds and their carrying amount is included in profit or loss.

Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated income statements. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associate are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between the net disposal proceeds and their carrying amount is included in income statements.

Jointly Controlled Entities

Jointly controlled entities are entities in which the Group has contractually agreed to the sharing of control with one or more parties where the decisions over the financial and operating policies relating to the jointly controlled entity require the unanimous consent of the parties sharing control.

Interests in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the interest in a jointly controlled entity is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the jointly controlled entity.

In the Company's separate financial statements, investments in jointly controlled entities are stated at cost less accumulated impairment losses.

Intangible Assets

i. Goodwill on Consolidation

Goodwill on consolidation of subsidiaries is included in intangible assets on the balance sheet. Premium on consolidation of associates is included in investments in associates.

Goodwill on consolidation for acquisitions prior to 1 January 2006 represents the excess of the purchase consideration over the Group's share in the fair values of the identifiable net assets of the subsidiary or associate recognised at the date of acquisition. Goodwill on consolidation for acquisitions on or after 1 January 2006 represents the excess of the purchase consideration over the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or associate recognised at the date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated impairment losses, if any. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. On disposal of a subsidiary or an associate, the attributable amount of goodwill on consolidation is included in the determination of the gain or loss on disposal.

ii. Computer Software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software application. Costs associated with maintaining computer software applications are recognised as expense when incurred. Costs that are directly associated with the software application development stage are recognised as intangible assets. Costs directly associated with software application development include employee payroll and payroll related costs. Computer software applications recognised as intangible assets are amortised using the straight-line method over their useful lives which range from three (3) to seven (7) years.

iii. Other Intangible Assets

Intangible assets acquired are measured at cost on initial recognition. Subsequent to initial recognition, intangible assets are carried at costs less accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite useful lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite life are also reviewed at least at each balance sheet date.

Intangible assets with indefinite useful lives are not amortised but reviewed and tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying amount may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

Repurchase Agreements

Securities purchased under resale agreements as collateralized borrowing repo, are securities which the Group and the Company purchases without the transfer of ownership, with commitments to resell at future dates and cannot be further transacted during the period of the repo. The commitments to resell the securities are reflected as an asset on the balance sheet.

Securities purchased under resale agreements as sell buy-back repo are securities which the Group and the Company purchases with the transfer of ownership, with commitments to resell at future dates and can be further transacted during the period of the repo. The commitments to resell these securities, which are further transacted and recognised as securities sold not-yet repurchased under other liabilities, are reflected as an asset on the balance sheet.

Conversely, obligations on securities sold under repurchase agreements are securities, which the Group and the Company had sold from its portfolio, with commitments to repurchase at future dates for funding purposes. The carrying values of the securities underlying these repurchase agreements remain as assets on the balance sheet of the Group and of the Company while the obligations to repurchase such securities at agreed prices on specified future dates are accounted for as liabilities on the balance sheet.

Securities

The holdings of the securities portfolio of the Group and of the Company are recognised based on the following categories and valuation methods.

i. Securities Held-for-Trading

   Securities are classified as held-for-trading if they are acquired principally for the purpose of benefiting from actual or expected short-term price movements or to lock in arbitrage profits. The securities held-for-trading is stated at fair value and any gain or loss arising from a change in their fair values or the derecognition of these securities are recognised in the income statement.

ii. Securities Held-to-Maturity

   Securities held-to-maturity are financial assets with fixed or determinable payments and fixed maturity that the Group have the positive intent and ability to hold to maturity. Unquoted shares in organisations set up for socio-economic purposes and equity instruments received as a result of loan restructuring or loan conversion which do not have a quoted market price in an active market and whose fair value cannot be reliably measured are also classified as securities held-to-maturity and are measured at cost.

   Securities held-to-maturity are measured at accreted/amortised cost based on the effective yield method less impairment losses, if any. Amortisation of premium, accretion of discount and impairment as well as gain or loss arising from the derecognition of securities held-to-maturity are recognised in the income statement.

iii. Securities Available-for-Sale

   Securities available-for-sale are financial assets that are not classified as held-for-trading or held-to-maturity. The securities available-for-sale are measured at fair value or at amortised costs (less impairment losses) if the fair value cannot be reliably measured. Any gain or loss arising from a change in fair value are recognised directly in equity through the statement of changes in equity, until the financial asset is sold, collected, disposed off or impaired, at which time the cumulative gain or loss previously recognised in equity will be transferred to the income statement.

Derivative Financial Instruments and Hedge Accounting

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

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

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

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

i. Fair Value Hedge

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

ii. Cash Flow Hedge

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

iii. Net Investment Hedge

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

Allowance for Doubtful Debts And Financing

Loans, advances and financing are stated at cost less any allowance for bad and doubtful debts and financing. Allowance for bad and doubtful debts and financing are made based on management's evaluation of the portfolio of loans, advances and financing, when the collectibility of receivables becomes uncertain. In evaluating collectibility, management considers several factors such as the borrower's financial position, cash flow projections, management, quality of collateral or guarantee supporting the receivables as well as prevailing and anticipated economic conditions.

A general allowance based on a percentage of total outstanding loans (including accrued interest), net of specific allowance for bad and doubtful debts, is maintained by the Group against risks which are not specifically identified. In addition, a general allowance based on set percentages of the net increase in other receivables is also made. These percentages are reviewed annually in the light of past experiences and prevailing circumstances and an adjustment is made to the general allowance for other receivables, if necessary.

An uncollectible loan and financing or portion of a loan and financing classified as bad is written off after taking into consideration the realisable value of collateral, if any, when in the judgement of management, there is no prospect of recovery.

The specific and general allowances for loans, advances and financing of the Group are computed in conformity with the revised BNM/GP3, guidelines on the "Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts" ("BNM/GP3") requirements. Consistent with previous years, the Group has adopted a more stringent classification policy on non-performing loans, whereby loans are classified as non-performing and sub-standard when repayments are in arrears for more than three (3) months from the first day of default or after maturity date.

Accordingly, the Group 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 is 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 three (3) to less than six (6) months-in-arrears. Previously, specific allowance was only made when a non-performing loan was in arrears for six (6) months and above.

The Directors are of the view that such treatment will reflect a more prudent provisioning policy for loans, advances and financing.

Trade and Other Receivables

Trade and other receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

The investment banking subsidiary's stock and share-broking operations' policies for the suspension of interest in respect of bad and doubtful accounts and the making of specific and general allowances are in accordance with Schedule 7 of the Rules of Bursa Malaysia and are as follows:

i. Specific allowance is made against bad and doubtful receivables at rates of 50% and 100%, respectively, subject to deduction of interest-in-suspense and the value of collateral held. In addition, a general allowance is maintained based on 1.5% of total trade receivables after deducting the amount of interest-in-suspense and specific allowance.

ii. Interest income accrued on these accounts is suspended when they are considered non-performing in accordance with Schedule 7 of the Rules of Bursa Malaysia.

In accordance with the Rules of Bursa Malaysia, clients' accounts are classified as non-performing (doubtful and bad) under the following circumstances:

	Criteria for classification as non-performing	
Types	**Doubtful**	**Bad**
Contra losses	When the account remains outstanding for 16 to 30 calendar days from the date of contra transactions.	When the account remains outstanding for more than 30 calendar days from the date of contra transactions.
Overdue purchase contracts	When the account remains outstanding from T+3 market days to 30 calendar days.	When the account remains outstanding for more than 30 calendar days.

Foreclosed Properties

Foreclosed properties are those acquired in full or partial satisfaction of debts and are stated at cost less impairment loss, if any.

Amounts Recoverable Under Asset-Backed Securitisation ("ABS") Transactions

This relates to the balance of purchase consideration recoverable under ABS transactions with Special Purpose Vehicle ("SPV"), of which the amount will be recovered upon maturity of the underlying bonds. Under such ABS transactions, portfolios of receivables are sold to SPVs, which are funded through the issuance of bonds secured by the receivables.

When an indication of impairment exists, the carrying value of the amount recoverable under the ABS transactions is assessed and written down to its recoverable amount.

The difference between the purchase consideration and the carrying value of the receivables sold is recognised in the income statement.

Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced parts is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

Freehold land has an unlimited life and therefore, is not depreciated. Leasehold land is amortised over the shorter of the lease period or fifty years. Depreciation of other property and equipment is calculated using the straight-line method at rates based on the estimated useful lives of the various assets.

The annual depreciation rates for the various classes of property, plant and equipment are as follows:

Freehold buildings	2%
Leasehold buildings	2% or over the term of short term lease
Motor vehicles	20%
Leasehold improvements	10% - 33 1/3%
Computer hardware	20% - 33 1/3%
Office and residential equipment, furniture and fittings	10% - 33 1/3%

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

The residual values, useful lives and depreciation methods of assets are reviewed, and adjusted if appropriate, at each balance sheet date, to ensure that they reflect the expected economic benefits derived from these assets.

An asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss arising from derecognition of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is charged or credited to the income statement.

Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties of the Group are stated at cost less any accumulated depreciation and impairment losses. Investment properties are depreciated on a straight line basis to write off the cost of the assets to their residual value over their estimated useful lives.

Investment properties belonging to the life insurance fund of the Group are stated at cost and include related and incidental expenditure incurred. Subsequent to initial recognition, these investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

In the absence of current prices in an active market, alternative valuation methods are used such as recent prices on less active markets or discounted cash flow valuations. Discounted cash flow valuations are prepared by considering the aggregate of the estimated cash flow expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flow then is applied to the net annual cash flows to arrive at the property valuation.

Gains or losses arising from changes in the fair values of investment properties are recognised in the revenue account of the life insurance fund in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year in which they arise.

Non-current Assets (or Disposal Groups) Held-for-Sale and Discontinued Operations

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continued use.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Assets Purchased Under Lease

Assets purchased under finance leases which in substance transfer the risks and benefits of ownership of the assets to the Group are capitalised under property, plant and equipment. The assets and the corresponding lease obligations are recorded at the lower of the present value of the minimum lease payments and the fair value of the leased assets at the beginning of the lease terms, less accumulated depreciation and impairment losses.

In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine, otherwise the Group's incremental borrowing rate is used.

Leases which do not meet such criteria are classified as operating leases and the related rentals are charged to the income statement as incurred.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Impairment of Assets

i. Securities Available-for-Sale

Impairment of securities available-for-sale is calculated as the difference between the asset's carrying amount and the estimated recoverable amount.

For securities available-for-sale in which there is objective evidence of impairment which is other than temporary, the cumulative impairment loss that had been recognised directly in equity shall be transferred from equity to the income statement, even though the securities have not been derecognised. The cumulative impairment loss is measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in the income statement.

Impairment losses on investments in equity instruments classified as available-for-sale recognised are not reversed subsequent to its recognition. Reversals of impairment losses on debt instruments classified as available-for-sale are recognised in the income statement if the increase in fair value can be objectively related to an event occurring after the recognition of the impairment loss in the income statement.

ii. Securities Held-to-Maturity

For securities held-to-maturity which are carried at amortised cost, the amount of the impairment loss is measured as the difference between the assets's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the impairment loss is recognised in the income statement.

Subsequent reversals in the impairment loss is recognised when the decrease can be objectively related to an event occurring after the impairment was recognised, to the extent that the securities' carrying amount does not exceed its amortised cost if no impairment had been recognised. The reversal is recognised in the income statement.

For securities held-to-maturity which are carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the asset and present value of its estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

iii. Goodwill

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from the synergies of the combination. Each CGU represents the lowest level at which the goodwill is monitored and is not larger than a segment based on either the Group's primary reporting format. CGU to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss recognised for goodwill is not reversed in a subsequent period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

Impairment of Assets (contd.)

iv. Other Non-financial Assets

The carrying values of the Group's other non-financial assets, other than deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed for impairment when there is an indication that the asset might be impaired. If such an indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognised in the income statement when the carrying amount of the asset (or CGU) exceeds the recoverable amount of the asset (or CGU). An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the assets's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

Bills and Acceptances Payable

The Group's bills and acceptances payable represent the investment banking and commercial banking subsidiaries' own bills and acceptances rediscounted and outstanding in the market.

Liabilities

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for services received.

Trade payables in respect of the stock and share-broking operations of the Group represent contra gains owing to non-margin clients and outstanding sale contracts which were entered into on behalf of clients where settlement has yet to be made. The credit term for trade settlement is three (3) market days according to rules of the Stock Exchanges. Clients and trust monies relate to monies owing to clients maintained in aggregated accounts.

Deposits from customers and deposits and placement of banks and other financial institutions are stated at placement values.

General Insurance Fund

The general insurance underwriting results, other than those arising from inward treaty business, are determined for each class of business, after taking into account reinsurances, unearned premium reserves, net commissions, net claims incurred and any other additional reserves.

The Unearned Premium Reserves represent the unexpired risks at the end of the financial year. In determining the unexpired risks at the balance sheet date, the methods that most accurately reflect the actual unexpired risks used are as follows:

i. 25% method for marine cargo, aviation cargo and transit business;

ii. 1/24th method for all other classes of Malaysian policies reduced by the corresponding percentage of accounted gross direct business commissions and agency-related expenses not exceeding the limits specified by BNM as follows:

Motor	10%
Fire, engineering, aviation and marine hull	15%
Medical and health	
- Standalone individuals	15%
- Group of three (3) or more	10%
Workmen's compensation and employer's liability	
- Foreign workers	10%
- Others	25%
Other classes	10% - 25%

iii. 1/8th method for all other classes of overseas inward treaty business with a deduction of 20% for commission; and

iv. Non-annual policies are time apportioned over the period of the risks.

Life Insurance Fund

The surplus of life insurance underwriting results transferable from the life insurance fund to the income statement is based on the surplus determined by annual actuarial valuation of the long-term liabilities to policyholders, made in accordance with the provisions of the Insurance Act, 1996 by the Group's appointed actuary. Any deficit arising from the actuarial valuation is recoverable from the shareholders' fund. The latest valuations were made up to 31 March 2009 and the results have been reflected accordingly.

Provision for Claims

For general insurance claims, provision is made for the estimated costs of all claims together with related expenses less reinsurance recoveries, in respect of claims notified but not settled at balance sheet date using the case-basis method. Provision is also made for the cost of claims together with related expenses incurred but not reported at balance sheet date based on an actuarial estimation by the qualified independent actuary using a mathematical method of estimation.

For life insurance claims, provision is made for the estimated costs of all claims together with related expenses less reinsurance recoveries, in respect of claims notified and/or when a claimable event occurs but not settled at balance sheet date, using the case-basis method.

Profit Equalisation Reserve ("PER")

PER is the amount appropriated out of the total Islamic banking gross income in order to maintain a certain level of return to depositors which is as stipulated by Bank Negara Malaysia's Circular on "Framework of Rate of Return". PER is deducted from the total Islamic banking gross income in deriving the net distributable gross income at a rate which does not exceed the maximum amount of the total of 15% of monthly gross income, monthly net trading income, other income and irregular income. The amount appropriated is shared by the depositors and the Group/Bank. PER is maintained up to the maximum of 30% of total Islamic banking capital fund.

Provisions

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present legal or constructive obligation as a result of a past event and a reliable estimate can be made of the amount.

Interest Bearing Borrowings

All borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing borrowings are subsequently measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

Hybrid Capital

Hybrid capital is classified as liabilities in the balance sheet as there is a contractual obligation by the Group to make cash payments of either principal or interest or both to holders of the instruments and the Group is contractually obliged to settle the financial instrument in cash or another financial instrument.

Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in statements of changes in equity in the period in which they are declared. The transaction costs net of tax of equities are accounted for as a deduction from equity. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction, which would have otherwise been avoided.

Provisions for Commitments and Contingencies

Based on management's evaluation, specific provisions for commitments and contingencies are made in the event of a call or potential liability and there is a shortfall in the security value supporting these instruments.

Sell and Buy Back Agreements

These are obligations of the Group to perform its commitment to buy back specified Islamic securities at maturity. Gains and losses are recognised upon sale and shown as trading gain or loss from securities held-for-trading.

Contingent Liabilities and Contingent Assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognized because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

Operating Revenue

Operating revenue of the Group comprises of all types of revenue derived from investment banking, commercial banking, retail financing, insurance and related financial services but after elimination of all related companies transactions.

Operating revenue of the Company comprises of dividend, interest income and other operating income.

Interest and Financing Income and Expense Recognition

Interest income is recognised on an accrual basis on effective interest method. Interest income includes the amortisation of premiums or accretion of discounts. Interest and financing income on securities are recognised on an effective yield basis.

Interest and financing income on overdrafts, term loans and housing loans is accounted for on an accrual basis by reference to the rest periods as stipulated in the loan agreements, which are either daily or monthly. Interest and financing income from hire purchase financing and block discounting of the Group is recognised using the 'sum-of-digits' method.

The Group follows the financing method of accounting for income from leasing activities. Under the financing method, the excess of aggregate rentals over the cost (reduced by estimated residual value at the end of the lease) of the leased property is taken as income over the term of the lease in decreasing amounts proportionate to the declining balance of the unrecovered sum using the 'sum-of-digits' method.

Income from Islamic Banking financing is recognised on an accrual basis in compliance with Bank Negara Malaysia Guidelines.

Handling fees paid to motor vehicle dealers for hire purchase loans are amortised in the income statement over the tenor of the loan in accordance with BNM Circular on Handling Fees dated 16 October 2006 and is set off against interest income recognised on the hire purchase loans.

Where a loan becomes non-performing, interest accrued and recognised as income prior to the date the loans are classified as non-performing is reversed out of income and set-off against the accrued interest receivable account in the balance sheet. Thereafter, the interest accrued on the non-performing loans is recognised as income on a cash basis. An account is classified as non-performing where repayment is in arrears for more than three months and after maturity dates for trade bills, bankers' acceptances and trust receipts.

The policy on recognition of interest income on loans and advances is in conformity with BNM's revised Guidelines on Financial Reporting for Licensed Institutions (BNM/GP8).

Interest expense and attributable income on deposits and borrowings (pertaining to activities relating to Islamic banking business) of the Group are expensed as incurred while block discounting finance charges are accrued using the 'sum-of-digits' method.

Fee and Other Income Recognition

Loan arrangement, management and participation fees, net brokerage income, acceptance and factoring commissions and underwriting commissions, are recognised as income based on contractual arrangements. Guarantee fees are recognised as income over the duration of the guarantee period.

Fees from advisory and corporate finance activities are recognised net of service taxes and discounts on completion of each stage of the engagement.

Asset, real estate investment trust and unit trusts management fees, margin rollover fees, agency and commitment fees are recognised as income based on time apportionment. Revenue from sale of trust units is recognised upon allotment of units, net of cost of units sold.

All gains or losses on disposal of non-performing loans are recognised in the income statement based on contractual arrangements. The gain or loss on disposal of non-performing loans is the difference between the net disposal proceeds and the carrying value of the non-performing loans being disposed.

Dividends are recognised when the right to receive payment is established.

Premium income from general insurance is recognised in a financial period in respect of risks assumed during the particular financial year. Inward treaty reinsurance premium are recognised on the basis of periodic advices received from ceding insurers.

Premium income from life insurance is recognised as income on assumption of risks and subsequent premiums are recognised on due dates. Premiums outstanding at balance sheet date are recognised as income for the period, provided it is still within the grace period allowed for payment.

Rental income and equipment and property rental are recognised on an accrual basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

Employee Benefits

i. Short-term Employee Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii. Defined Contribution Plan

As required by law, companies within the Group make contributions to the state pension scheme. Such contributions are recognised as an expense in the income statement as incurred. Once the contribution has been paid, the Group has no further payment obligations.

iii. Termination Benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Income Taxes

Tax expense comprises current and deferred tax. Income tax is recognised in the income statement except to the extent it relates to items recognised directly in equity, in which case the income tax is also recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of prior years.

Deferred tax is provided, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and unutilised tax losses to the extent it is probable that taxable profit will be available against which the deductible temporary differences and unutilised tax losses can be utilised. Deferred tax is not provided for goodwill not deductible for tax purposes and the initial recognition of assets and liabilities that at the time of transaction, affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted at the balance sheet date.

Foreign Currencies

i. Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

ii. Foreign Currency Transactions

In preparing the financial statements of the Company, subsidiaries and associates, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions or, if covered by foreign exchange contracts, at contracted rates. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the exchange rate prevailing at the date of the initial transaction.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the income statement for the year. Exchange differences arising on the translation of non-monetary items carried at fair value are included in the income statement for the year except for differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

iii. Foreign Operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of subsidiaries and associates expressed in foreign currencies are translated into RM at the rates of exchange ruling at the balance sheet date while the income statement is translated into RM at the average exchange rate for the year, which approximates the exchange rates at the dates of the transactions. The resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent entity and are recorded in RM at the rates prevailing at the date of acquisition.

The principal exchange rates for every unit of foreign currency ruling at balance sheet date used for translation of foreign operations are as follows:

	31.3.2009	**31.3.2008**
Singapore Dollar (SGD)	**2.39**	2.31
United States Dollar (USD)	**3.64**	3.19
Indonesia Rupiah (IDR)	**0.0003**	0.0003
Hong Kong Dollar (HKD)	**0.47**	0.41
Brunei Dollar (BND)	**2.39**	2.31

Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash and Cash Equivalents

For the purpose of the cash flow statements, cash and cash equivalents consist of cash and short-term funds net of bank overdrafts.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving higher degree of judgement and complexity are as follows:

a. Liabilities of Insurance Business

There are several sources of uncertainty that need to be considered in the estimation of the liabilities under life and general insurance businesses that the Group will ultimately be required to pay as claims.

For life insurance business, estimates are made for future deaths, disabilities, maturities, voluntary terminations, investment returns and administration expenses in accordance with regulatory requirements. The Group bases the estimate of expected number of deaths on statutory mortality tables, adjusted where appropriate to reflect the Group's unique risk exposure. The estimated number of deaths determines the value of possible future benefits to be paid out, which will be factored into ensuring sufficient cover by reserves, which in return is monitored against current and future premiums. For those contracts that insure risk to disability, estimates are made based on recent past experience and emerging trends.

However, epidemic as well as wide ranging changes to life style, could result in significant changes to the expected future exposure. All of this will give rise to estimation uncertainty of projected ultimate liability of the life insurance fund.

For general insurance business, the principal uncertainty arises from the technical provisions which include the provisions of premium and claims liabilities. The premium liabilities comprise unearned premium reserves while claim liabilities comprise provision for outstanding claims. Generally, claims liabilities are determined based upon previous claims experience, existing knowledge of events, the terms and conditions of the relevant policies and interpretation of circumstances. Particularly relevant is past experience with similar cases, historical claims development trends, legislative changes, judicial decisions and economic conditions. It is certain that actual future premiums and claims liabilities will not exactly develop as projected and may vary from the Group's projections. The estimates of premiums and claims liabilities are therefore sensitive to various factors and uncertainties.

The establishment of technical provisions is an inherently uncertain process and, as a consequence of this uncertainty, the eventual settlement of premiums and claims liabilities may vary from the initial estimates. There may be significant reporting lags between the occurrence of the insured event and the time it is actually reported to the Group. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude of the claim. There are many factors that will determine the level of uncertainty such as inflation, inconsistent judicial interpretations, legislative changes and claims handling procedures.

b. Impairment of Goodwill

The Group tests goodwill for impairment periodically in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. The recoverable amounts of CGU are determined based on the value-in-use method, which requires the use of estimates of cash flow projections, growth rates and discount rates. Changes to the assumptions used by management, particularly the discount rate and growth rate, may significantly affect the results of the impairment test.

c. Impairment of Other Intangible Assets

The Group's intangible assets that can be separated and sold and have a finite useful life are amortised over their estimated useful lives.

The determination of the estimated useful life of these intangible assets requires the management to analyse the circumstances, the industry ad market practice and also to use judgement. At each balance sheet date, or more frequently when events or changes in circumstances dictate, intangible assets are assessed for indications of impairment. If indications are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying value of the asset with its recoverable amount.

d. Fair Value Estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions of market conditions existing at the balance sheet date, including reference to quoted market prices or independent dealer quotes for similar instruments and discounted cash flow method.

e. Classification between Investment Properties and Property and Equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. An investment property is held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately, the Group would account for the portion separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on each individual property to determine whether ancillary services are so significant that the property does not qualify as an investment property.

f. Deferred Tax and Income Taxes

The Group and Company are subject to income taxes in different jurisdictions and significant judgement is required in estimating the provision for income taxes. There are many transactions and interpretations of tax laws for which the final outcome will not be established until some time later. Liabilities for taxation are recognised based on estimates of whether additional taxes will be payable. The estimation process includes seeking expert advice where appropriate. Where the final liability for taxation is different from the amounts that were initially recorded, the difference will affect the income tax and deferred tax provisions in the period in which the estimate is revised or the final liability is established.

Deferred tax assets are recognised for all unutilised tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

g. Allowances for Bad and Doubtful Loans and Financing

Doubtful loans, advances and financing are reviewed at each reporting date to assess whether allowances for impairment should be recorded in the financial statements. In particular, judgement is required in the identification of doubtful loans and the estimation of realisable amount from the doubtful loans when determining the level of allowance required.

The Group has adopted certain criteria in the identification of doubtful loans, which include classifying loans as non-performing when repayments are in arrears for more than three (3) months (one (1) month after maturity date for trade bills, bankers' acceptances and trust receipts). Specific allowances for doubtful loans are provided after taking into consideration of the values assigned to collateral. The values assigned to collateral are estimated based on market value and/or forced sales value, as appropriate in conformity with BNM guidelines.

In addition to the specific allowances made, the Group also make general allowance against exposure not specifically identified based on a percentage of total outstanding loans (including accrued interest), net of specific allowance for bad and doubtful debts. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

5. CASH AND SHORT-TERM FUNDS

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Cash and bank balances	**548,955**	**1,251**	471,920	1,206
Money at call and deposits maturing within one month:				
Licensed banks:				
Subsidiary	**-**	**282,786**	-	313,872
Others	**726,391**	**-**	1,582,925	-
Licensed investment banks:				
Others	**80,000**	**-**	-	-
Bank Negara Malaysia	**15,589,750**	**-**	8,887,060	-
Other financial institutions	**241,845**	**-**	103,521	-
	17,186,941	**284,037**	11,045,426	315,078

Included in the above are interbank lendings of RM16,536,853,000 (RM10,502,776,000 in 2008) for the Group and short-term deposits and money held on behalf of remisiers and clients amounting to approximately RM219,432,000 (RM297,825,000 in 2008) for the Group.

As at 31 March 2009, the net interbank borrowing and lending position of the Group is as follows:

	Group	
	2009 RM'000	2008 RM'000
Interbank lendings		
Cash and short-term funds	**16,536,853**	10,502,776
Deposits with financial institutions (Note 7)	**-**	1,329,700
	16,536,853	11,832,476
Interbank borrowings (Note 22)	**(93,435)**	(37,001)
Net interbank lendings	**16,443,418**	11,795,475

6. SECURITIES PURCHASED UNDER RESALE AGREEMENTS

	Group	
	2009 RM'000	2008 RM'000
Licensed banks:		
Others	**16,807**	52,468
	16,807	52,468

Included in the above are money held on behalf of remisiers and clients amounting to approximately RM16,807,000 (RM45,819,000 in 2008) for the Group.

7. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Licensed banks:				
Subsidiary	**-**	**16,986**	-	15,034
Others	**45,687**	**-**	337,466	-
Licensed investment banks:				
Others	**-**	**-**	50,000	-
Bank Negara Malaysia	**100**	**-**	1,000,100	-
Other financial institutions	**239**	**-**	244	-
	46,026	**16,986**	1,387,810	15,034

The deposits and placements with banks and other financial institutions mature within one year.

Included in the above is an amount of RM200,000 (RM200,000 in 2008) made in favour of the Accountant General pursuant to Section 3(f) of the Trust Companies Act, 1949.

Included in the above are interbank lendings of RM Nil (RM1,329,700,000 in 2008) for the Group.

8. SECURITIES HELD-FOR-TRADING

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
At Fair Value				
Money Market Securities:				
Treasury Bills	-	-	26,566	-
Islamic Treasury Bills	-	-	78,224	-
Malaysian Government Securities	999,652	-	160,705	-
Malaysian Government Investment Certificates	4,065	-	323,014	-
Cagamas bonds	-	-	25,058	-
Cagamas Mudharabah bearer bonds	-	-	37,167	-
Khazanah bonds	-	-	59,359	-
Islamic Bank Negara Monetary Notes	-	-	134,107	-
Bank Negara Monetary Notes	-	-	274,645	-
Negotiable instruments of deposits	-	-	15,368	-
Negotiable Islamic Debt Certificates	-	-	39,674	-
Islamic Khazanah bonds	991	-	-	-
	1,004,708	-	1,173,887	-
Securities Quoted:				
In Malaysia:				
Shares	28,164	-	39,735	-
Trust units	2,923	-	252,202	-
Outside Malaysia:				
Shares	1,668	-	70,026	-
Trust units	-	-	1,728	-
	32,755	-	363,691	-
Unquoted Securities Of Companies Incorporated:				
In Malaysia:				
Shares	-	-	18,493	-
Outside Malaysia:				
Shares	-	-	17,848	-
	-	-	36,341	-
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:				
Corporate bonds	-	-	207,743	-
Islamic corporate bonds	-	-	86,590	-
Islamic corporate notes	-	-	30,725	-
	-	-	325,058	-
Unquoted Private Debt Securities Of Companies Incorporated:				
In Malaysia:				
Corporate bonds	-	20,000	1,219,481	20,000
Corporate notes	98,438	-	456,554	-
Islamic corporate bonds	-	-	2,036,736	-
Islamic corporate notes	248,567	-	944,493	-
Outside Malaysia:				
Corporate bonds	15,405	-	142,769	-
	362,410	20,000	4,800,033	20,000
Total	1,399,873	20,000	6,699,010	20,000

9. SECURITIES AVAILABLE-FOR-SALE

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
At Fair Value				
Money Market Securities:				
Malaysian Government Securities	**32,948**	**-**	12,081	-
Malaysian Government investment certificates	**36,025**	**-**	-	-
Cagamas bonds	**-**	**-**	4,996	-
Khazanah bonds	**-**	**-**	9,841	-
Negotiable instruments of deposits	**150,171**	**-**	135,987	-
Negotiable Islamic debt certificates	**29,190**	**-**	-	-
Islamic khazanah bonds	**36,945**	**-**	-	-
	285,279	**-**	162,905	-
Securities Quoted:				
In Malaysia:				
Shares	**162,814**	**-**	-	-
Trust units	**329,472**	**-**	74,714	-
Outside Malaysia:				
Shares	**25,857**	**-**	21,981	-
Trust units	**1,811**	**-**	-	-
	519,954	**-**	96,695	-
Unquoted Securities:				
In Malaysia:				
Shares	**22,871**	**3,978**	4,378	3,978
Outside Malaysia:				
Shares	**17,848**	**-**	-	-
	40,719	**3,978**	4,378	3,978
Debt Equity Converted Securities Quoted:				
In Malaysia:				
Shares	**25,751**	**-**	26,139	-
Shares - with options	**-**	**-**	6,014	-
Loan stocks	**3,096**	**-**	9,145	-
Corporate bonds	**332**	**-**	4,411	-
Outside Malaysia:				
Shares	**40**	**-**	77	-
	29,219	**-**	45,786	-
Unquoted Private Debt Securities Of Companies Incorporated				
In Malaysia:				
Corporate bonds	**630,303**	**-**	345,536	-
Islamic corporate bonds	**1,064,297**	**-**	927,167	-
Corporate notes	**1,408,277**	**-**	-	-
Islamic corporate notes	**2,055,719**	**-**	-	-
Outside Malaysia:				
Corporate bonds	**95,578**	**-**	78,635	-
Islamic corporate bonds	**43,753**	**-**	-	-
	5,297,927	**-**	1,351,338	-
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:				
Islamic Corporate bonds	**85,176**	**-**	-	-
Corporate bonds	**367,780**	**-**	189,833	-
	452,956	**-**	189,833	-
Total	**6,626,054**	**3,978**	1,850,935	3,978

10. SECURITIES HELD-TO-MATURITY

	Group	
	2009 RM'000	2008 RM'000
Securities Quoted:		
In Malaysia:		
Shares	**2**	-
Trust units	**1,000**	2,012
Islamic Corporate bonds	**29,164**	25,552
Outside Malaysia:		
Islamic Corporate bonds	**7,291**	6,388
	37,457	33,952
Unquoted Securities Of Companies Incorporated:		
In Malaysia:		
Shares	**102,958**	102,433
Corporate bonds	**959**	959
Outside Malaysia:		
Shares	**4,330**	6,441
	108,247	109,833
Debt Equity Converted Securities Quoted:		
In Malaysia:		
Shares	**40**	5,314
Loan stocks - collateralised	**127,675**	85,824
Loan stocks - with options	**1,825**	80,595
Corporate bonds - collateralised	**33,172**	52,754
Outside Malaysia:		
Warrants	**-**	15
	162,712	224,502
Unquoted Debt Equity Converted Securities Of Companies Incorporated in Malaysia:		
Shares	**3,027**	44,971
Loan stocks	**58,104**	74,857
Loan stocks - collateralised	**334,036**	524,876
Corporate bonds - collateralised	**159,083**	106,568
Corporate bonds	**81,926**	316,378
	636,176	1,067,650
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:		
Corporate notes	**32,700**	33,720
Islamic corporate bonds	**177,096**	190,331
	209,796	224,051
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:		
Corporate bonds	**10,000**	-
	1,164,388	1,659,988
Accumulated impairment losses	**(384,179)**	(480,110)
Total	**780,209**	1,179,878
Market/Indicative value		
Securities Quoted:		
In Malaysia:		
Shares	**1**	-
Trust units	**1,010**	2,010
Islamic Corporate bonds	**28,525**	25,486
Outside Malaysia:		
Islamic Corporate bonds	**6,934**	6,278
Unquoted Securities Of Companies Incorporated:		
In Malaysia:		
Shares	**101,910**	101,167
Corporate bonds	**859**	859
Outside Malaysia:		
Shares	**2,931**	5,086
Debt Equity Converted Securities Quoted In Malaysia:		
Shares	**16**	4,141
Loan stocks - collateralised	**68,071**	105,548
Loan stocks - with options	**21,346**	66,985
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:		
Islamic Corporate bonds	**179,796**	192,812
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:		
Corporate bonds	**10,049**	-

11. LOANS, ADVANCES AND FINANCING

	Group	
	2009 RM'000	2008 RM'000
Loans and financing:		
Term loans and revolving credit	**18,059,567**	15,562,586
Housing loans	**11,485,193**	11,314,355
Staff loans	**175,518**	179,052
Hire-purchase receivables	**29,503,323**	28,072,157
Credit card receivables	**1,867,505**	1,927,253
Lease receivables	**1,236**	13,178
Overdrafts	**1,735,296**	1,632,538
Claims on customers under acceptance credits	**2,368,892**	2,301,379
Trust receipts	**373,871**	325,968
Block discount receivables	**60,556**	59,572
Factoring receivables	**51,906**	60,094
Bills receivable	**47,442**	33,524
	65,730,305	61,481,656
Less: Unearned interest and income	**6,961,346**	6,482,856
Total	**58,768,959**	54,998,800
Less:		
Allowance for bad and doubtful debts and financing:		
General	**899,517**	845,225
Specific	**921,611**	1,579,255
	1,821,128	2,424,480
Net loans, advances and financing	**56,947,831**	52,574,320

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

	Group	
	2009 RM'000	2008 RM'000
Maturing within one year	**10,019,751**	12,806,956
One year to three years	**5,746,939**	5,623,323
Three to five years	**8,334,289**	6,075,386
Over five years	**34,667,980**	30,493,135
	58,768,959	54,998,800

Loans, advances and financing analysed by their economic purposes are as follows:

	Group				
	2009		2008		
	RM'000	%	RM'000	%	Loans Growth
Purchase of transport vehicles	**24,349,948**	**40.8**	24,036,314	42.3	
Purchase of landed properties:					
a. Residential	**11,316,431**	**19.0**	10,998,983	19.3	
b. Non-Residential	**2,878,021**	**4.8**	2,312,866	4.1	
Working capital	**9,437,443**	**15.8**	9,326,716	16.4	
Personal use	**2,324,241**	**3.9**	2,080,383	3.7	
Fixed assets	**1,815,104**	**3.0**	1,798,568	3.2	
Credit cards	**1,844,448**	**3.1**	1,898,413	3.3	
Purchase of securities	**1,882,498**	**3.2**	1,545,274	2.7	
Construction	**1,127,824**	**1.9**	919,301	1.6	
Mergers and acquisitions	**346,203**	**0.6**	278,877	0.5	
Consumer durables	**933**	**0.0**	3,892	0.0	
Other purposes	**2,351,668**	**3.9**	1,663,070	2.9	
Gross loans, advances and financing	**59,674,762**	**100.0**	56,862,657	100.0	
Less: Islamic financing sold to Cagamas Berhad	**905,803**		1,863,857		
	58,768,959		54,998,800		**6.9%**

11. LOANS, ADVANCES AND FINANCING (CONTD.)

Loans, advances and financing analysed by types of customers are as follows:

	Group	
	2009 RM'000	2008 RM'000
Domestic:		
Other non-bank financial institutions	**757,550**	834,365
Business enterprises:		
Small medium enterprises	**6,228,973**	5,452,391
Others	**12,461,841**	11,579,642
Government and statutory bodies	**69,506**	115,410
Individuals	**38,728,575**	36,733,216
Other domestic entities	**20,037**	44,537
Foreign entities	**502,477**	239,239
	58,768,959	54,998,800

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

	Group	
	2009 RM'000	2008 RM'000
Variable rate:		
BLR-plus	**15,164,753**	14,704,097
Cost-plus	**7,449,634**	5,865,602
Other variable rates	**1,047,344**	544,617
	23,661,731	21,114,316
Fixed rate:		
Housing loans	**2,256,505**	2,361,505
Hire purchase receivables	**24,488,938**	23,152,454
Other fixed rates	**8,361,785**	8,370,525
	35,107,228	33,884,484
	58,768,959	54,998,800

Movements in non-performing loans, advances and financing ("NPLs") are as follows:

	Group	
	2009 RM'000	2008 RM'000
Gross		
Balance at beginning of year	**3,602,479**	5,534,341
Non-performing during the year	**1,165,774**	1,319,500
Reclassification to performing loans and financing	**(578,161)**	(758,019)
Recoveries	**(386,347)**	(535,600)
Amount written-off	**(1,395,908)**	(1,298,557)
Repurchase of loans	**19,554**	-
Sale of non-performing loans	**-**	(547,859)
Debt equity conversion	**(933)**	(106,274)
Exchange fluctuation adjustments	**-**	(5,711)
Reclassification from trading to margin	**-**	658
Balance at end of year	**2,426,458**	3,602,479
Less: Specific allowance	**(921,611)**	(1,579,255)
Non-performing loans and financing - net	**1,504,847**	2,023,224
Ratios of non-performing loans, advances and financing to total loans, advances and financing (including Islamic financing sold to Cagamas Berhad) - net	**2.6%**	3.7%
Loan loss coverage excluding collateral values	**75.1%**	67.3%

Non-performing loans, advances and financing analysed by their economic purposes are as follows:

	Group			
	2009		2008	
	RM'000	%	RM'000	%
Working capital	**450,015**	**18.6**	1,014,761	28.2
Purchase of landed properties:				
Residential	**924,484**	**38.1**	962,785	26.7
Non-residential	**220,630**	**9.1**	334,169	9.3
Purchase of transport vehicles	**453,501**	**18.7**	428,615	11.9
Construction	**148,954**	**6.1**	281,961	7.8
Purchase of securities	**66,818**	**2.8**	198,320	5.5
Credit cards	**70,209**	**2.9**	66,011	1.8
Fixed assets	**27,393**	**1.1**	44,119	1.2
Personal use	**19,163**	**0.8**	35,246	1.0
Consumer durables	**550**	**0.0**	485	0.0
Other purpose	**44,741**	**1.8**	236,007	6.6
	2,426,458	**100.0**	3,602,479	100.0

11. LOANS, ADVANCES AND FINANCING (CONTD.)

Movements in allowances for bad and doubtful debts and financing are as follows:

	Group	
	2009 RM'000	2008 RM'000
General allowance		
Balance at beginning of year	**845,225**	778,396
Allowance during the year	**53,561**	67,107
Exchange fluctuation adjustments	**731**	(278)
Balance at end of year	**899,517**	845,225
% of total loans, advances and financing (including Islamic financing sold to Cagamas Berhad) less specific allowances	**1.53%**	1.53%
Specific allowance		
Balance at beginning of year	**1,579,255**	2,353,047
Allowance during the year	**1,043,753**	1,192,451
Amount written back in respect of recoveries and reversals	**(383,672)**	(427,341)
Net charge to income statements	**660,081**	765,110
Amount written off	**(1,333,350)**	(1,291,798)
Repurchase of loans	**17,508**	-
Sale of non-performing loans	**-**	(219,832)
Debt equity conversion	**(933)**	(17,190)
Reclassification to/(from) sundry receivables	**4**	(8,103)
Exchange fluctuation adjustments	**2**	(1,877)
Adjustment to deferred asset account	**(956)**	(102)
Balance at end of year	**921,611**	1,579,255

12. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

Derivative financial instruments are off-balance sheet financial instruments whose values change in response to changes in prices or rates (such as foreign exchange rates and interest rates) of the underlying instruments. These instruments allow the Group and its customer to transfer, modify or reduce their foreign exchange and interest rate risks via hedge relationships. The Group also transacts in these instruments for proprietary trading purposes. The default classification for derivative financial instruments is trading, unless designated in a hedge relationship and are in compliance with the hedge effectiveness criteria. The risks associated with the use of derivative financial instruments, as well as management's policy for controlling these risks are set out in Note 51.

The table below shows the Group's derivative financial intruments as at the balance sheet date. The contractual or underlying principal amounts of these derivative financial instruments and their corresponding gross positive (derivative financial asset) and gross negative (derivative financial liability) fair values at balance sheet are analysed below.

	2009			2008		
	Contract/ Notional Amount RM'000	Positive Fair Value RM'000	Negative Fair Value RM'000	Contract/ Notional Amount RM'000	Positive Fair Value RM'000	Negative Fair Value RM'000
Group						
Trading derivative						
Interest rate related contracts:						
Interest rate futures	**60,000**	**1,507**	**-**	270,000	6,574	6,907
Interest rate swaps	**19,988,341**	**341,673**	**329,538**	26,131,307	162,603	199,278
Foreign exchange related contracts:						
Forward exchange contracts	**824,899**	**29,552**	**11,861**	5,747,856	44,231	76,894
Equity related contracts:						
Options	**515,598**	**9,496**	**26,036**	151,596	5,200	1,192
Equity futures	**8,262**	**-**	**-**	363	-	-
Cross currency swaps	**610,213**	**607**	**49,650**	624,647	106,939	126,658
	22,007,313	**382,835**	**417,085**	32,925,769	325,547	410,929
Hedging derivative						
Interest rate related contracts:						
Interest rate swaps	**4,624,100**	**100,098**	**170,678**	639,000	45,134	-
	26,631,413	**482,933**	**587,763**	33,564,769	370,681	410,929
		Note 56 (e)				

Fair values of derivative financial instruments are normally zero or negligible at inception and the subsequent change in value is favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms.

13. OTHER ASSETS

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Trade receivables, net of allowance for doubtful debts for the Group of RM55,878,000 (RM56,372,000 in 2008)	**399,788**	**-**	756,706	-
Other receivables, deposits and prepayments, net of allowance for doubtful debts for the Group of RM10,591,000 (RM18,114,000 in 2008)	**653,170**	**29,837**	703,125	19,601
Interest receivables on treasury assets, net of allowance for doubtful debts for the Group of RMNil (RM3,253,000 in 2008)	**117,778**	**494**	112,194	7,372
Fee receivables, net of allowance for doubtful debts for the Group of RM5,950,000 (RM5,509,000 in 2008)	**39,832**	**-**	44,056	-
Amount due from agents, brokers and reinsurers, net of allowance for the Group of RM9,130,000 (RM9,806,000 in 2008)	**37,533**	**-**	161,405	-
Amount due from originators	**25,789**	**-**	35,140	-
Amount recoverable under asset- backed securitisation transactions, net of impairment loss of RMNil (RM30,500,000 in 2008)	**-**	**-**	67,066	-
Foreclosed properties net of allowance for impairment in value of RM97,950,000 (RM92,390,000 in 2008)	**181,372**	**-**	102,396	-
Tax recoverable	**-**	**-**	2,180	-
Deferred assets	**34,744**	**-**	39,701	-
	1,490,006	**30,331**	2,023,969	26,973

Trade receivables mainly relate to the stock and share-broking operations of the Group and represent amount outstanding in purchase contracts net of allowances.

Amount due from originators represents housing loans, hire purchase and leasing receivables acquired from the originators for onward sale to Cagamas Berhad as mentioned in Note 24.

In 1998, the subsidiary, AMFB Holdings Berhad ("AMFB"), participated in a scheme approved by the Minister of Finance and sanctioned by the High Court of Malaya, whereby certain assets and liabilities of Abrar Finance Berhad ("AFB"), a licensed finance company incorporated in Malaysia, were transferred with effect from 18 December 1998 to AMFB with financial assistance from BNM.

The net asset deficiency representing the excess of liabilities over the assets transferred from AFB arising from the scheme, is shown as deferred asset, and is reduced progressively by net income derived from the utilisation of the deposit placed by BNM, as mentioned in Note 22, and net recoveries of defaulted loans of AFB computed based on a formula determined by BNM.

Subsequent to the vesting order of assets and liabilities from AMFB to AmBank, the deferred asset arising from the takeover of AFB was vested over to AmBank.

In 1988, AmBank took over the operations of Kewangan Usahasama Makmur Berhad ("KUMB"), a deposit taking co-operative in Malaysia. The Government of Malaysia granted to KUMB a future tax benefit amounting to RM434.0 million, subsequently adjusted to RM426.7 million upon finalisation of KUMB's tax credit in consideration of the deficit in assets taken over from the deposit taking cooperatives. The tax benefit is a fixed monetary sum and is not dependant on any changes in tax rates.

The net tax benefit is also shown as a deferred asset and the utilisation of the deferred tax benefit is based on the receipt of notices of assessment and subsequent remission of the tax liabilities by the relevant authority net of the amount payable to the tax authorities for purposes of Section 108 tax credit.

	Group	
	2009 RM'000	2008 RM'000
Deferred assets are as follows:		
Arising from takeover of Kewangan Usahasama Makmur Berhad	**34,744**	39,891

14. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA (CENTRAL BANK OF MALAYSIA)

The non-interest bearing statutory deposits pertaining to the investment banking, commercial and Islamic banking subsidiaries are maintained with Bank Negara Malaysia in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act, 1958 (Revised 1994), the amounts of which are determined as set percentages of total eligible liabilities.

15. INVESTMENTS IN SUBSIDIARIES

	Company	
	2009 RM'000	2008 RM'000
At cost		
In Malaysia		
Shares		
Unquoted	**6,204,678**	6,243,314
	6,204,678	6,243,314
Unquoted Interest Bearing Irredeemable Convertible Unsecured Loan Stock	**-**	300,000
	6,204,678	6,543,314

On 20 May 2008, the RM300.0 million Interest Bearing Irredeemable Convertible Unsecured Loan Stock ("ICULS") was converted into 60,000,000 new ordinary shares of RM1.00 each of AmBank.

The subsidiaries, all incorporated in Malaysia, except for P.T. AmCapital Indonesia, which is incorporated in Indonesia, AmSecurities (H.K.) Limited and AmTrade Services Limited which are incorporated in Hong Kong, AmCapital (B) Sdn Bhd which is incorporated in Brunei and AmFrasers International Pte. Ltd. and its subsidiaries which are incorporated in Singapore, are as follows:

		Issued and Paid-up Ordinary Capital			
	Principal Activities	2009 RM'000	2008 RM'000	2009 %	2008 %
Direct Subsidiaries					
Unquoted					
AmInvestment Group Berhad ("AIGB")	Investment holding	**173,200**	673,200	**100.00**	100.00
AMFB Holdings Berhad ("AMFB")	Investment holding	**821,516**	761,516	**100.00**	100.00
AMAB Holdings Sdn Bhd ("AMAB Holdings")	Investment holding	**264,000**	-	**100.00**	-
AmAssurance Berhad ("AmAssurance")	Life assurance and general insurance	**-**	100,000	**-**	70.00
AmManagement Services Sdn Bhd	Dormant	**- ****	- **	**100.00**	100.00
Indirect Subsidiaries					
Unquoted					
AmInvestment Bank Berhad ("AmInvestment Bank")	Investment banking	**200,000**	240,000	**100.00**	100.00
AmSecurities Holding Sdn Bhd ("AMSH")	Investment holding	**10,000**	10,000	**100.00**	100.00
AmIslamic Bank Berhad ("AmIslamic Bank")	Islamic banking	**403,038**	403,038	**100.00**	100.00
AmBank (M) Berhad ("AmBank")	Commercial banking	**670,364**	610,364	**100.00**	100.00
Arab-Malaysian Credit Berhad	Hire-purchase financing and leasing	**288,500**	288,500	**100.00**	100.00
AmLife Insurance Berhad (Formerly known as AmAssurance Berhad) ("AmLife")	Life assurance	**100,000**	-	**70.00**	-
AmG Insurance Berhad("AmG")	General assurance	**230,000**	- @@	**51.00**	70.00
AMSEC Holdings Sdn Bhd	Dormant	**100,000**	100,000	**100.00**	100.00
AmInvestment Services Berhad ("AIS")	Managing unit trust funds	**5,539**	5,539	**100.00**	100.00
AmInvestment Management Sdn Bhd ("AIM")	Asset management	**2,000**	2,000	**100.00**	100.00
AmIslamic Funds Management Sdn Bhd ("AmFM")	Islamic funds management	**2,000**	-	**100.00**	-
AMMB Consultant Sdn Bhd	Dormant	**500**	500	**100.00**	100.00
AMMB Nominees (Tempatan) Sdn Bhd	Nominee services	**10**	10	**100.00**	100.00
AMMB Nominees (Asing) Sdn Bhd	Nominee services	**10**	10	**100.00**	100.00
AmProperty Trust Management Berhad ("AmPTMB")	Dormant	**500**	500	**100.00**	100.00
AmPrivate Equity Sdn Bhd ("AmPrivate Equity")	Investment holding	**6**	6	**80.00**	80.00
AMMB Factors Sdn Bhd	Dormant	**1,000**	1,000	**100.00**	100.00
AMCB Mezzanine Sdn Bhd	Dormant	**400**	400	**100.00**	100.00
AmTrustee Berhad ("AmTrustee")	Trustee services	**500**	500	**80.00**	80.00
Arab-Malaysian Services Berhad	Dormant	**6,000**	6,000	**70.00**	70.00
AmEquities Sdn Bhd	Collection of trade receivables	**140,000**	140,000	**100.00**	100.00
South Johor Securities Nominees (Tempatan) Sdn Bhd	Dormant	**- ****	- **	**100.00**	100.00
South Johor Securities Nominees (Asing) Sdn Bhd	Dormant	**- ****	- **	**100.00**	100.00
AMSEC Nominees (Tempatan) Sdn Bhd	Nominee services	**1**	1	**100.00**	100.00
AMSEC Nominees (Asing) Sdn Bhd	Nominee services	**1**	1	**100.00**	100.00
AmFutures Sdn Bhd ("AmFutures")	Futures and options broking	**15,000**	15,000	**100.00**	100.00
AmResearch Sdn Bhd ("AmResearch")	Publishing and selling research materials and reports	**500**	500	**100.00**	100.00
AM Nominees (Tempatan) Sdn Bhd	Nominee services	**- ****	- **	**100.00**	100.00
AM Nominees (Asing) Sdn Bhd	Nominee services	**- ****	- **	**100.00**	100.00
AMMB Properties Sdn Bhd	Dormant	**- ****	- **	**100.00**	100.00
Malaysian Ventures Management Incorporated Sdn Bhd ("MVMI")	Management of private equity fund	**500**	500	**100.00**	100.00

15. INVESTMENTS IN SUBSIDIARIES (CONTD.)

		Issued and Paid-up Ordinary Capital			
	Principal Activities	2009 RM'000	2008 RM'000	2009 %	2008 %
Indirect Subsidiaries					
Unquoted					
Am ARA REIT Holdings Sdn Bhd ("Am ARA Holdings")	Investment holding	**1,000**	1,000	**70.00**	70.00
Am ARA REIT Managers Sdn Bhd ("Am ARA REIT Managers")	Management of real estate investment trusts	**1,000**	1,000	**70.00**	70.00
Annling Sdn Bhd	Dormant	**3,347**	250	**100.00**	100.00
Everflow Credit & Leasing Corp Sdn Bhd	Dormant	**684**	684	**100.00**	100.00
MBf Information Services Sdn Bhd	Renting of computer equipment and the provision of related support services	**27,500**	27,500	**100.00**	100.00
MBf Nominees (Tempatan) Sdn Bhd	Nominee services	**10**	10	**100.00**	100.00
MBf Trustees Berhad	Trustee services	**250**	250	**60.00**	60.00
AmProperty Holdings Sdn Bhd	Property investment	**500**	500	**100.00**	100.00
MBf Equity Partners Sdn Bhd	Dormant	**11,284**	10,000	**100.00**	100.00
MBf Nominees (Asing) Sdn Bhd	Dormant	**138**	-**	**100.00**	100.00
Lekir Development Sdn Bhd	Dormant	**4,249**	450	**100.00**	100.00
Li & Ho Sdn Bhd	Dormant	**4,908**	850	**100.00**	100.00
Teras Oak Pembangunan Sdn Bhd	Dormant	**4,700**	1,200	**100.00**	100.00
AmCredit & Leasing Sdn Bhd	Dormant	**3,892**	500	**100.00**	100.00
Crystal Land Sdn Bhd	Dormant	**3,763**	400	**97.87**	80.00
Bougainvillaea Development Sdn Bhd	Property investment and provision of services	**11,000**	1,000	**100.00**	100.00
Malco Properties Sdn Bhd	Dormant	**417**	157	**81.51**	51.00
Komuda Credit & Leasing Sdn Bhd	Dormant	**14,259**	500	**100.00**	100.00
Natprop Sdn Bhd	Dormant	**72,010**	500	**100.00**	100.00
AmPremier Capital Bhd ("AmPremier")	Special purpose vehicle	**-****	-	**100.00**	-
Economical Enterprises Sdn Bhd	Dormant	**535**	535	**100.00**	100.00
AmMortgage One Bhd ("AmMortgage")	Special purpose vehicle	**1**	-	**100.00**	-
		BND'000	**BND'000**	**%**	**%**
AmCapital (B) Sdn Bhd	Asset management and investment advisory services	**1,000**	-@@@	**100.00**	100.00
		USD'000	**USD'000**	**%**	**%**
AMMB Labuan (L) Ltd	Dormant	**200**	200	**100.00**	100.00
AmInternational (L) Ltd ("AMIL")	Offshore banking	**10,000**	10,000	**100.00**	100.00
AmCapital (L) Inc.	Dormant	**-*****	-***	**100.00**	100.00
AMBB Capital (L) Ltd	Special purpose vehicle	**-*****	-***	**100.00**	100.00
		RP'000	**RP'000**	**%**	**%**
P.T. AmCapital Indonesia* ("AMCI")	Stock-broking, underwriting and investment management	**146,186,000**	146,186,000	**99.00**	99.00
		HK$000	**HK$000**	**%**	**%**
AmSecurities (H.K.) Limited^	Dormant	**33,000**	33,000	**100.00**	100.00
AmTrade Services Limited^	Trade finance services	**-*******	-****	**100.00**	100.00
AmFraser International Pte. Ltd.*	Investment holding	**18,910**	18,910	**100.00**	100.00
AmFraser Securities Pte. Ltd.*	Stock and share broking	**32,528**	32,528	**100.00**	100.00
Fraser Financial Planners Pte. Ltd.*	Dormant	**1,000**	1,000	**100.00**	100.00
Fraser Financial Services Pte. Ltd.*	Dormant	**200**	200	**100.00**	100.00
Fraser-AMMB Research Pte. Ltd.*	Dormant	**500**	500	**100.00**	100.00
AmFraser Nominees Pte. Ltd.*	Nominee services	**1**	1	**100.00**	100.00

* Subsidiary not audited by Ernst & Young.
** Subsidiaries with an issued and paid-up ordinary capital of RM2.00.
*** Subsidiary with an issued and paid-up ordinary capital of USD3.00.
**** Subsidiary with an issued and paid-up ordinary capital of HK$2.00.
@@ Subsidiary with an issued and paid-up ordinary capital of RM10.00.
@@@ Subsidiary with an issued and paid-up ordinary capital of BND2.00.
^ Subsidiaries audited by a firm affiliated with Ernst & Young.

15. INVESTMENTS IN SUBSIDIARIES (CONTD.)

1. AmInvestment Group Berhad ("AIGB") had after obtaining the approval of BNM established a 100%-owned subsidiary under the name of AmIslamic Funds Management Sdn Bhd ("AmFM") to provide Islamic funds management services. On 12 January 2009, AmFM has been licensed by the Securities Commission ("SC") pursuant to the Capital Markets and Services Act, 2007 and will commence operations during the financial year ending 31 March 2010.

2. The transfer of the fund-based activities of AmInvestment Bank to AmBank and AmIslamic Bank ("Business Transfer") was completed on 12 April 2008. Subsequent to the completion of the Business Transfer and with the confirmation of the High Court of Malaya, AmInvestment Bank had on 26 September 2008 implemented a capital restructuring exercise, comprising the cancellation of part of AmInvestment Bank's ordinary share capital, its entire preference share capital and share premium account balance for an aggregate amount of RM519.8 million, to return the excess capital funds arising from the Business Transfer in cash to its sole shareholder, AIGB which have been paid ultimately to the Company to fund its working capital requirements.

3. AmG had on 10 November 2008, entered into a non-binding memorandum of understanding ("MOU") with MAA Holdings Berhad ("MAAH") and Malaysian Assurance Alliance Berhad ("MAA Assurance") in respect of the Proposed Acquisitions which involves AmG acquiring:

   i. the general insurance business of MAA Assurance for a headline price of RM274.8 million (subject to adjustments), and

   ii. a 4.9% equity stake in MAA Takaful Berhad for a consideration of RM16.2 million, equivalent to RM3.30 per share.

4. The Company had on 14 November 2008 established a wholly-owned subsidiary under the name of AMAB Holdings, to hold the Company's investments in AmG and AmLife.

   The Company restructured its shareholding in each of AmG and AmAssurance, as follows:

   i. The transfer of the Company's existing 70% shareholding in AmG to AMAB Holdings prior to the completion of the Proposed Business Transfer.

   ii. The 70% equity interest held by the Company in AmAssurance will be transferred to AMAB Holdings subsequent to the Proposed Business Transfer and the Proposed Sale to Friends Provident Plc ("FP").

   On 1 December 2008, the Company completed the Proposed Business Transfer of the insurance business which involved:

   i. the splitting of the composite insurance business of AmAssurance, whereby the general insurance business of AmAssurance will be transferred to, and be carried on by AmG, while the life insurance business will be carried out by AmAssurance (now known as AmLife Insurance Berhad).

   ii. Pursuant to the Proposed Business Transfer, the issued and paid-up share capital of AmG amounted to RM230,000,000, comprising 230,000,000 ordinary shares of RM1.00 each. The share capital of AmG is held in the proportion of 70% by AMAB Holdings and the balance of 30% by IAG International Pty Limited ("IAG").

   On 9 December 2008, following the completion of the business transfer, the Company completed the Proposed Restructuring which involved:

   i. the proposed acquisition by IAG of an additional 19% equity interest in AmG (the Company's general insurance subsidiary after the Proposed Business Transfer) for a cash consideration of RM141.1 million;

   ii. the proposed acquisition by the Company from IAG of the 30% equity interest held by IAG in AmLife (which will conduct only life insurance business after the Proposed Business Transfer), for a cash consideration of RM170.0 million; and

   iii. the proposed sale by the Company to FP of 30% equity interest in AmLife for a cash consideration of RM170.0 million.

   Accordingly, with the completion of the Proposed Restructuring, the strategic partners in the Group's insurance business comprise:-

   i. IAG holding 49% equity interest in AmG with the remaining 51% equity interest held by AMAB Holdings; and

   ii. FP holding 30% equity interest in AmLife with the remaining 70% equity interest held by AMAB Holdings.

5. To facilitate the issuance of RM500.0 mil RMNIT1, AmBank had, on 30 December 2008, acquired two (2) ordinary shares of RM1.00 each representing the entire issued and paid up capital of AmPremier, for a cash consideration of RM2.00, thereby making AmPremier a wholly owned subsidiary of AmBank.

   AmPremier was incorporated on 26 December 2008 and has an authorized share capital of RM100,000 divided into 100,000 ordinary shares of RM1.00 each of which two (2) ordinary shares of RM1.00 each have been issued and are fully paid-up.

6. AmBank, had obtained Bank Negara Malaysia's approval via its letter dated 19 February 2009, pursuant to Section 29 of the Banking and Financial Institutions Act 1989, for the establishment of a wholly-owned subsidiary to undertake the business of securitization of mortgage loans.

   Subsequent to the afore-mentioned approval, AmBank had, on 20 February 2009, acquired two (2) ordinary shares of RM1.00 each representing the entire issued and paid up capital of AmMortgage, for a cash consideration of RM2.00, thereby making AmMortgage a wholly owned subsidiary of AmBank.

   AmMortgage was incorporated on 12 February 2009 and has an authorized share capital of RM100,000 divided into 100,000 ordinary shares of RM1.00 each of which two (2) ordinary shares of RM1.00 each have been issued and are fully paid-up.

16. INVESTMENT IN JOINTLY CONTROLLED COMPANY

	Group	
	2009 RM'000	2008 RM'000
Unquoted shares, at cost	**592**	-
Share in net post acquisition (loss) of jointly controlled company	**(212)**	-
	380	-

As at 31 March 2009, the carrying value of the investment in the jointly controlled company is represented by:

	Group	
	2009 RM'000	2008 RM'000
Group's share of aggregate net tangible assets	**380**	-

The jointly controlled company, unquoted and held through Malaysian Ventures Incorporated Sdn Bhd ("MVMI") is as follow:

		Issued and Paid-up Ordinary Capital		Effective Equity Interest	
	Principal Activities	2009 S$'000	2008 S$'000	2009 %	2008 %
Incorporated in Singapore					
AmKonzen Water Investments Management Pte Ltd	Private equity fund management	**100**	-	**50.00**	-

17. INVESTMENT IN ASSOCIATE

	Group	
	2009 RM'000	2008 RM'000
Share in net post acquisition profit of associate	**1,301**	1,301

As at 31 March 2009, the carrying values of the investments in associate is represented by:

	Group	
	2009 RM'000	2008 RM'000
Group's share of aggregate net tangible assets	**1,301**	1,301

The associate, unquoted and held through AmInvestment Bank Berhad and Malaysian Ventures Incorporated Sdn Bhd ("MVMI") are as follows:

		Issued and Paid-up Ordinary Capital		Effective Equity Interest	
	Principal Activities	2009 RM'000	2008 RM'000	2009 %	2008 %
Incorporated in Malaysia					
Malaysian Ventures (Two) Sdn Bhd*	Ceased operations	**19**	19	**34.67**	34.67

* Associate under members' voluntary liquidation.

18. PREPAID LAND LEASE PAYMENTS

2009 Group

	Long term leasehold land RM'000	Short term leasehold land RM'000	Total RM'000
Cost			
At beginning of year	**8,065**	**534**	**8,599**
At end of year	**8,065**	**534**	**8,599**
Accumulated Depreciation			
At beginning of year	**1,312**	**228**	**1,540**
Amortisation charge for the year	**148**	**11**	**159**
At end of year	**1,460**	**239**	**1,699**
Accumulated impairment loss			
At beginning of year	**-**	**-**	**-**
Impairment loss for the year	**254**	**-**	**254**
At end of year	**254**	**-**	**254**
Carrying Amount			
As at 31 March 2009	**6,351**	**295**	**6,646**

The long-term leasehold land for the Group are for lease periods of 66-999 years and 85-855 years respectively and with unexpired lease periods of 52-873 years and 61-786 years respectively.

The short-term leasehold properties for the Group are for lease periods of 20-49 years and 20 years respectively with unexpired lease periods of 0-32 years.

2008 Group

	Long term leasehold land RM'000	Short term leasehold land RM'000	Total RM'000
Cost			
At beginning of year	7,997	534	8,531
Adjustments	68	-	68
At end of year	8,065	534	8,599
Accumulated Depreciation			
Balance at beginning of year	1,161	214	1,375
Amortisation charge for the year	151	14	165
At end of year	1,312	228	1,540
Carrying Amount			
As at 31 March 2008	6,753	306	7,059

19. PROPERTY AND EQUIPMENT

	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Leasehold improvements RM'000	Computer hardware RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
2009 Group							
Cost							
At beginning of year	**13,090**	**67,275**	**16,933**	**205,842**	**496,505**	**179,144**	**978,789**
Additions	**-**	**-**	**3,779**	**9,355**	**60,602**	**8,144**	**81,880**
Disposals	**(696)**	**(82)**	**(3,361)**	**(321)**	**(4,107)**	**(711)**	**(9,278)**
Written off	**-**	**-**	**-**	**(87)**	**(1,462)**	**(491)**	**(2,040)**
Reclassification/Transfer	**-**	**-**	**-**	**4,456**	**(25,585)**	**(4,121)**	**(25,250)**
Exchange adjustments	**-**	**58**	**41**	**(57)**	**242**	**265**	**549**
At end of year	**12,394**	**67,251**	**17,392**	**219,188**	**526,195**	**182,230**	**1,024,650**
Accumulated Depreciation							
At beginning of year	**-**	**15,526**	**11,573**	**160,757**	**419,291**	**146,026**	**753,173**
Additions	**-**	**1,272**	**1,865**	**14,984**	**20,385**	**11,980**	**50,486**
Disposals	**(103)**	**(82)**	**(2,705)**	**(319)**	**(4,123)**	**(700)**	**(8,032)**
Written off	**-**	**-**	**-**	**(71)**	**(1,457)**	**(472)**	**(2,000)**
Reclassification/Transfer	**-**	**-**	**1**	**3,166**	**(29)**	**(3,214)**	**(76)**
Exchange adjustments	**-**	**14**	**19**	**(38)**	**222**	**247**	**464**
At end of year	**(103)**	**16,730**	**10,753**	**178,479**	**434,289**	**153,867**	**794,015**
Accumulated impairment loss							
At beginning of year	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment loss for the year	**1,350**	**886**	**-**	**-**	**-**	**-**	**2,236**
At end of year	**1,350**	**886**	**-**	**-**	**-**	**-**	**2,236**
Carrying Amount							
As at 31 March 2009	**11,147**	**49,635**	**6,639**	**40,709**	**91,906**	**28,363**	**228,399**
Property and equipment that have been fully depreciated which are still in use are as follows:							
At Cost	**-**	**-**	**6,845**	**135,139**	**390,646**	**131,963**	**664,593**
2008 Group							
Cost							
At beginning of year	13,090	67,256	17,307	194,797	477,994	170,975	941,419
Additions	-	-	1,377	10,892	42,129	9,047	63,445
Disposals	-	-	(1,713)	(70)	-	(282)	(2,065)
Written off	-	-	-	-	(495)	(296)	(791)
Reclassification/Transfer	-	19	-	279	(23,141)	(185)	(23,028)
Exchange adjustments	-	-	(38)	(56)	18	(115)	(191)
At end of year	13,090	67,275	16,933	205,842	496,505	179,144	978,789
Accumulated Depreciation							
At beginning of year	-	14,116	11,233	145,372	403,986	132,712	707,419
Additions	-	1,321	1,872	15,475	15,811	13,946	48,425
Disposals	-	-	(1,502)	(69)	-	(273)	(1,844)
Written off	-	-	-	-	(483)	(271)	(754)
Reclassification/Transfer	-	89	(1)	8	(56)	(1)	39
Exchange adjustments	-	-	(29)	(29)	33	(87)	(112)
At end of year	-	15,526	11,573	160,757	419,291	146,026	753,173
Accumulated impairment loss							
At beginning/end of year	-	-	-	-	-	-	-
Carrying Amount							
As at 31 March 2008	13,090	51,749	5,360	45,085	77,214	33,118	225,616
Property and equipment that have been fully depreciated which are still in use are as follows:							
At Cost	-	177	7,687	118,972	367,264	97,435	591,535

19. PROPERTY AND EQUIPMENT (CONTD.)

	Motor vehicles RM'000	Total RM'000
2009 Company		
Cost		
At beginning of year	**1,383**	**1,383**
Additions	**1,389**	**1,389**
At end of year	**2,772**	**2,772**
Accumulated Depreciation		
At beginning of year	**483**	**483**
Additions	**245**	**245**
At end of year	**728**	**728**
Carrying Amount		
As at 31 March 2009	**2,044**	**2,044**
2008 Company		
Cost		
At beginning of year	1,469	1,469
Disposals	(86)	(86)
At end of year	1,383	1,383
Accumulated Depreciation		
At beginning of year	340	340
Additions	229	229
Disposals	(86)	(86)
At end of year	483	483
Carrying Amount		
As at 31 March 2008	900	900

20. INTANGIBLE ASSETS

The net carrying amount of intangible assets are as follows:

	Group	
	2009 RM'000	2008 RM'000
Goodwill	**1,730,935**	1,732,872
Computer software	**77,166**	69,113
	1,808,101	1,801,985

The movements in intangible assets are as follows:

	Group	
	2009 RM'000	2008 RM'000
a. Goodwill		
At beginning of year	**1,732,872**	527,121
Arising from acquisition of remaining 49.0% equity interest in AIGB	**-**	1,204,933
Expenses capitalised on acquisition of equity interest in FIPL	**-**	818
Arising from disposal of 19% equity interest in AMG	**(1,937)**	-
At end of year	**1,730,935**	1,732,872

Impairment tests for goodwill

Goodwill is reviewed for impairment annually or when there are indications of impairment. At the date of acquisition, goodwill is allocated to the Group's cash generating units ("CGU") for impairment testing purposes, identified according to business segments expected to benefit from the synergies are as follows:

	Group RM'000
Investment Banking	**557,931**
Commercial and retail	**1,105,598**
Islamic banking	**53,482**
Insurance	**13,924**
	1,730,935

The recoverable amount of the CGU, which are the reportable business segments, is based on their value in use, computed by discounting the expected future cash flows of the units. The key assumptions for the computation of value in use include the discount rates and growth rates applied. The discount rates applied to the cash flow projections are derived from the pre-tax weighted average cost of capital plus a reasonable risk premium at the date of assessment of the respective CGU. The discount rates applied for the financial year ranged from 7.0% to 10.5%. Cash flow projection is based on the most recent three-year financial budget approved by the Board, taking into account projected regulatory capital requirements. Cash flows for the fourth to tenth years are extrapolated using the growth rate of 5.0% to extrapolate cash flows beyond the projected years. The growth rate does not exceed the long term average growth rate for the market in which the businesses operate. Impairment is recognised in the income statement when the carrying amount of a cash-generating unit exceeds its recoverable amount.

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of the goodwill to exceed the recoverable amount of the cash generating units.

20. INTANGIBLE ASSETS (CONTD.)

	Group	
	2009 RM'000	2008 RM'000
b. Computer software		
Cost		
At beginning of year	**220,968**	189,771
Additions	**11,028**	15,269
Disposals	**(22)**	(20)
Reclassification/Transfer	**24,460**	16,064
Written off	**(1,003)**	(94)
Exchange adjustments	**(16)**	(22)
At end of year	**255,415**	220,968
Accumulated Depreciation		
At beginning of year	**151,855**	128,450
Additions	**27,411**	23,494
Disposals	**(22)**	(20)
Reclassification/Transfer	**20**	41
Written off	**(1,003)**	(101)
Exchange adjustments	**(12)**	(9)
At end of year	**178,249**	151,855
Carrying Amount	**77,166**	69,113

21. DEPOSITS FROM CUSTOMERS

The type of deposits from customers is as follows:

	Group	
	2009 RM'000	2008 RM'000
Term/Investment deposits	**43,869,688**	42,481,667
Savings deposits	**3,581,219**	3,341,067
Current deposits	**3,173,901**	2,913,137
Negotiable instruments of deposits	**940,023**	1,696,303
Other deposits	**12,566,675**	5,336,687
	64,131,506	55,768,861

The maturity structure of deposits from customers is as follows:

	Group	
	2009 RM'000	2008 RM'000
Due within six months	**50,872,152**	43,748,513
Six months to one year	**10,394,563**	8,360,592
One year to three years	**2,235,751**	2,774,817
Three to five years	**629,040**	884,939
	64,131,506	55,768,861

The deposits are sourced from the following types of customers:

	Group	
	2009 RM'000	2008 RM'000
Individuals	**25,510,224**	23,634,806
Business enterprises	**26,311,197**	20,161,116
Government	**10,915,816**	8,989,532
Others	**1,394,269**	2,983,407
	64,131,506	55,768,861

22. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

Deposits and placements by type of banks and financial institutions are as follows:

	Group	
	2009 RM'000	2008 RM'000
Deposits from:		
Licensed banks	**1,606,628**	2,148,820
Licensed investment banks	**670,675**	1,443,723
Bank Negara Malaysia	**908,666**	1,386,398
Other financial institutions	**2,949,440**	2,138,338
	6,135,409	7,117,279

Included under deposits and placement of banks and other financial institutions of the Group are the following:

	Group	
	2009 RM'000	2008 RM'000
Negotiable instruments of deposits	**2,725,248**	2,323,228
Interbank borrowings	**93,435**	37,001

Included in deposits from BNM of the Group are long-term deposits placed amounting to RM135,000,000 (RM135,000,000 in 2008) bearing interest at 1.0% (1.0% in 2008) per annum and interest free loans amounting to RM493,000,000 (RM493,000,000 in 2008) with the commercial banking subsidiary in connection with the transfer of assets and liabilities of AFB and KUMB as mentioned in Note 13.

23. BILLS AND ACCEPTANCES PAYABLE

Bills and acceptances payable represent the investment banking and commercial banking subsidiaries' own bills and acceptances rediscounted and outstanding in the market.

24. RECOURSE OBLIGATION ON LOANS SOLD TO CAGAMAS BERHAD

These represents proceeds received from housing loans, hire purchase and leasing receivables (excluding Islamic financing) sold directly or indirectly to Cagamas Berhad with recourse to AmInvestment Bank, AmBank and AmIslamic Bank. Under this arrangement, the subsidiaries undertake to administer the loans on behalf of Cagamas Berhad and to buy back any loans which are regarded as defective based on prudential criteria. For loans sold indirectly, AmInvestment Bank acts as the intermediary financial institution with recourse against the originators.

25. OTHER LIABILITIES

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Trade payables	**508,293**	**-**	969,301	-
Other payables and accruals	**1,316,297**	**753**	1,558,005	573
Interest payable on deposits and borrowings	**444,455**	**319**	393,882	2,968
Lease deposits and advance rentals	**62,259**	**-**	55,696	-
General insurance funds	**223,503**	**-**	227,430	-
Provision for commitments and contingencies	**-**	**-**	1,941	-
Bank overdrafts	**786**	**-**	541	-
Amount due to subsidiaries	**-**	**8,083**	-	143
Profit equalization reserve	**62,162**	**-**	37,607	-
Deferred tax liabilities (Note 44)	**13,087**	**-**	5,925	-
Tax payable	**8,173**	**-**	-	-
	2,639,015	**9,155**	3,250,328	3,684

Trade payables mainly relate to the stock and share-broking operations of the investment banking subsidiaries and represent contra gains owing to clients and amount payable in outstanding sales contracts.

Included in other payables and accruals of the Group are the following:

	Group	
	2009 RM'000	2008 RM'000
Amount due to reassurers, reinsurers and agents	**35,263**	29,473
Treaty premium reserve withheld	**1**	1
Outstanding insurance claims	**357,806**	348,506

The movements in provision for commitments and contingencies are as follows:

	Group	
	2009 RM'000	2008 RM'000
Balance at beginning of year	**1,941**	300
Provision during the year	**11,974**	1,641
Payment during the year	**(13,915)**	-
Balance at end of year	**-**	1,941

The bank overdrafts pertaining to subsidiaries are unsecured and bear interest at rates ranging from 6.25% to 6.50% (7.50% to 7.75% in 2008) per annum.
Amount due to subsidiaries is interest-free and represents expenses paid on behalf.

25. OTHER LIABILITIES (CONTD.)

The movements in profit equalisation reserve relating to the Islamic banking business is as follows:

	Group	
	2009 RM'000	2008 RM'000
Balance at beginning of year	**37,607**	55,837
Transfer from/(to) income statement	**24,518**	(18,211)
Exchange fluctuation adjustments	**37**	(19)
Balance at end of year	**62,162**	37,607

26. TERM LOANS

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Unsecured:				
Local financial institutions	**351,859**	**206,000**	1,790,844	1,506,000

During the financial year, the Company's short-term loans of RM1,300.0 million obtained from local financial institutions to finance the cash consideration of AIGB Privatisation was fully settled.

The term loans obtained from local financial institutions bear interests at rates ranging from 3.30% to 4.37%, 0.70% per annum above LIBOR and 0.75% per annum above the lender's cost of fund (3.91% to 5.76% and 0.125% per annum above LIBOR in 2008).

27. SUBORDINATED TERM LOAN

The subordinated term loan pertaining to AmBank represents an unsecured loan obtained from Quanto Assets Berhad for the purpose of supplementing the AmBank capital adequacy position and it is subordinated to all other liabilities. The term loan is repayable in a lump sum at the end of ten (10) years from the date of drawdown and interest is charged at a rate of 6.88% for the first five (5) years and subsequently at 7.00% to 9.00% per annum. On 30 September 2008, AmBank repaid in full the subordinated term loan.

28. UNSECURED BONDS

Unsecured Bonds of the Group are as follows:

	Group	
	2009 RM'000	2008 RM'000
a. Redeemable Unsecured Subordinated Bonds	**115,000**	775,000
b. Unsecured Exchangeable Bonds	**575,000**	575,000
c. Subordinated Sukuk Musyarakah	**400,000**	400,000
	1,090,000	1,750,000

a. REDEEMABLE UNSECURED SUBORDINATED BONDS

	Group	
	2009 RM'000	2008 RM'000
Balance at beginning of year	**775,000**	775,000
Redeemed	**(660,000)**	-
Balance at end of year	**115,000**	775,000

1. Pursuant to a Trust Deed dated 24 April 2003, AmBank issued RM200,000,000 nominal amount of Negotiable Interest-bearing Redeemable Unsecured Subordinated Bonds ("SubBonds I") for the purpose of increasing AmBank's capital funds.

   The salient features of the SubBonds I are as follows:

   i. The SubBonds I bear interest at 7.95% per annum for the first five years and subsequently at 8.45% to 10.45% per annum. The interest is payable on a semi-annual basis.

   ii. The SubBonds I are for a period of ten (10) years maturing on 30 April 2013. However, subject to the prior approval of BNM, AmBank may redeem the SubBonds I on 30 April 2008 or on each anniversary date thereafter.

   The RM200 million SubBonds 1 was fully redeemed on 30 April 2008.

2. Pursuant to a Trust Deed dated 23 September 2003, AmInvestment Bank issued RM460,000,000 nominal amount of Redeemable Unsecured Subordinated Bonds ("SubBonds II") to be used to grant a RM460,000,000 10-year unsecured subordinated term loan ("SubLoan") to AmBank, its related licensed commercial bank for the purpose of refinancing its RM460,000,000 exchangeable subordinated capital loan to Danamodal Nasional Berhad. On 19 May 2006, AmInvestment Bank entered into a Novation Agreement with Quanto Assets and AmBank, whereby the RM460,000,000 SubLoan was novated to Quanto Assets.

   The salient features of the SubBonds II are as follows:

   i. The SubBonds II bear interest at 6.5% per annum for the first five years and at 7.0% to 9.0% per annum or 3% above the yield of 5-year Malaysian Government Securities, whichever is higher. The interest is payable on a semi-annual basis.

   ii. The SubBonds II are for a period of ten (10) years maturing on 30 September 2013. However, subject to the prior approval of BNM, AmInvestment Bank may redeem the SubBonds on 30 September 2008 or on each anniversary date thereafter.

   The RM460 million SubBonds II was fully repaid on 30 September 2008.

28. UNSECURED BONDS (CONTD.)

3. Pursuant to a Trust Deed dated 27 October 2005 , AmInvestment Bank issued RM200,000,000 nominal amount of Redeemable Unsecured Subordinated Bonds ("SubBonds III") for the purpose of redemption of RM200,000,000 nominal amount of unsecured subordinated certificates of deposits. The unsecured subordinated certificates of deposits was redeemed on 1 March 2006.

   The salient features of the SubBonds III are as follows:

   i. The SubBonds III bear interest at 4.75% per annum for the first five years and at 5.25% to 7.25% per annum between years 6 to 10. The interest is payable on a semi-annual basis.

   ii. The SubBonds III are redeemable on 31 October 2010 or on each anniversary date thereafter at nominal value together with interest accrued to the date of redemption.

   iii. The SubBonds III are for a period of ten (10) years maturing on 31 October 2015. However, subject to the prior approval of BNM, AmInvestment Bank may redeem the SubBonds III on 31 October 2010 or on each anniversary date thereafter.

   As at 31 March 2007, AmInvestment Bank had purchased and cancelled RM65,000,000 of the SubBonds III.

b. UNSECURED EXCHANGEABLE BONDS

On 18 May 2007, AmBank issued RM575,000,000 nominal value ten (10) year unsecured exchangeable bonds to ANZ which are exchangeable into 188,524,590 new ordinary shares of RM1.00 each in the Company at an exchange price of RM3.05 per share. The purpose of the issuance of the exchangeable bonds is to facilitate the involvement of ANZ as an investor and strategic partner of the Group and increasing AmBank's capital funds.

The salient features of the exchangeable bonds are as follows:

i. The exchangeable bonds bear interest at 5.00% per annum for the first five (5) years and subsequently at 5.50% for the next five (5) years. The interest is payable on a quarterly basis.

ii. The exchangeable bonds is redeemable at the nominal amount ten (10) years from issue date.

iii. The exchangeable bonds is for a period of ten (10) years. ANZ has the right to exchange all or any of the exchangeable bonds for ordinary listed shares of the Company, at any time/times up to Year 10, at RM3.05 per share.

The exchange price of the exchangeable bonds was adjusted from RM3.05 per share to RM2.95 per share pursuant to the adjustment arising from the Rights Issue on 15 January 2008.

c. SUBORDINATED SUKUK MUSYARAKAH

On 21 December 2006, AmIslamic Bank issued RM400,000,000 Subordinated Sukuk Musyarakah ("Sukuk Musyarakah") for the purpose of increasing AmIslamic Bank's capital funds.

The salient features of the Sukuk Musyarakah are as follows:

i. The Sukuk Musyarakah carries a profit rate of 4.80% per annum for the first five (5) years and shall be stepped up by 0.05% per annum for every subsequent year to maturity date. The profit is payable on a semi-annual basis.

ii. The Sukuk Musyarakah is for a period of ten (10) years. AmIslamic Bank may exercise its call option and redeem in whole (but not in part) the Sukuk Musyarakah on the 5th anniversary of the issue date or on any anniversary date thereafter at 100% of the principal amount together with the expected profit payments.

29. MEDIUM TERM NOTES

During the previous financial year, AmBank implemented a RM2.0 billion nominal value MTN Programme. The proceeds raised from the MTN Programme had been utilised for the refinancing of existing subordinated debts and for general working capital requirements.

The MTN Programme has a tenor of up to 20 years from the date of the first issuance under the MTN Programme. The MTN shall be issued for a maturity of up to 20 years as the Issuer may select at the point of issuance provided that no MTN shall mature after expiration of the MTN Programme.

The MTN issued under the MTN Programme was included as Tier 2 capital under the capital adequacy framework for financial institutions in compliance with the Risk Weighted Capital Adequacy Framework issued by Bank Negara Malaysia ("BNM").

The salient features of the MTNs issued are as follows:

a. Tranche 1 amounting to RM500 million was issued on 4 February 2008 and is for a tenor of 10 years Non-Callable 5 years and bears interest at 5.23% per annum.

b. Tranche 2 and 3 totalling RM240 million was issued on 14 March 2008 as follows:

   i. Tranche 2 amounting to RM165 million is for a tenor of 10 years Non-Callable 5 years and bears interest at 5.2% per annum.

   ii. Tranche 3 amounting to RM75 million is for a tenor of 12 years Non-Callable 7 years and bears interest at 5.4% per annum.

c. Tranche 4 and 5 totalling RM120 million was issued on 28 March 2008 as follows:

   i. Tranche 4 amounting to RM45 million is for a tenor of 10 years Non-Callable 5 years and bears interest at 5.2% per annum.

   ii. Tranche 5 amounting to RM75 million is for a tenor of 12 years Non-Callable 7 years and bears interest at 5.4% per annum.

d. Tranche 6 amounting to RM600 million issued on 9 April 2008 is for a tenor of 15 years Non- Callable 10 years and bears interest at 6.25% per annum.

The interest rate of the MTN will step up by 0.5% per annum as follows:

a. Tranche 1 - at the beginning of the 5th year
b. Tranche 2 - at the beginning of the 6th year
c. Tranche 3 - at the beginning of the 8th year
d. Tranche 4 - at the beginning of the 6th year
e. Tranche 5 - at the beginning of the 8th year
f. Tranche 6 - at the beginning of the 11th year

and every anniversary thereafter, preceding the maturity date of the MTN.

30. HYBRID CAPITAL

		Group	
		2009 RM'000	2008 RM'000
Non-Cumulative Non-Voting Guaranteed Preference Shares - USD200.0 million [net of capitalised issuance expense of RM5,401,000 (RM6,217,000 in 2008)]	a	**803,691**	673,830
Non-Innovative Tier 1 Capital (NIT 1):			
Stapled Capital Securities	b	**500,000**	-
		1,303,691	673,830

a. Non-Cumulative Non-Voting Guaranteed Preference Shares

On 27 January 2006, AMBB Capital, an indirect wholly-owned subsidiary of the Company issued United States Dollar ("USD") 200,000,000 Innovative Hybrid Tier 1 Capital comprising 2,000 preference shares of USD100,000 each. ("Hybrid Capital") The Hybrid Capital is subordinated and guaranteed by AmBank. The gross proceeds from the issuance was on-lent to AmBank in the form of a subordinated term loan on 27 January 2006 for the purpose of supplementing AmBank 's working capital requirements.

The salient features of the Hybrid Capital are as follows:

i. The Hybrid Capital bear non-cumulative dividends from the issue date to (but excluding) 27 January 2016 at 6.77% per annum and thereafter, a floating rate per annum equal to three (3) month US dollar LIBOR plus 2.90 per cent. If not redeemed on 27 January 2016, the noncumulative dividends is payable on a semi-annual basis.

ii. The Hybrid Capital are perpetual securities and have no fixed final redemption date. The Hybrid Capital may be redeemed in whole but not in part at the option of the issuer (but not the holders) in certain circumstances. In each case, not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) must be given.

The Hybrid Capital is listed on both the Labuan International Financial Exchange Inc. and the Singapore Exchange Securities Trading Limited and is offered to international institutional investors outside Malaysia.

b. Non-Innovative Tier 1 Capital (NIT 1) programme

During the financial year, upon approval from Bank Negara Malaysia ("BNM") and Securities Commission, the AmBank (M) Berhad ("AmBank") undertook the issuance of Non-Innovative Tier 1 Capital (NIT1) programme of up to RM500 million in nominal value comprising:

i. Non-Cumulative Perpetual Capital Securities ("NCPCS"), which are issued by AmBank and stapled to the Subordinated Notes described below; and

ii. Subordinated Notes ("SubNotes"), which are issued by AmPremier Capital Berhad ("AmPremier"), a wholly-owned subsidiary of AmBank.
(collectively known as "Stapled Capital Securities")

The proceeds from the NIT1 program shall be used as working capital. The Stapled Capital Securities cannot be traded separately until the occurrence of certain assignment events. Upon occurrence of an assignment event, the Stapled Capital Securities will "unstaple", leaving the investors to hold only the NCPCS while ownership of the SubNotes will be assigned to AmBank pursuant to the forward purchase contract entered into by AmBank unless there is an earlier occurrence of any other events stated under the terms of the Stapled Capital Securities. If none of the assignment events as stipulated under the terms of the Stapled Capital Securities occur, the Stapled Capital Securities will unstaple on the 20th interest payment date of 10 years from the issuance date of the SubNotes.

The SubNotes has a fixed interest rate of 9.0% per annum. However, the NCPCS distribution will not begin to accrue until the SubNotes are re-assigned to AmBank as referred to above.

The NCPCS are issued in perpetuity unless redeemed under the terms of the NCPCS. The NCPCS are redeemable at the option of AmBank on the 20th interest payment date or 10 years from the issuance date of the SubNotes, or any NCPCS distribution date thereafter, subject to redemption conditions being satisfied. The SubNotes have a tenure of 30 years unless redeemed earlier under the terms of the SubNotes. The SubNotes are redeemable at the option of AmPremier on any interest payment date, which cannot be earlier than the occurrence of assignment events as stipulated under the terms of the Stapled Capital Securities.

The Stapled Capital Securities comply with BNM's Guidelines on Non-Innovative Tier 1 capital instruments. They constitute unsecured and subordinated obligations of AmBank. Claims in respect of the NCPCS rank pari passu and without preference among themselves and with the most junior class of preference shares of AmBank but in priority to the rights and claims of the ordinary shareholders of AmBank. The SubNotes rank pari passu and without preference among themselves and with the most junior class of notes or preference shares of AmPremier.

As at 31 March 2009, AmBank had issued up to RM500 million Stapled Capital Securities in two tranches.

31. SHARE CAPITAL

	Group and Company	
	2009 RM'000	2008 RM'000
Authorised:		
Shares of RM1.00 each	**5,000,000**	5,000,000
Converting preferences shares of RM1.00 each:	**200,000**	200,000
Balance at the end of year	**5,200,000**	5,200,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
Balance at beginning of year	**2,722,970**	2,130,565
Effect of ordinary shares issued pursuant to:		
- Exercise of Warrants 2003/2008	**-**	132,497
- Rights issue	**-**	295,973
- Conversion of CPS	**-**	163,935
Balance at end of year	**2,722,970**	2,722,970
Converting preferences shares of RM1.00 each:		
- Issued during the year	**-**	163,935
- Converted during the year	**-**	(163,935)
	-	-
Balance at end of year	**2,722,970**	2,722,970

The issued and fully paid-up ordinary share capital of the Company amounted to 2,722,969,590 of RM1.00 each.

32. RESERVES

Reserves as at 31 March are analysed as follows:

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Non-distributable reserves:				
a. Share premium	**1,986,836**	**1,985,529**	1,986,857	1,985,550
b. Statutory reserve	**1,323,767**	**-**	1,245,433	-
c. Available-for-sale reserve	**(41,744)**	**-**	42,900	-
d. Cash flow hedging reserve	**(91,486)**	**-**	-	-
e. Exchange fluctuation reserve	**19,591**	**-**	8,166	-
f. Shares held in trust for ESS	**(7,064)**	**(7,064)**	-	-
Total non-distributable reserves	**3,189,900**	**1,978,465**	3,283,356	1,985,550
Distributable reserve:				
Unappropriated profit	**1,823,223**	**1,645,464**	1,163,267	707,073
Total reserves	**5,013,123**	**3,623,929**	4,446,623	2,692,623

Movements in reserves are shown in the statements of changes in equity.

a. Share premium is used to record premium arising from new shares issued in the Company.

b. The statutory reserves of the investment banking and commercial banking subsidiaries are maintained in compliance with the provisions of the Banking and Financial Institutions Act, 1989 and Islamic Banking Act 1983 and are not distributable as cash dividends.

c. Available-for-sale reserve is in respect of unrealised fair value gains and losses on securities available-for-sale.

d. The hedging reserve is in respect of unrealised fair value gains and losses on cash flow hedging instruments.

e. Exchange differences arising on translation of foreign subsidiaries and associates are taken to exchange fluctuation reserve, as described in the accounting policies.

f. Shares held in trust for ESS represent shares purchased under the Executives' Share Scheme as mentioned in Note 33.
During the financial year, the Trustee of the ESS had purchased 2,896,000 of the Company's issued ordinary shares from the open market at an average price of RM2.44 per share representing 0.11% of the issued and paid-up capital of the Company, totalling RM7,063,679.

Distributable reserves are those available for distribution by way of dividends.

As at 31 March 2009, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax-exempt income account to frank the payment of dividends amounting to approximately RM418,846,000 out of its distributable reserves. If the balance of the distributable reserve of RM1,226,618,000 were to be distributed as dividends prior to there being sufficient tax credit, the Company would automatically move to the single tier tax system and the balance of the dividends would be single tier dividends.

33. EXECUTIVES' SHARE SCHEME

During the financial year, the Company implemented a new Executives' Share Scheme ("ESS") wherein shares ("Scheme Shares") and/or options to subscribe for shares ("Option") and granted to eligible directors and executives of the Company and its subsidiaries based on the financial and performance targets/criteria and such other conditions as it may deem fit.

The salient features of the ESS are as follows:

a. Any executive director or executive of a corporation in the Group, subject to the discretion of the ESS Committee, shall be eligible to participate in the ESS, if the executive director or executive meets the following criteria ("Eligible Executives"):-

   i. has attained the age of eighteen (18) years and is not an undischarged bankrupt;

   ii. employed on a full time basis and is on the payroll of any corporation in the Group and has not served a notice of resignation or received a notice of termination;

   iii. employment has been confirmed in writing;

   iv. in the case of an executive director of the Company, the specific allocation of shares made available to him and options to subscribe for shares by the Company to him in his capacity as an executive director under the ESS has been approved by the shareholders at a general meeting;

   v. if he is serving in a specific designation under an employment contract for a fixed duration but not merely employed for a specific project;

   vi. is not participating or entitled to participate in any other employee share or incentive scheme implemented by any other corporation which is in force for the time being provided that he may be eligible for consideration notwithstanding his participation or entitlement to participate if the ESS Committee shall so determine; and

   vii. fulfils any other criteria and and/or falls within such category as may be set by the ESS Committee from time to time.

b. The maximum number of shares which may be made available under the ESS shall not exceed in aggregate fifteen percent (15%) of the issued and paid-up ordinary share capital of the Company at any point of time during the tenure of the ESS and out of which not more than fifty percent (50%) of the shares shall be allocated, in aggregate, to executive directors and senior management. In addition, not more than ten percent (10%) of the shares available under the ESS shall be allocated to any Eligible Executive who, either singly or collectively through persons connected to him/her, holds twenty percent (20%) or more of the issued and paid-up ordinary share capital of the Company.

c. The Share Grant Price (being the reference price which is used to determine the number of Scheme Shares to be granted under the awards) and Option Price (being the share price to be paid for subscription or acquisition of each Scheme Share pursuant to the exercise of the option) may be at a discount (as determined by the ESS Committee) of not more than ten percent (10%) of the five (5) days weighted average market price of the Company's shares transacted on Bursa Malaysia Securities Berhad immediately preceding the date on which an offer is made or the par value of the shares at the material time, whichever is higher.

33. EXECUTIVES' SHARE SCHEME (CONTD.)

d. The Scheme Shares to be allotted and issued or transferred to Scheme Participant pursuant to the By-Laws are not subjected to any retention period unless otherwise stipulated by the ESS Committee in the offer.

e. The ESS Committee may in its discretion decide that the Scheme Shares be satisfied either by way of issuance of new ordinary shares, acquisition of existing ordinary shares or a combination of both issuance of new ordinary shares and acquisition of existing ordinary shares.

f. The Company established a Trust administered by a Trustee for the purposes of subscribing for new ordinary shares of the Company and/or acquiring existing ordinary shares of the Company and transferring them to the Scheme Participants. For this purpose and to pay expenses in relation to the administration of the Trust, the Trustee is entitled from time to time to accept funding and/or assistance, financial or otherwise from the Company and/or its subsidiaries.

There were no Scheme Shares or Options granted during the financial year. The Scheme Shares and Options were granted on 10 April 2009 as mentioned in Note 58 Subsequent Events.

34. MINORITY INTERESTS

Minority interests in the Group represent that part of the net results of operations, or of net assets, of subsidiaries attributable to shares and debentures owned, directly or indirectly other than by the Company or subsidiaries.

The movements in minority interests in subsidiaries are as follows:

	Group	
	2009 RM'000	2008 RM'000
Balance at beginning of year	**84,352**	1,201,516
Acquisition of shares in AMG Insurance Berhad	**112,700**	-
Share in net results of subsidiaries	**17,430**	142,277
Subscription of shares in AmPrivate Equity	**400**	3,180
Dividends received	**(39,420)**	(74,014)
Disposal of shares pursuant to AIGB Privatisation	**-**	(1,188,227)
Disposal of shares in MVMI	**-**	(380)
Balance at end of year	**175,462**	84,352

35. INTEREST INCOME

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Short-term funds and deposits with financial institutions	**278,779**	**10,677**	290,400	10,004
Securities held-for-trading	**61,434**	**950**	255,625	952
Securities available-for-sale	**276,496**	**-**	96,021	-
Securities held-to-maturity	**31,538**	**-**	110,181	-
Loans and advances				
- Interest income other than recoveries from NPLs	**3,000,288**	**-**	2,822,021	-
- Recoveries from NPLs	**215,111**	**-**	274,600	-
ICULS	**-**	**2,416**	-	15,732
Others	**1,786**	**-**	3,810	-
Gross interest income	**3,865,432**	**14,043**	3,852,658	26,688
Accretion of discounts less amortisation of premium	**23,422**	**-**	14,640	-
Interest suspended	**(95,486)**	**-**	(98,355)	-
Total after interest suspension	**3,793,368**	**14,043**	3,768,943	26,688

36. INTEREST EXPENSE

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Deposits from customers	**1,554,032**	**-**	1,645,539	-
Deposits of banks and other financial institutions	**191,217**	**-**	135,005	-
Securities sold under repurchase agreements	**-**	**-**	17,388	-
Amount due to Cagamas Berhad	**5,334**	**-**	15,056	-
Bank borrowings:				
Term loans	**31,564**	**23,428**	30,082	22,393
Overdrafts	**148**	**-**	214	-
Subordinated deposits and term loan	**121**	**-**	12,459	-
Interest on Bonds	**71,800**	**-**	103,202	5,361
Medium term notes	**81,848**	**-**	4,777	-
Interest rate swaps - net	**18,586**	**-**	79,051	-
Hybrid securities	**46,495**	**-**	45,643	-
Others	**15,909**	**437**	64,705	2,963
	2,017,054	**23,865**	2,153,121	30,717

37. OTHER OPERATING INCOME

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Fee income:				
Fees on loans and advances	**150,954**	**-**	130,340	-
Corporate advisory	**27,017**	**-**	35,153	-
Guarantee fees	**29,445**	**10**	19,624	77
Underwriting commissions	**8,311**	**-**	13,566	-
Portfolio management fees	**13,043**	**-**	21,792	-
Unit trust management fees	**59,783**	**-**	62,584	-
Real estate investment trust management fees	**4,531**	**-**	3,126	-
Brokerage fees and commissions	**80,642**	**-**	162,682	-
Bancassurance commission	**26,879**	**-**	27,804	-
Profit/(Loss) from asset securitisation	**893**	**-**	(183)	-
Brokerage rebates	**87**	**-**	546	-
Other fee income	**55,384**	**-**	57,224	-
	456,969	**10**	534,258	77
Investment and trading income:				
Net (loss)/gain from sale of securities held-for-trading	**(77,092)**	**-**	131,616	-
Net gain from sale of securities available-for-sale	**3,944**	**-**	31,735	-
Net gain on redemption of securities held-to-maturity	**46,625**	**-**	106,235	-
(Loss) on revaluation of securities held-for-trading	**(32,978)**	**-**	(128,923)	-
Gain on redemption of structured product	**4**	**-**	-	-
(Loss)/Gain on revaluation of derivatives	**(55,790)**	**-**	46,770	-
Gain on disposal of equity interest in subsidiary	**95,462**	**-**	-	-
Gross dividend income from:				
Subsidiaries:				
Quoted in Malaysia	**-**	**-**	-	100,980
Unquoted	**-**	**1,097,074**	-	7,000
Securities held-for-trading	**7,320**	**-**	30,477	-
Securities available-for-sale	**18,422**	**-**	894	-
Securities held-to-maturity	**5,976**	**-**	27,169	-
	11,893	**1,097,074**	245,973	107,980
Premium income general insurance business	**492,604**	**-**	447,903	-
Insurance commission	**(48,335)**	**-**	(55,237)	-
	444,269	**-**	392,666	-
Surplus transfer from life insurance business	**20,000**	**-**	17,000	-
	464,269	**-**	409,666	-
Other income:				
Foreign exchange (loss)/gain	**(17,830)**	**-**	21,810	-
Gain on disposal of property and equipment - net	**1,100**	**-**	686	21
Rental income	**4,339**	**-**	4,351	-
Other non-operating income	**1,303**	**-**	2,080	-
	(11,088)	**-**	28,927	21
	922,043	**1,097,084**	1,218,824	108,078

38. OTHER OPERATING EXPENSES

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Personnel/Staff costs:				
Salaries, allowances and bonuses	**556,005**	**1,440**	544,056	1,440
Others	**176,998**	**617**	151,260	383
	733,003	**2,057**	695,316	1,823
Establishment costs:				
Depreciation (Note 19)	**50,486**	**245**	48,425	229
Amortisation of computer software (Note 20)	**27,411**	**-**	23,494	-
Computerisation costs	**72,760**	**-**	65,541	-
Amortisation of prepaid land lease payments (Note 18)	**159**	**-**	165	-
Rental	**65,286**	**-**	59,696	-
Cleaning & maintenance	**18,754**	**-**	21,899	-
Others	**24,422**	**-**	23,062	-
	259,278	**245**	242,282	229
Marketing and communication expenses:				
Sales commission	**17,134**	**-**	18,523	-
Advertising, promotional and other marketing activities	**51,880**	**236**	64,157	287
Telephone charges	**18,913**	**-**	18,527	-
Postage	**12,263**	**-**	11,924	-
Travel and entertainment	**17,015**	**-**	17,850	-
Others	**20,464**	**285**	26,950	13
	137,669	**521**	157,931	300
Administration and general:				
Professional services	**92,417**	**513**	77,727	1,120
Donations	**157**	**-**	2,986	-
Administration and management expenses	**2,256**	**-**	2,025	-
Others	**44,437**	**54**	43,033	50
	139,267	**567**	125,771	1,170
Overheads	**1,269,217**	**3,390**	1,221,300	3,522
General insurance claims	**342,929**	**-**	315,599	-
	1,612,146	**3,390**	1,536,899	3,522

Staff costs include salaries, bonuses, contributions to Employees' Provident Fund and all other staff related expenses. Contributions to Employees' Provident Fund of the Group amounted to RM96,643,115 (RM91,499,308 in 2008).

Included in the above expenditure are the following statutory disclosures:

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Directors' remuneration (Note 41)	**7,354**	**2,285**	7,120	1,889
Computer software written off	**-**	**-**	(7)	-
Property and equipment written off	**40**	**-**	37	-
Hire of motor vehicles and office equipment	**13,290**	**-**	11,652	-
Auditors' remuneration:				
Group auditor:				
Statutory audit	**1,474**	**60**	1,097	50
Half year limited review/audit	**279**	**-**	264	-
Other services	**615**	**5**	665	40
Other auditors:				
Statutory audit	**205**	**-**	199	-
Sundry receivables written off	**692**	**-**	1,616	-

39. ALLOWANCE FOR LOSSES ON LOANS AND FINANCING

	Group	
	2009 RM'000	2008 RM'000
Allowance/(Reversal of allowance) for bad and doubtful debts and financing:		
Specific allowance – net	**660,081**	765,110
Allowance during the year	**1,043,753**	1,192,451
Amount written back in respect of recoveries and reversal	**(383,672)**	(427,341)
General allowance	**53,561**	67,107
Recoveries of value impairment on loans sold to Danaharta	**-**	(609)
Bad debts and financing recovered - net	**(369,455)**	(319,425)
Written off	**1,504**	2,653
Recovered	**(370,959)**	(322,078)
	344,187	512,183

40. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial or operational decisions, vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The related parties of the Group and the Company are:

i. Subsidiaries

Details of the subsidiaries are shown in Note 15.

Transactions between the Company and its subsidiaries which are related parties of the Company, have been eliminated on consolidation.

ii. Associates

An associate is a company in which the Group exercises significant influence, but which it does not control. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not in control over those policies. Details of associates are disclosed in Note 17.

iii. Key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company directly or indirectly. The key management personnel of the Group and the Company include Executive Directors and Non-Executive Directors of the Company and certain members of senior management of the Group and heads of major subsidiaries (including close members of their families) of the Group.

iv. Companies in which certain directors have substantial financial interest

These are entities in which significant voting power in such entities directly or indirectly resides with certain Directors of the Company.

v. Companies which have significant influence over the Group

These are entities who are substantial shareholders of the Company.

a. The significant transactions of the Group and the Company with its related parties are as follows:

	Subsidiaries		Associates		Key management personnel		Companies in which certain Directors have substantial interest		Substantial shareholders	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Group										
Income										
Interest on loans, advances and financing	-	-	-	-	39	90	-	-	-	-
	-	-	-	-	39	90	-	-	-	-
Expenses										
Interest on deposits	-	-	-	-	205	630	-	-	-	-
Rental of premises	-	-	-	-	-	-	26,592	32,151	-	-
Insurance premiums	-	-	-	-	-	-	6,992	3,078	-	-
Empoyees Provident Fund Board	-	-	-	-	-	-	-	-	102,553	103,298
Cleaning and maintenance	-	-	-	-	-	-	374	186	-	-
Travelling expenses	-	-	-	-	-	-	2,488	2,627	-	-
Computer maintenance	-	-	-	-	-	-	8,625	7,579	-	-
Food and beverage	-	-	-	-	-	-	100	182	-	-
Information service provider	-	-	-	-	541	-	-	-	-	-
Training	-	-	-	-	1,649	-	37	-	-	-
Provision of Security Services	-	-	-	-	-	-	149	219	-	-
Gift and flower arrangement	-	-	-	-	-	-	24	-	-	-
	-	-	-	-	2,395	630	45,381	46,022	102,553	103,298
Capital expenditure										
Purchase of computer hardware, software and related consultancy services	-	-	-	-	-	-	14	11,019	-	-
PMPC cards	-	-	-	-	-	-	1,964	1,691	-	-
	-	-	-	-	-	-	1,978	12,710	-	-
Company										
Income										
Interest on deposits	10,677	9,991	-	-	-	-	-	-	-	-
ICULS investments	2,416	15,732	-	-	-	-	-	-	-	-
Guarantee fees	10	77	-	-	-	-	-	-	-	-
Dividend income – gross	1,097,074	107,980	-	-	-	-	-	-	-	-
	1,110,177	133,780	-	-	-	-	-	-	-	-

40. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTD.)

b. The significant outstanding balances of the Group and the Company with its related parties are as follows:

	Subsidiaries		Associates		Key management personnel		Companies in which certain Directors have substantial interest		Substantial shareholders	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Group										
Amount due from:										
Loan (hire purchase, credit card, personal loan and housing loan)	**-**	-	**-**	-	**939**	2,201	**-**	-	**-**	-
Amount due to:										
Deposits and placements	**-**	-	**-**	-	**17,902**	11,973	**-**	-	**-**	-
	-	-	**-**	-	**18,841**	14,174	**-**	-	**-**	-
Company										
Amount due from:										
Cash and short-term funds	**1,251**	1,206	**-**	-	**-**	-	**-**	-	**-**	-
Money at call and deposits	**282,787**	313,872	**-**	-	**-**	-	**-**	-	**-**	-
Deposits and placements with banks and other financial institutions	**16,986**	15,034	**-**	-	**-**	-	**-**	-	**-**	-
Interest receivables	**494**	764	**-**	-	**-**	-	**-**	-	**-**	-
ICULS	**-**	6,608	**-**	-	**-**	-	**-**	-	**-**	-
	301,518	337,484	**-**	-	**-**	-	**-**	-	**-**	-
Amount due to:										
Amount due to subsidiaries	**8,083**	143	**-**	-	**-**	-	**-**	-	**-**	-
	8,083	143	**-**	-	**-**	-	**-**	-	**-**	-

c. There were no granting of loans to the Directors of the Company. Loans made to other key management personnel of the Group and the Company is on similar terms and conditions generally available to other employees within the Group. All related party transactions are conducted at arm's length basis and on normal commercial terms which are not more favourable than those generally available to the public. No provisions have been recognised in respect of loans given to key management personnel (2008 - RM Nil).

d. Key management personnel compensation

The remuneration of Directors and other key management personnel during the year are as follows:

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Directors:				
Fees	**1,480**	**665**	962	300
Salaries and other remuneration	**5,393**	**1,620**	4,630	1,589
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	**481**	**-**	1,528	-
Total short-term employee benefits	**7,354**	**2,285**	7,120	1,889
Other key management personnel:				
Salaries and other remuneration	**12,338**	**-**	12,215	-
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	**402**	**-**	441	-
Total short-term employee benefits	**12,740**	**-**	12,656	-

41. DIRECTORS' REMUNERATION

Forms of remuneration in aggregate for all directors charged to the income statement for the financial year are as follows:

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Executive directors				
Fees	**220**	**-**	150	-
Salaries	**1,275**	**-**	1,260	-
Other remuneration	**68**	**-**	613	-
Gratuity payment	**400**	**-**	-	-
Bonuses	**1,300**	**-**	1,421	-
Benefits-in-kind	**81**	**-**	100	-
	3,344	**-**	3,544	-
Non-executive directors				
Fees	**1,260**	**665**	812	300
Other remuneration	**2,750**	**1,620**	2,757	1,589
Benefits-in-kind	**-**	**-**	7	-
	4,010	**2,285**	3,576	1,889
Total directors' remuneration	**7,354**	**2,285**	7,120	1,889
Total directors' remuneration excluding benefits-in-kind	**7,273**	**2,285**	7,013	1,889

* Directors' fees for directors who are executives of companies of the Group are paid to their respective companies.

The number of directors of the Company whose total remuneration for the financial year which fall within the required disclosure bands is as follows:

	Number of Directors	
Group	2009	2008
Executive director		
RM3,300,001 – RM3,350,000	**1**	-
RM3,500,001 – RM3,550,000	**-**	1
Non-executive director		
Below RM50,000	**2**	6
RM50,001 – RM100,000	**4**	1
RM100,001 – RM150,000	**1**	-
RM150,001 – RM200,000	**2**	3
RM300,001 – RM350,000	**1**	1
RM400,001 – RM450,000	**1**	-
RM2,350,001 – RM2,400,000	**1**	-
RM2,450,001 – RM2,500,000	**-**	1

42. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	Group	
	2009 RM'000	2008 RM'000
Outstanding credit exposures with connected parties	**762,691**	456,523
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	**1.13**	0.63
- which is non-performing or in default	**0.26**	0.21

The disclosure on Credit Transaction and Exposures with Connected Parties above is presented in accordance with para 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which became effective on 1 January 2008.

Based on these guidelines, a connected party refers to the following:

i. Directors of the Bank and their close relatives;
ii. Controlling shareholder and his close relatives;
iii. Executive officer, being a member of management having authority and responsibility for planning, directing and/or controlling the activities of the Bank, and his close relatives;
iv. Officers who are responsible for or have the authority to appraise and/or approve credit transactions or review the status of existing credit trasactions, either as a member of a committee or individually, and their close relatives;
v. Firms, partnerships, companies or any legal entities which control, or are controlled by any person listed in (i) to (iv) above, or in which they have an interest, as a director, partner, executive officer, agent or guarantor, and their subsidiaries or entities controlled by them;
vi. Any person for whom the persons listed in (i) to (iv) above is a guarantor; and
vii. Subsidiary of, or an entity controlled by the Bank and its connected parties.

Credit transactions and exposures to connected parties as disclosed above includes the extension of credit facilities and/or off-balance sheet credit exposure such as guarantees, trade-related facilities and loan commitments that give credit/counterparty risk. It also includes holdings of equities and private debt securities issued by the connected parties.

The credit transactions with connected parties above are all transacted on an arm's lenght basis and on terms and conditions not more favourable than those entered into with other counterparties with similar circumstances and credit worthiness. Due care has been taken to ensure that the credit worthiness of the connected party is not less than that normally required of other persons.

43. TAXATION AND ZAKAT

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Estimated current tax payable	**46,156**	**36,880**	122,091	26,563
Transfer from deferred tax assets (Note 44)	**296,877**	**-**	292,675	-
Transfer from/(to) deferred tax liabilities (Note 44)	**9,031**	**-**	(2,550)	-
	352,064	**36,880**	412,216	26,563
Over provision of current taxation in respect of prior years	**(13,714)**	**(13,933)**	(29,199)	-
Taxation	**338,350**	**22,947**	383,017	26,563
Zakat	**1,032**	**-**	601	-
Taxation and zakat	**339,382**	**22,947**	383,618	26,563

Domestic current income tax is calculated at the statutory tax rate of 25.0% (2008: 26.0%) of the estimated assessable profit for the financial year.

As at 31 March 2009, the Group and the Company have tax exempt income arising from tax waiver on the chargeable income earned in year 1999 amounting to approximately RM100,109,366 (RM98,259,698 in 2008) and RM29,000,000 (RM29,000,000 in 2008) respectively, which, if confirmed by the Inland Revenue Board, will enable the Group and the Company to distribute tax exempt dividend up to the same amount.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Profit before taxation	**1,217,636**	**1,083,872**	1,194,437	100,527
Taxation at Malaysian statutory tax rate of 25.0% (2008 : 26.0%)	**304,409**	**270,968**	310,554	26,137
Effect of different tax rates in Labuan and certain subsidiaries	**800**	**-**	(4,725)	-
Deferred tax relating to changes in tax rates	**93**	**-**	63,457	-
Over provision of current taxation in respect of prior years	**(13,714)**	**(13,933)**	(29,199)	-
Income not subject to tax	**(14,674)**	**(239,828)**	(15,014)	-
Expenses not deductible for tax purposes	**39,758**	**5,740**	59,394	426
Deferred tax assets charged out/ (not recognised in prior years)	**21,678**	**-**	(1,450)	-
Tax expense for the year	**338,350**	**22,947**	383,017	26,563

44. DEFERRED TAXATION

Deferred taxation pertains to subsidiaries and is as follows:

a. Deferred tax assets

	Group	
	2009 RM'000	2008 RM'000
Balance at beginning of year		
- As previously reported	**(608,583)**	(870,443)
- Prior year's adjustments	**-**	(30,815)
As restated	**(608,583)**	(901,258)
Recognised in equity	**(35,291)**	-
Transfer to income statement (Note 43)	**296,877**	292,675
Balance at end of year	**(346,997)**	(608,583)
The deferred tax credits/(debits) are in respect of the following:		
Temporary differences arising from deferred charges	**47,391**	44,412
Temporary differences between depreciation and tax allowances on property and equipment	**36,557**	25,741
Unutilised tax losses	**(90,508)**	(430,088)
Temporary differences arising from general allowance for loans, advances and financing	**(224,885)**	(210,186)
Temporary differences arising from impairment loss on foreclosed properties	**(24,487)**	(22,905)
Temporary differences arising from profit equalization reserve	**(15,483)**	(9,342)
Allowance for investment	**1,518**	-
Others	**(77,100)**	(6,215)
	(346,997)	(608,583)

44. DEFERRED TAXATION (CONTD.)

b. Deferred tax liabilities

	Group	
	2009 RM'000	2008 RM'000
Balance at beginning of year	**5,925**	8,475
Recognised in equity	**(1,869)**	-
Transfer from/(to) income statement (Note 43)	**9,031**	(2,550)
Balance at end of year	**13,087**	5,925

Deferred tax liabilities of the Group is in respect of temporary differences between capital allowances and book depreciation of property and equipment.

As mentioned in Note 3, the effects of temporary differences and unutilised tax losses which would give rise to deferred tax assets are recognised only when it is probable that the respective subsidiaries will generate sufficient future taxable profit available against which the deductible temporary differences and unutilised tax losses can be utilised. As at 31 March 2009, the amount of estimated deferred tax assets of the Group, pertaining to unutilised tax losses and unabsorbed capital allowances, calculated at applicable tax rate which is not recognised in the financial statements amounted to RM149,000,000 (RM156,000,000 in 2008).

45. DIVIDENDS

Dividends paid and proposed by the Company are as follows:

	RM'000
In respect of financial year ended 2009	
Proposed dividend – 8.0% less 25.0% taxation, on 2,722,969,590 ordinary shares of RM1.00 each	**163,378**
In respect of financial year ended 2008	
Proposed dividend – 6.0% less 25.0% taxation, on 2,722,969,590 ordinary shares of RM1.00 each	122,534

During the financial year, the Company paid a first and final dividend of 6.0% less 25.0% taxation, in respect of the previous financial year totalling RM122,533,632 which amount had been dealt with in the directors' report for that financial year and paid on 21 October 2008 to shareholders whose names appeared in the Record of Depositors on 7 October 2008.

The directors now recommend the payment of a first and final ordinary dividend of 8.0%, less 25.0% taxation, in respect of the current financial year amounting to RM163,378,170 based on the issued and paid-up share capital as at 31 March 2009, to be paid to shareholders whose names appear in the Record of Depositors on a date to be determined by the directors. The financial statements for the current financial year do not reflect this proposed dividend by the Board. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of unappropriated profit in the next financial year ending 31 March 2010.

46. EARNINGS PER SHARE

a. Basic earning per share

Basic earning per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2009		2008	
	Group RM'000/'000	Company RM'000/'000	Group RM'000/'000	Company RM'000/'000
Net profit attributable to equity holders of the Company	**860,824**	**1,060,925**	668,542	73,964
Number of ordinary shares at beginning of year	**2,722,970**	**2,722,970**	2,130,565	2,130,565
Effect of ordinary shares issued pursuant to:				
- Exercise Warrants 2003/2008	**-**	**-**	27,984	27,984
- Conversion of CPS	**-**	**-**	142,435	142,435
- Rights Issue	**-**	**-**	66,311	66,311
Weighted average number of ordinary shares in issue	**2,722,970**	**2,722,970**	2,367,295	2,367,295
Basic earnings per share (sen)	**31.61**	**38.96**	28.24	3.12

46. EARNINGS PER SHARE (CONTD.)

b. Fully diluted earnings per share

Fully diluted earning per share is calculated by dividing the adjusted net profit attributable to equity holders of the Company for the financial year by the adjusted weighted average number of ordinary shares in issue and issuable during the financial year.

The Company has two categories of dilutive potential ordinary shares:
i. Warrants 2003/2008 (expired on 20 March 2008)
ii. Unsecured exchangeable bonds

	2009		2008	
	Group RM'000/'000	Company RM'000/'000	Group RM'000/'000	Company RM'000/'000
Net profit attributable to equity holders of the Company	**860,824**	**1,060,925**	668,542	73,964
Weighted average number of ordinary shares in issue (as in (a) above)	**2,722,970**	**2,722,970**	2,367,295	2,367,295
Adjusted for - Conversion of unsecured exchangeable bonds	**-**	**-**	27,764	27,764
Adjusted weighted average number of ordinary shares in issue and issuable	**2,722,970**	**2,722,970**	2,395,059	2,395,059
Fully diluted earnings per share (sen)	**31.61**	**38.96**	27.91	3.09

For the financial year ended 31 March 2009, outstanding unsecured exchangeable bonds has been excluded in the computation of fully diluted earnings per RM1.00 ordinary share for the Group, as their exercise and conversion to ordinary shares would increase earnings per share.

The Group and the Company's adjusted weighted average number of ordinary shares in issue and issuable for the financial year ended 31 March 2008 has been arrived at based on the assumption that dilutive unsecured exchangeable bonds is converted at the beginning of year.

47. FIDUCIARY DUTY IN RESPECT OF INVESTMENT PORTFOLIO MANAGEMENT

Investment portfolio funds managed by the Group on behalf of customers as at 31 March 2009 amounted to RM16,399,295,000 (RM18,515,948,000 in 2008).

48. CAPITAL COMMITMENTS

As at 31 March 2009, capital commitments pertaining to subsidiaries are as follows:

	Group	
	2009 RM'000	2008 RM'000
Authorised and contracted but not provided for:		
Purchase of office equipment, information technology equipment and solutions	**31,723**	17,498
Purchase of other investments	**100**	292
Purchase of leasehold improvements	**2,140**	5,736
	33,963	23,526
Authorised but not contracted for:		
Purchase of office equipment, information technology equipment and solutions	**54,884**	15,056
Purchase of other investments	**-**	130
	54,884	15,186
	88,847	38,712

49. LEASE COMMITMENTS

The Group has lease commitments in respect of rented premises and equipment on hire, all of which are classified as operating leases. A summary of the non-cancellable long-term commitments, net of sub-leases is as follows:

	RM'000
12 months ending 31 March	
2010	**20,251**
2011	**42,510**
2012 and thereafter	**175,104**
	237,865

The lease commitments represent minimum rentals not adjusted for operating expenses which the Group is obligated to pay. These amounts are insignificant in relation to the minimum lease obligations. In the normal course of business, leases that expire will be renewed or replaced by leases on other properties, thus it is anticipated that future annual minimum lease commitments will not be less than the rental expenses for the financial year.

50. COMMITMENTS AND CONTINGENCIES

In the normal course of business, AmInvestment Bank, AmBank, AmIslamic Bank and AmInternational, 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 other than those where provision had been made in the financial statements as mentioned in Note 25. The commitments and contingencies are not secured against the Group's assets.

As at 31 March 2009, the commitments and contingencies on an aggregated basis are as follows:

	2009			2008		
Group	**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**
Derivative Financial Instruments						
Interest rate related contracts:						
Interest rate futures	**60,000**	**25,104**	**12,551**	270,000	194,810	97,404
Interest rate swaps	**24,612,441**	**1,237,502**	**545,404**	26,770,307	601,940	126,949
Foreign exchange related contracts:						
Forward exchange contracts	**824,899**	**30,173**	**14,435**	5,747,856	102,651	34,932
Cross currency swaps	**610,213**	**36,789**	**18,394**	624,647	76,143	15,228
Equity related contracts:						
Options	**321,444**	**-**	**-**	151,596	-	-
Equity futures	**8,262**	**-**	**-**	363	-	-
	26,437,259	**1,329,568**	**590,784**	33,564,769	975,544	274,513
Commitments						
Irrevocable commitments to extend credit maturing :						
within one year	**10,490,292**	**-**	**-**	8,564,981	1,558,976	1,422,930
more than one year	**1,905,373**	**281,216**	**241,871**	2,742,901	1,371,450	1,257,912
Unutilised credit card line	**4,383,472**	**876,694**	**655,346**	4,006,449	801,290	598,888
Sell and buy back agreements	**155,560**	**212**	**206**	1,216,782	1,216,782	879,744
Forward purchase commitments	**206,144**	**10,210**	**4,022**	338,081	338,081	30,108
	17,140,841	**1,168,332**	**901,445**	16,869,194	5,286,579	4,189,582
Contingent Liabilities						
Guarantees given on behalf of customers	**2,723,184**	**2,723,184**	**2,391,488**	1,865,387	1,865,387	1,769,182
Certain transaction-related contingent items	**1,496,866**	**748,433**	**740,965**	1,048,285	524,143	511,156
Underwriting liabilities	**592,000**	**296,000**	**296,000**	1,720,000	860,000	776,800
Short term self liquidating trade-related contingencies	**493,284**	**98,657**	**98,716**	584,432	116,886	113,419
Islamic financing sold to Cagamas	**874,067**	**874,067**	**663,997**	1,863,857	1,863,857	1,404,403
Others	**154,141**	**250**	**250**	23,874	250	250
	6,333,542	**4,740,591**	**4,191,416**	7,105,835	5,230,523	4,575,210
	49,911,642	**7,238,491**	**5,683,645**	57,539,798	11,492,646	9,039,305

The credit equivalent amount is arrived at using the credit conversion factor as per Bank Negara Malaysia ("BNM") guidelines.

As at 31 March 2009, other contingencies and commitments of the Group and of the Company are as follows:

a. The Company has given unsecured guarantees totalling RM309,600,000 (RM273,600,000 as at 31 March 2008) to various financial institutions in respect of credit facilities extended to certain subsidiaries.

b. The Company has given a continuing undertaking totalling S$40,000,000 (S$40,000,000 in 2008) to the Monetary Authority of Singapore on behalf of AmFraser Securities Pte Ltd to meet its liabilities and financial obligations and requirements.

c. AmBank has given a continuing guarantee to BNM on behalf of AmInternational, AmBank's offshore bank subsidiary, to meet all its liabilities and financial obligations and requirements.

d. AmInvestment Bank has given guarantees in favour of Labuan International Financial Exchange ("LFX") in respect of USD5.0 million each for AmInternational to act as a Listing Sponsor and as a Trading Agent on the LFX.

e. The Company has given a guarantee to HSI Services Limited ("HSI") and Hang Seng Data Services Limited ("HSDS") on behalf of its subsidiary, AmAssurance Berhad (now known as AmLife Insurance Berhad) ("AmLife"), for the performance and discharge by AmLife of its obligations under the licence agreement with HSI and HSDS for use of the Hang Seng China Enterprise Index in respect of AmLife's investment-linked product called AmAsia Link-Capital Guaranteed Fund.

f. A suit dated 12 December 2005 was filed by Meridian Asset Management Sdn Bhd ("Meridian") against AmTrustee Berhad ("AmTrustee"), a subsidiary of the Company, in respect of a claim amounting to RM27,606,169 for alleged loss and damage together with interests and costs arising from AmTrustee's provision of custodian services to Meridian.

   Malaysian Assurance Alliance Bhd ("MAA") has claimed its portion of the abovementioned alleged loss, being general damages and special damages of RM19,640,178 together with interest and costs. AmTrustee was served on 24 March 2006 with a Writ and Statement of Claim dated 25 January 2006 by solicitors acting for MAA. MAA had appointed Meridian as an external fund manager for certain of its insurance funds, and part of these funds were deposited by Meridian with AmTrustee.

   AmTrustee had filed an application to dismiss Meridian's action on a point of law which was dismissed with costs on 17 January 2008. AmTrustee has since filed a Notice of Appeal to the Court of Appeal on 15 February 2008. No date has been fixed as yet.

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

50. COMMITMENTS AND CONTINGENCIES (CONTD.)

Parties have filed several interim applications in the Meridian suit which are pending hearing including as follows:

i. an application by Meridian for Further and Better particulars in respect of the statement of defence filed by AmTrustee; This application was withdrawn with cost by Meridian on 17 October 2008.

ii. an application by Meridian to add another subsidiary of the Company, namely AmInvestment Bank as 2nd Defendant and also to increase the alleged loss and damage from RM27,606,169 to RM36,967,166 to include alleged loss due to reputation damage and loss of future earnings (together with interest and costs) arising from the provision of custodian services by AmTrustee to Meridian. This application was fixed for hearing on 17 October 2008, and the court dismissed the application with cost. Meridian filed an appeal to the judge in Chambers against this Order and the same was heard on the 8 January 2009 and was fixed for decision on the 23 January 2009. The Learned Judge dismissed Meridian's application to add AmInvestment Bank as a Party to the Meridian's suit and allowed Meridian's claim to increase its claim against AmTrustee from RM27,606,169 to RM36,967,166.

   No Appeal was lodged to the Court of Appeal by Meridian against the High Court's decision in dismissing its application to add AmInvestment Bank as a Party to its Suit. The time frame to lodge the Appeal by Meridian has expired on 23 February 2009.

iii. an application for leave for Meridian to serve Interrogatories on an officer of AmTrustee allegedly relating to matters in question between Meridian and AmTrustee and this was dismissed by the Registrar with cost on 17 October 2008 and Meridian's solicitors have filed an appeal against the Registrar's Order to the judge in Chambers on 24 December 2008 and the Appeal to the Judge is re-fixed for hearing on 19 June 2009.

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

It is to be noted that both the Meridian and MAA suit were ordered on 16 September 2008 to be tried together at the same time pursuant to Order 4 Rule 1 of the Rules of the High Court 1980. Case Management of both the suits are now fixed for Mention on 9 June 2009.

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

Neither material financial loss nor operational impact on the Group is expected as a result of the writs and statements of claim.

51. RISK MANAGEMENT POLICY

Risk management is about managing uncertainties such that deviations from the Group's intended objectives are kept within acceptable levels. Sustainable profitability forms the core objectives of the Group's risk management strategy. The Group's current strategic goals are for top quartile shareholder returns and target return on equity wherein the Group will de-risk, further diversify and have a differentiated growth strategy within its various business lines.

Every risk assumed by the Group carries with it potential for gains as well as potential to erode shareholders' value. The Group's risk management policy is to identify, capture and analyse these risks at an early stage, continuously measure and monitor these risks and to set limits, policies and procedures to control them to ensure sustainable risk-taking and sufficient returns.

The management approach towards the significant risks of the Group are enumerated below:

MARKET RISK MANAGEMENT

Market risk is the risk of loss from changes in the value of portfolios and financial instruments caused by movements in market variables, such as interest rates and foreign exchange rates and equity prices.

The primary objective of market risk management is to ensure that losses from market risk can be promptly arrested and risk positions are sufficiently liquid so as to enable the Group to reduce its position without incurring potential loss that is beyond the sustainability of the Group.

The market risk of the Group's trading and non-trading portfolio is managed separately using value-at-risk approach to compute the market risk exposure of non-trading portfolio and trading portfolio. Value at risk is a statistical measure that estimates the potential changes in portfolio value that may occur brought about by daily changes in market rates over a specified holding period at a specified confidence level under normal market condition.

To complement value at risk measurement, the Group also institute a set of scenario analysis under various potential market conditions such as shifts in currency rates, general equity prices and interest rate movements to assess the changes in portfolio value.

The Group controls the market risk exposure of its trading and non-trading activities primarily through a series of risk thresholds. Risk thresholds are approved by the Board of Directors. These risk thresholds structure aligns specific risk-taking activities with the overall risk appetite of the Group.

51. RISK MANAGEMENT POLICY (CONTD.)

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

	Non Trading Book									
Group 2009	**Up to 1 month RM'000**	**>1 - 3 months RM'000**	**>3 - 6 months RM'000**	**>6 - 12 months RM'000**	**1 - 5 years RM'000**	**Over 5 years RM'000**	**Non-interest sensitive RM'000**	**Trading Book RM'000**	**Total RM'000**	**Effective interest rate %**
ASSETS										
Cash and short-term funds	13,401,641	-	-	-	-	-	3,785,300	-	17,186,941	1.99
Securities purchased under resale agreements	16,807	-	-	-	-	-	-	-	16,807	1.15
Deposits and placements with banks and other financial institutions	22,659	-	873	-	22,494	-	-	-	46,026	2.81
Securities held-for-trading	-	-	-	-	-	-	-	1,399,873	1,399,873	3.35
Securities available-for-sale	16,805	145,390	73,100	205,328	1,999,737	3,102,485	1,083,209	-	6,626,054	4.83
Securities held-to-maturity	7,704	60,838	1,748	35,475	382,821	122,638	168,985	-	780,209	3.51
Loans, advances and financing:										
- performing	21,284,795	2,340,934	784,859	453,489	6,377,049	15,279,422	9,821,953	-	56,342,501	6.70
- non-performing *	-	-	-	-	-	-	605,330	-	605,330	-
Derivative financial assets	-	-	-	-	-	-	482,933	-	482,933	-
Amount due from Originators	-	-	-	-	25,789	-	-	-	25,789	5.74
Other non-interest sensitive balances	-	-	-	-	-	-	6,380,418	-	6,380,418	-
TOTAL ASSETS	34,750,411	2,547,162	860,580	694,292	8,807,890	18,504,545	22,328,128	1,399,873	89,892,881	
LIABILITIES AND EQUITY										
Deposits from customers	23,017,332	9,807,594	6,192,362	9,887,533	2,415,144	-	12,811,541	-	64,131,506	2.71
Deposits and placements of banks and other financial institutions	1,502,877	529,310	775,499	652,203	773,241	781,369	1,120,910	-	6,135,409	2.74
Bills and acceptances payable	483,002	771,732	245,757	7,189	-	-	612,567	-	2,120,247	2.05
Recourse obligation on loans sold to Cagamas Berhad	-	-	-	-	155,037	-	-	-	155,037	3.98
Derivative financial liabilities	-	-	-	-	-	-	587,763	-	587,763	-
Term loans	145,859	206,000	-	-	-	-	-	-	351,859	3.11
Unsecured bonds	-	-	-	-	-	1,090,000	-	-	1,090,000	5.02
Medium term notes	-	-	-	-	-	1,460,000	-	-	1,460,000	5.66
Hybrid capital	-	-	-	-	-	1,303,691	-	-	1,303,691	6.69
Other non-interest sensitive balances	-	-	-	-	-	-	4,645,814	-	4,645,814	-
Total Liabilities	25,149,070	11,314,636	7,213,618	10,546,925	3,343,422	4,635,060	19,778,595	-	81,981,326	
Share capital	-	-	-	-	-	-	2,722,970	-	2,722,970	
Reserves	-	-	-	-	-	-	5,013,123	-	5,013,123	
Equity attributable to equity holders of the Company	-	-	-	-	-	-	7,736,093	-	7,736,093	
Minority interests	-	-	-	-	-	-	175,462	-	175,462	
Total equity	-	-	-	-	-	-	7,911,555	-	7,911,555	
TOTAL LIABILITIES AND EQUITY	25,149,070	11,314,636	7,213,618	10,546,925	3,343,422	4,635,060	27,690,150	-	89,892,881	
On-balance sheet interest rate gap sensitivity	9,601,341	(8,767,474)	(6,353,038)	(9,852,633)	5,464,468	13,869,485	(5,362,022)	1,399,873	-	
Off-balance sheet interest rate gap sensitivity	(798,353)	(3,120,000)	1,662,088	70,000	2,881,853	(755,588)	-	-	(60,000)	
Total interest rate gap sensitivity	8,802,988	(11,887,474)	(4,690,950)	(9,782,633)	8,346,321	13,113,897	(5,362,022)	1,399,873	(60,000)	
Cumulative interest rate gap sensitivity	8,802,988	(3,084,486)	(7,775,436)	(17,558,069)	(9,211,748)	3,902,149	(1,459,873)	(60,000)		

* This is arrived at after deducting the general allowance and specific allowance from gross non-performing loans outstanding.

Group 2008	Non Trading Book Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
ASSETS										
Cash and short-term funds	8,708,883	-	-	-	-	-	2,336,543	-	11,045,426	3.38
Securities purchased under resale agreements	52,468	-	-	-	-	-	-	-	52,468	3.33
Deposits and placements with banks and other financial institutions	1,281	1,273,519	65,100	278	-	47,632	-	-	1,387,810	4.64
Securities held-for-trading	-	-	-	-	-	-	-	6,699,010	6,699,010	3.57
Securities available-for-sale	-	-	19,961	135,866	897,502	676,145	121,461	-	1,850,935	5.82
Securities held-to-maturity	49,774	6,388	68,753	8,544	523,249	357,727	165,443	-	1,179,878	3.96
Loans, advances and financing:										
- performing	18,526,653	2,506,731	591,972	524,651	6,994,528	14,418,842	7,832,944	-	51,396,321	7.08
- non-performing *	-	-	-	-	-	-	1,177,999	-	1,177,999	-
Derivative financial assets	-	-	-	-	-	-	370,681	-	370,681	-
Amount due from Originators	-	6,430	26,042	-	2,668	-	-	-	35,140	3.65
Other non-interest sensitive balances	-	-	-	-	-	-	7,996,039	-	7,996,039	-
TOTAL ASSETS	27,339,059	3,793,068	771,828	669,339	8,417,947	15,500,346	20,001,110	6,699,010	83,191,707	
LIABILITIES AND EQUITY										
Deposits from customers	22,299,907	6,957,752	6,042,591	8,055,973	3,101,906	-	9,310,732	-	55,768,861	3.27
Deposits and placements of banks and other financial institutions	1,630,678	1,405,481	922,645	233,191	661,750	1,155,395	1,108,139	-	7,117,279	3.43
Bills and acceptances payable	415,618	676,830	269,448	-	-	-	547,347	-	1,909,243	3.59
Recourse obligation on loans sold to Cagamas Berhad	-	70,070	26,042	-	147,867	-	-	-	243,979	3.65
Derivative financial liabilities	-	-	-	-	-	-	410,929	-	410,929	-
Term loans	-	1,506,000	-	183,413	-	-	101,431	-	1,790,844	5.08
Subordinated term loan	-	-	460,000	-	-	-	-	-	460,000	6.87
Unsecured bonds	200,000	-	-	-	-	1,170,000	380,000	-	1,750,000	5.73
Medium term notes	-	-	-	-	-	860,000	-	-	860,000	5.27
Hybrid capital	-	-	-	-	-	673,830	-	-	673,830	6.79
Other non-interest sensitive balances	-	-	-	-	-	-	4,952,797	-	4,952,797	-
Total Liabilities	24,546,203	10,616,133	7,720,726	8,472,577	3,911,523	3,859,225	16,811,375	-	75,937,762	
Share capital	-	-	-	-	-	-	2,722,970	-	2,722,970	
Reserves	-	-	-	-	-	-	4,446,623	-	4,446,623	
Equity attributable to equity holders of the Company	-	-	-	-	-	-	7,169,593	-	7,169,593	
Minority interests	-	-	-	-	-	-	84,352	-	84,352	
Total equity	-	-	-	-	-	-	7,253,945	-	7,253,945	
TOTAL LIABILITIES AND EQUITY	24,546,203	10,616,133	7,720,726	8,472,577	3,911,523	3,859,225	24,065,320	-	83,191,707	
On-balance sheet interest rate gap sensitivity	2,792,856	(6,823,065)	(6,948,898)	(7,803,238)	4,506,424	11,641,121	(4,064,210)	6,699,010	-	
Off-balance sheet interest rate gap sensitivity	2,576,862	7,718,038	(3,531,661)	(3,581,237)	(4,006,040)	803,608	-	-	(20,430)	
Total interest rate gap sensitivity	5,369,718	894,973	(10,480,559)	(11,384,475)	500,384	12,444,729	(4,064,210)	6,699,010	(20,430)	
Cumulative interest rate gap sensitivity	5,369,718	6,264,691	(4,215,868)	(15,600,343)	(15,099,959)	(2,655,230)	(6,719,440)	(20,430)		

* This is arrived at after deducting the general allowance and specific allowance from gross non-performing loans outstanding.

51. RISK MANAGEMENT POLICY (CONTD.)

2009 Company	Non Trading Book Up to 1 month RM'000	>1 - 3 months RM'000	Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
ASSETS						
Cash and short-term funds	**282,786**	**-**	**1,251**	**-**	**284,037**	**2.50**
Deposits and placements with banks and other financial institutions	**-**	**16,986**	**-**	**-**	**16,986**	**2.46**
Securities held-for-trading	**-**	**-**	**-**	**20,000**	**20,000**	**4.75**
Securities available-for-sale	**-**	**-**	**3,978**	**-**	**3,978**	**-**
Other non-interest sensitive balances	**-**	**-**	**6,237,053**	**-**	**6,237,053**	**-**
TOTAL ASSETS	**282,786**	**16,986**	**6,242,282**	**20,000**	**6,562,054**	
LIABILITIES AND EQUITY						
Term loans	**-**	**206,000**	**-**	**-**	**206,000**	**4.05**
Other non-interest sensitive balances	**-**	**-**	**9,155**	**-**	**9,155**	**-**
Total Liabilities	**-**	**206,000**	**9,155**	**-**	**215,155**	
Share capital	**-**	**-**	**2,722,970**	**-**	**2,722,970**	
Reserves	**-**	**-**	**3,623,929**	**-**	**3,623,929**	
Equity attributable to equity holders of the Company	**-**	**-**	**6,346,899**	**-**	**6,346,899**	
TOTAL LIABILITIES AND EQUITY	**-**	**206,000**	**6,356,054**	**-**	**6,562,054**	
On-balance sheet interest rate gap sensitivity	**282,786**	**(189,014)**	**(113,772)**	**20,000**	**-**	
Off-balance sheet interest rate gap sensitivity	**-**	**-**	**-**	**-**	**-**	
Total interest rate gap sensitivity	**282,786**	**(189,014)**	**(113,772)**	**20,000**	**-**	
Cumulative interest rate gap sensitivity	**282,786**	**93,772**	**(20,000)**	**-**		

2008 Company	Non Trading Book Up to 1 month RM'000	>1 - 3 months RM'000	Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
ASSETS						
Cash and short-term funds	313,872	-	1,206	-	315,078	2.94
Deposits and placements with banks and other financial institutions	-	15,034	-	-	15,034	3.25
Securities held-for-trading	-	-	-	20,000	20,000	4.75
Securities available-for-sale	-	-	3,978	-	3,978	-
Other non-interest sensitive balances	-	-	6,571,187	-	6,571,187	-
TOTAL ASSETS	313,872	15,034	6,576,371	20,000	6,925,277	
LIABILITIES AND EQUITY						
Term loans	-	1,506,000	-	-	1,506,000	5.01
Other non-interest sensitive balances	-	-	3,684	-	3,684	-
Total Liabilities	-	1,506,000	3,684	-	1,509,684	
Share capital	-	-	2,722,970	-	2,722,970	
Reserves	-	-	2,692,623	-	2,692,623	
Equity attributable to equity holders of the Company	-	-	5,415,593	-	5,415,593	
TOTAL LIABILITIES AND EQUITY	-	1,506,000	5,419,277	-	6,925,277	
On-balance sheet interest rate gap sensitivity	313,872	(1,490,966)	1,157,094	20,000	-	
Off-balance sheet interest rate gap sensitivity	-	-	-	-	-	
Total interest rate gap sensitivity	313,872	(1,490,966)	1,157,094	20,000	-	
Cumulative interest rate gap sensitivity	313,872	(1,177,094)	(20,000)	-		

51. RISK MANAGEMENT POLICY (CONTD.)

LIQUIDITY RISK

Liquidity risk is the risk that the organization will not be able to fund its day-to-day operations at a reasonable cost. Liquidity risk exposure arises mainly from the deposit taking and borrowing activities, and to a lesser extent, significant drawdown of funds from previously contracted financing and purchase commitments.

The primary objective of liquidity risk management is to ensure the availability of sufficient funds at a reasonable cost to honour all financial commitments as they fall due.

The secondary objective is to ensure an optimal funding structure and to balance the key liquidity risk management objectives, which includes diversification of funding sources, customer base, and maturity period.

The ongoing liquidity risk management at the Group is based on the following key strategies:
- Management of cash-flow; an assessment of potential cash flow mismatches that may arise over a period of one-year ahead and the maintenance of adequate cash and liquefiable assets over and above the standard requirements of BNM.
- Scenario analysis; a simulation on liquidity demands of new business, changes in portfolio as well as stress scenarios based on historical experience of large withdrawals.
- Diversification and stabilisation of liabilities through management of funding sources, diversification of customer depositor base and inter-bank exposures.

In the event of actual liquidity crisis occurring, a Contingency Funding Plan provides a formal process to identify a liquidity crisis and detailing responsibilities among the relevant departments to ensure orderly execution of procedures to restore the liquidity position and confidence in the Group.

The following table shows the maturity analysis of the Group's assets and liabilities based on contractual terms:

2009 Group	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non specific maturity RM'000	Total RM'000
ASSETS								
Cash and short-term funds	17,097,773	-	-	-	-	-	89,168	17,186,941
Securities purchased under resale agreements	16,807	-	-	-	-	-	-	16,807
Deposits and placements with banks and other financial institutions	21,873	24,052	-	101	-		-	46,026
Securities held-for-trading	56,948	118,357	119,486	48,111	276,080	768,431	12,460	1,399,873
Securities available-for-sale	4,998	88,698	83,336	218,630	2,407,874	3,272,905	549,613	6,626,054
Securities held-to-maturity	7,704	60,838	1,747	133,089	326,246	122,638	127,947	780,209
Loans, advances and financing	5,951,626	1,806,645	832,415	989,848	13,745,550	33,629,312	(7,565)	56,947,831
Derivative financial assets	-	-	-	-	-	-	482,933	482,933
Other assets	22,107	2,543	4,468	-	25,930	729,438	705,520	1,490,006
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	517,578	517,578
Investment in jointly controlled company	-	-	-	-	-	-	380	380
Investments in associates	-	-	-	-	-	-	1,301	1,301
Prepaid land lease payment	-	-	-	-	-	-	6,646	6,646
Property and equipment	-	-	-	-	-	-	228,399	228,399
Life fund assets	-	-	-	-	-	-	2,006,799	2,006,799
Deferred tax assets	-	-	-	-	-	-	346,997	346,997
Intangible assets	-	-	-	-	-	-	1,808,101	1,808,101
TOTAL ASSETS	23,179,836	2,101,133	1,041,452	1,389,779	16,781,680	38,522,724	6,876,277	89,892,881
LIABILITIES AND EQUITY								
Deposits from customers	31,323,809	12,178,478	7,351,640	10,412,788	2,864,791	-	-	64,131,506
Deposits and placements of banks and other financial institutions	1,730,517	725,963	1,138,174	818,109	923,787	153,369	645,490	6,135,409
Bills and acceptances payable	703,905	1,053,556	355,597	7,189	-	-	-	2,120,247
Recourse obligation on loans sold to Cagamas Berhad	-	-	-	-	155,037	-	-	155,037
Derivative financial liabilities	-	-	-	-	-	-	587,763	587,763
Other liabilities	12,366	41,614	1,191	24	-	729,100	1,854,720	2,639,015
Term loans	-	206,000	-	145,859	-	-	-	351,859
Subordinated term loan	-	-	-	-	-	-	-	-
Unsecured bonds	-	-	-	-	-	1,090,000	-	1,090,000
Medium term notes	-	-	-	-	-	1,460,000	-	1,460,000
Hybrid capital	-	-	-	-	-	1,303,691	-	1,303,691
Life fund liabilities	-	-	-	-	-	-	222,160	222,160
Life policyholder funds	-	-	-	-	-	-	1,784,639	1,784,639
Total Liabilities	33,770,597	14,205,611	8,846,602	11,383,969	3,943,615	4,736,160	5,094,772	81,981,326
Share capital	-	-	-	-	-	-	2,722,970	2,722,970
Reserves	-	-	-	-	-	-	5,013,123	5,013,123
Equity attributable to equity holders of the Company	-	-	-	-	-	-	7,736,093	7,736,093
Minority interests	-	-	-	-	-	-	175,462	175,462
Total equity	-	-	-	-	-	-	7,911,555	7,911,555
TOTAL LIABILITIES AND EQUITY	33,770,597	14,205,611	8,846,602	11,383,969	3,943,615	4,736,160	13,006,327	89,892,881
Net maturity mismatch	(10,590,761)	(12,104,478)	(7,805,150)	(9,994,190)	12,838,065	33,786,564	(6,130,050)	-

51. RISK MANAGEMENT POLICY (CONTD.)

LIQUIDITY RISK (CONTD.)

2008 Group	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non specific maturity RM'000	Total RM'000
ASSETS								
Cash and short-term funds	10,876,355	-	-	-	-	-	169,071	11,045,426
Securities purchased under resale agreements	52,468	-	-	-	-	-	-	52,468
Deposits and placements with banks and other financial institutions	49,067	1,273,364	65,100	279	-		-	1,387,810
Securities held-for-trading	387,344	334,864	213,380	285,503	1,910,547	3,165,929	401,443	6,699,010
Securities available-for-sale	-	950	20,911	137,288	870,274	750,098	71,414	1,850,935
Securities held-to-maturity	49,257	-	53,767	57,064	523,473	357,062	139,255	1,179,878
Loans, advances and financing	6,671,149	1,949,715	1,554,940	1,326,516	11,471,651	29,402,001	198,348	52,574,320
Derivative financial assets	-	-	-	-	-	-	370,681	370,681
Other assets	112,478	11,107	40,765	3,062	24,036	757,895	1,074,626	2,023,969
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	1,660,197	1,660,197
Investments in associates	-	-	-	-	-	-	1,301	1,301
Prepaid land lease payment	-	-	-	-	-	-	7,059	7,059
Property and equipment	-	-	-	-	-	-	225,616	225,616
Life fund assets	-	-	-	-	-	-	1,702,469	1,702,469
Deferred tax assets	-	-	-	-	-	-	608,583	608,583
Intangible assets	-	-	-	-	-	-	1,801,985	1,801,985
TOTAL ASSETS	18,198,118	3,570,000	1,948,863	1,809,712	14,799,981	34,432,985	8,432,048	83,191,707
LIABILITIES AND EQUITY								
Deposits from customers	28,668,395	8,183,259	7,024,440	8,374,657	3,518,110	-	-	55,768,861
Deposits and placements of banks and other financial institutions	1,808,849	1,519,891	1,113,498	998,242	521,404	1,155,395	-	7,117,279
Bills and acceptances payable	594,174	935,818	379,251	-	-	-	-	1,909,243
Recourse obligation on loans sold to Cagamas Berhad	-	70,070	26,042	-	147,867	-	-	243,979
Derivative financial liabilities	-	-	-	-	-	-	410,929	410,929
Other liabilities	310,238	35,633	11,208	4,641	589	645,852	2,242,167	3,250,328
Term loans	-	1,506,000	-	13,186	-	170,227	101,431	1,790,844
Subordinated term loan	-	-	-	-	-	460,000	-	460,000
Unsecured bonds	-	-	-	-	595,000	1,155,000	-	1,750,000
Medium term notes	-	-	-	-	-	860,000	-	860,000
Hybrid capital	-	-	-	-	-	673,830	-	673,830
Life fund liabilities	-	-	-	-	-	-	189,819	189,819
Life policyholder funds	-	-	-	-	-	-	1,512,650	1,512,650
Total Liabilities	31,381,656	12,250,671	8,554,439	9,390,726	4,782,970	5,120,304	4,456,996	75,937,762
Share capital	-	-	-	-	-	-	2,722,970	2,722,970
Reserves	-	-	-	-	-	-	4,446,623	4,446,623
Equity attributable to equity holders of the Company	-	-	-	-	-	-	7,169,593	7,169,593
Minority interests	-	-	-	-	-	-	84,352	84,352
Total equity	-	-	-	-	-	-	7,253,945	7,253,945
TOTAL LIABILITIES AND EQUITY	31,381,656	12,250,671	8,554,439	9,390,726	4,782,970	5,120,304	11,710,941	83,191,707
Net maturity mismatch	(13,183,538)	(8,680,671)	(6,605,576)	(7,581,014)	10,017,011	29,312,681	(3,278,893)	-

51. RISK MANAGEMENT POLICY (CONTD.)

LIQUIDITY RISK (CONTD.)

2009 Company	Up to 1 month RM'000	>1 - 3 months RM'000	Non specific maturity RM'000	Total RM'000
ASSETS				
Cash and short-term funds	**282,787**	**-**	**1,250**	**284,037**
Deposits and placements with banks and other financial institutions	**-**	**16,986**	**-**	**16,986**
Securities held-for-trading	**-**	**-**	**20,000**	**20,000**
Securities available-for-sale	**-**	**-**	**3,978**	**3,978**
Other assets	**-**	**-**	**30,331**	**30,331**
Investments in subsidiaries	**-**	**-**	**6,204,678**	**6,204,678**
Property and equipment	**-**	**-**	**2,044**	**2,044**
TOTAL ASSETS	**282,787**	**16,986**	**6,262,281**	**6,562,054**
LIABILITIES AND EQUITY				
Other liabilities	**-**	**-**	**9,155**	**9,155**
Term loans	**-**	**206,000**	**-**	**206,000**
Total Liabilities	**-**	**206,000**	**9,155**	**215,155**
Share capital	**-**	**-**	**2,722,970**	**2,722,970**
Reserves	**-**	**-**	**3,623,929**	**3,623,929**
Equity attributable to equity holders of the Company	**-**	**-**	**6,346,899**	**6,346,899**
TOTAL LIABILITIES AND EQUITY	**-**	**206,000**	**6,356,054**	**6,562,054**
Net maturity mismatch	**282,787**	**(189,014)**	**(93,773)**	**-**

2008 Company	Up to 1 month RM'000	>1 - 3 months RM'000	Non specific maturity RM'000	Total RM'000
ASSETS				
Cash and short-term funds	313,872	-	1,206	315,078
Deposits and placements with banks and other financial institutions	-	15,034	-	15,034
Securities held-for-trading	-	-	20,000	20,000
Securities available-for-sale	-	-	3,978	3,978
Other assets	-	-	26,973	26,973
Investments in subsidiaries	-	-	6,543,314	6,543,314
Property and equipment	-	-	900	900
TOTAL ASSETS	313,872	15,034	6,596,371	6,925,277
LIABILITIES AND EQUITY				
Other liabilities	-	-	3,684	3,684
Term loans	-	1,506,000	-	1,506,000
Total Liabilities	-	1,506,000	3,684	1,509,684
Share capital	-	-	2,722,970	2,722,970
Reserves	-	-	2,692,623	2,692,623
Equity attributable to equity holders of the Company	-	-	5,415,593	5,415,593
TOTAL LIABILITIES AND EQUITY	-	1,506,000	5,419,277	6,925,277
Net maturity mismatch	313,872	(1,490,966)	1,177,094	-

CREDIT RISK MANAGEMENT

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its payment obligations. Exposure to credit risk arises primarily from lending and guarantee activities and, to a lesser extent, pre-settlement and settlement exposures of sales and trading activities.

The primary objective of credit risk management is to ensure that exposure to credit risk is always kept within its capability and financial capacity to withstand potential future losses.

Lending activities are guided by internal group credit policies and guidelines, including a group risk appetite framework, that are approved by the Board or risk committee. Specific procedures for managing credit risks are determined at business levels in specific policies and procedures based on risk environment and business goals.

For non-retail credits, credit portfolio management strategies and significant exposures are reviewed and/or approved by the Board. These portfolio management strategies are designed to achieve a desired and ideal portfolio risk tolerance level and sector distribution over the next few years. These portfolio management strategies include minimum credit rating targets from new facilities, a more aggressive approach towards reducing existing high-risk exposures and exposures to certain sectors.

Risk measurement begins with an assessment and rating of the financial standing of the borrower or counterparty using a credit rating model. The model consists of quantitative and qualitative scores which are translated into nine rating grades. Credit risk is quantified based on Expected Default Frequencies and Expected Losses on default from its portfolio of loans and off-balance sheet commitments. Expected Default Frequencies are calibrated to the internal rating model.

For retail credits, a credit-scoring system to support the housing, hire purchase and credit card applications is being used to complement the credit assessment process.

51. RISK MANAGEMENT POLICY (CONTD.)

OPERATIONAL RISK MANAGEMENT

Operational risk is the potential loss from a breakdown in internal process, systems, deficiencies in people and management or operational failure arising from external events. It is increasingly recognised that operational risk is the single most widespread risk facing financial institutions today. Operational risk management is the discipline of systematically identifying the critical potential risk points and causes of failure, assess the relevant controls to minimise the impact of such risk through the initiation of risk mitigating measures and policies.

The Group minimises operational risk by putting in place appropriate policies, internal controls and procedures as well as maintaining back-up procedures for key activities and undertaking business continuity planning. These are supported by independent reviews by the Group's Internal Audit team.

LEGAL AND REGULATORY RISK

The Group manages legal and regulatory risks to its business. Legal risk arises from the potential that breaches of applicable laws and regulatory requirements, unenforceability of contracts, lawsuits, or adverse judgement, may lead to the incurrence of losses, disrupt or otherwise resulting in financial and reputational risk. Legal risk is managed by internal legal counsel and where necessary, in consultation with external legal counsel to ensure that legal risk is minimised.

Regulatory risk is managed through the implementation of measures and procedures within the organization to facilitate compliance with regulations. These include a compliance monitoring and reporting process that requires identification of risk areas, prescription of controls to minimize these risks, staff training and assessments, provision of advise and disseminating of information.

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

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

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, equity and foreign exchange rate exposures. Derivative transactions generate income for the Group from the buy-sell spreads. The Group also takes conservative exposures, within acceptable limits, to carry an inventory of these instruments in order to provide market liquidity and to earn potential gains on fluctuations in the value of these instruments.

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

Risk associated with financial derivatives

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

Market risk of derivatives used for trading purposes

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

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

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 counter party 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.

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

52. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments are contracts that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than a forced or liquidated sale. The information presented herein represents best estimates of fair values of financial instruments at the balance sheet date.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a number of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the assumptions could materially affect these estimates and the corresponding fair values.

52. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTD.)

In addition, fair value information for non-financial assets and liabilities such as investments in subsidiaries and taxation are excluded, as they do not fall within the scope of FRS 132 Financial Instruments: Disclosure and Presentation which requires the fair value information to be disclosed.

The estimated fair values of the Group's and the Company's financial instruments are as follows:

	Group		Company	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
2009				
Financial Assets				
Cash and short-term funds	**17,186,941**	**17,186,941**	**284,037**	**284,037**
Securities purchased under resale agreements	**16,807**	**16,807**	**-**	**-**
Deposits and placements with banks and other financial institutions	**46,026**	**47,790**	**16,986**	**16,986**
Securities held-for-trading	**1,399,873**	**1,399,873**	**20,000**	**20,000**
Securities available-for-sale	**6,626,054**	**6,626,054**	**3,978**	**3,978**
Securities held-to-maturity	**780,209**	**870,499**	**-**	**-**
Loans, advances and financing *	**57,847,348**	**58,628,753**	**-**	**-**
Derivative financial assets	**482,933**	**482,933**	**-**	**-**
Amount due from Originators	**25,789**	**25,789**	**-**	**-**
Other financial assets	**3,436,272**	**3,436,272**	**30,331**	**30,331**
	87,848,252	**88,721,711**	**355,332**	**355,332**
Non-financial assets	**2,044,629**		**6,206,722**	
TOTAL ASSETS	**89,892,881**		**6,562,054**	
Financial Liabilities				
Deposits from customers	**64,131,506**	**63,757,549**	**-**	**-**
Deposits and placements of banks and other financial institutions	**6,135,409**	**6,170,419**	**-**	**-**
Bills and acceptances payable	**2,120,247**	**2,120,247**	**-**	**-**
Recourse obligation on loans sold to Cagamas Berhad	**155,037**	**129,106**	**-**	**-**
Derivative financial liabilities	**587,763**	**587,763**	**-**	**-**
Term loans	**351,859**	**351,859**	**206,000**	**206,000**
Subordinated term loans	**-**	**-**	**-**	**-**
Medium term notes	**1,460,000**	**1,745,424**	**-**	**-**
Unsecured bonds	**1,090,000**	**1,208,847**	**-**	**-**
Hybrid capital	**1,303,691**	**1,182,664**	**-**	**-**
Other financial liabilities	**4,562,392**	**4,562,392**	**9,155**	**9,155**
	81,897,904	**81,816,270**	**215,155**	**215,155**
Non-Financial Liabilities				
Other non-financial liabilities	**83,422**		**-**	
Minority interests	**175,462**		**-**	
Equity attributable to equity holders of the Company	**7,736,093**		**6,346,899**	
	7,994,977		**6,346,899**	
TOTAL LIABILITIES AND EQUITY	**89,892,881**		**6,562,054**	
2008				
Financial Assets				
Cash and short-term funds	11,045,426	11,045,426	315,078	315,078
Securities purchased under resale agreements	52,468	52,468	-	-
Deposits and placements with banks and other financial institutions	1,387,810	1,501,566	15,034	15,034
Securities held-for-trading	6,699,010	6,699,010	20,000	20,000
Securities available-for-sale	1,850,935	1,869,226	3,978	3,978
Securities held-to-maturity	1,179,878	1,318,885	-	-
Loans, advances and financing *	53,419,545	54,089,708	-	-
Derivative financial assets	370,681	370,681	-	-
Amount due from Originators	35,140	35,156	-	-
Other financial assets	3,651,597	3,651,597	26,973	26,973
	79,692,490	80,633,723	381,063	381,063
Non-financial assets	3,499,217		6,544,214	
TOTAL ASSETS	83,191,707		6,925,277	
Financial Liabilities				
Deposits from customers	55,768,861	55,421,351	-	-
Deposits and placements of banks and other financial institutions	7,117,279	7,085,941	-	-
Bills and acceptances payable	1,909,243	1,909,243	-	-
Recourse obligation on loans sold to Cagamas Berhad	243,979	239,716	-	-
Derivative financial liabilities	410,929	410,929	-	-
Term loans	1,790,844	1,790,844	1,506,000	1,506,000
Subordinated term loans	460,000	494,110	-	-
Medium term notes	860,000	962,237	-	-
Unsecured bonds	1,750,000	1,895,533	-	-
Hybrid capital	673,830	615,056	-	-
Other financial liabilities	4,907,324	4,907,324	3,684	3,684
	75,892,289	75,732,284	1,509,684	1,509,684
Non-Financial Liabilities				
Other non-financial liabilities	45,473		-	
Equity attributable to equity holders of the Company	7,169,593		5,415,593	
Minority interests	84,352		-	
	7,299,418		5,415,593	
TOTAL LIABILITIES AND EQUITY	83,191,707		6,925,277	

* The general allowance for the Group amounting to RM899,517,000 (RM845,225,000 in 2008) has been included under non-financial assets.

52. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTD.)

The fair value of contingent liabilities and undrawn credit facilities are not readily ascertainable. These financial instruments are presently not sold or traded. They generate fees that are in line with market prices for similar arrangements. The estimated fair value may be represented by the present value of the fees expected to be received, less associated costs and potential loss that may arise should these commitments crystallize. The Group assesses that their respective fair values are unlikely to be significant given that the overall level of fees involved is not significant and no provisions is necessary to be made.

The following methods and assumptions were used to estimate the fair value of assets and liabilities as at 31 March 2009 and 2008:

a. Cash And Short-Term Funds

The carrying values are a reasonable estimate of the fair values because of negligible credit risk and short-term in nature or frequent repricing.

b. Securities Purchased Under Resale Agreements And Deposits And Placements With Banks And Other Financial Institutions

The fair values of securities purchased under resale agreements and deposits and placements with banks and other financial institutions with remaining maturities less than six months are estimated to approximate their carrying values. For securities purchased under resale agreements and deposits and placements with banks and other financial institutions with maturities of more than six months, the fair values are estimated based on discounted cash flows using the prevailing KLIBOR rates and interest rate swap rates.

c. Securities Held-For-Trading, Securities Available-For-Sale And Securities Held-To-Maturity

The estimated fair value is based on quoted or observable market prices at the balance sheet date. Where such quoted or observable market prices are not available, the fair value is estimated using discounted cash flow or net tangible assets techniques. The fair values of unquoted debt equity conversion securities which are not actively traded, are estimated to be at par value, taking into consideration of the underlying collateral values.Where discounted cash flow techniques are used, the estimated future cash flows are discounted using market indicative rates of similar instruments at the balance sheet date.

d. Loans, Advances And Financing And Subordinated Term Loans ("Loans And Financing")

The fair value of variable rate loans and financing are estimated to approximate their carrying values. For fixed rate loans and financing, the fair values are estimated based on expected future cash flows of contractual instalment payments and discounted at prevailing indicative rates adjusted for credit risk. In respect of non-performing loans and financing, the fair values are deemed to approximate the carrying values, net of interest in suspense and specific allowance for bad and doubtful debts and financing.

e. Derivative Financial Instruments

The fair values of the derivative financial instruments are obtained from quoted market prices in active markets, including recent market transactions and valuation techniques, including discounted cash flow models and option pricing models, as appropriate.

f. Other Assets

The estimated fair value of other assets are estimated to approximate their carrying value because the realisable value of the final consideration as at balance sheet date is similar to that of the carrying value.

g. Deposits From Customers, Deposits And Placements Of Banks And Other Financial Institutions And Obligations On Securities Sold Under Repurchase Agreements

The fair value of deposits liabilities payable on demand ("current and savings deposits") or with remaining maturities of less than six months are estimated to approximate their carrying values at balance sheet date.

The fair value of term deposits, negotiable instrument of deposits and obligations on securities sold under repurchase agreements with remaining maturities of more than six months are estimated based on discounted cash flows using KLIBOR rates and interest rate swap rates.

h. Bills And Acceptances Payables

The carrying values are a reasonable estimate of their fair values because of their short-term nature.

i. Other Liabilities

The fair values of other liabilities approximates their carrying value at the balance sheet date.

j. Recourse Obligations On Loans Sold To Cagamas Berhad

The fair values for recourse obligations on loans to Cagamas Berhad are determined based on discounted cash flows of future instalments payments at prevailing rates quoted by Cagamas Berhad as at balance sheet date.

k. Term Loans, Subordinated Term Loans, Redeemable Unsecured Bonds, Medium Term Notes And Hybrid Capital ("Borrowings")

The fair values of borrowings with remaining maturities of less than six (6) months are estimated to approximate their carrying values at balance sheet date. The fair values of borrowings with remaining maturities of more than six (6) months are estimated based on discounted cash flows using market indicative rates of instruments with similar risk profiles at the balance sheet date.

l. Interest Rate Swaps, Futures And Forward Rate Agreements

The estimated fair value is based on the market price to enter into an offsetting contract at balance sheet date.

m.Short Term Financial Assets And Financial Liabilities

The fair value of the other financial assets and other financial liabilities, which are considered short term in nature, are estimated to approximate their carrying value.

As assumptions were made regarding risk characteristics of the various financial instruments, discount rates, future expected loss experience and other factors, changes in the uncertainties and assumptions could materially affect these estimates and the resulting value estimates.

53. NET ASSETS PER SHARE (RM)

Net assets per share represent the balance sheet total assets value less total liabilities and minority interests expressed as an amount per ordinary share.

Net assets per share are calculated as follows:

	2009		2008	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Total assets	**89,892,881**	**6,562,054**	83,191,707	6,925,277
Less :				
Total liabilities	**81,981,326**	**215,155**	75,937,762	1,509,684
Minority interests	**175,462**	**-**	84,352	-
	82,156,788	**215,155**	76,022,114	1,509,684
Net assets	**7,736,093**	**6,346,899**	7,169,593	5,415,593
Issued and fully paid up ordinary shares of RM1.00 each	**2,722,970**	**2,722,970**	2,722,970	2,722,970
Net assets per share (RM)	**2.84**	**2.33**	2.63	1.99

54. BUSINESS SEGMENT ANALYSIS

The Group's businesses are organized into six main segments, based on the products and services that it provides. These segments are investment banking, commercial and retail banking, offshore banking, Islamic banking, insurance with the minor segments aggregate under others.

Investment banking

Investment banking encompasses investment banking, stockbroking, futures broking, fund and real estate investment trust management and trustee services. The investment banking caters to the business needs of large corporate customers and financial institutions and provides customers with, among other things, a broad range of financing options, treasury and derivative services, corporate finance services, debt capital market and private banking. Through AIGB's subsidiaries, investment banking also offers stock and futures broking products and services through AmInvestment Bank and AmFutures, investment management, management of unit trusts and customized investment solutions and real estate management services through AIM, AIS, AmPTMB and AmARA REIT Managers and trustee services through AmTrustee.

Commercial and retail banking

Commercial and retail banking focuses on providing products and services to individual customers and small and medium enterprises. The products and services offered to the customers include credit facilities such as term financing, mortgage, trade, hire purchase financing, personal loans and share financing, credit cards, remittance services, deposits collection and bancassurance.

Offshore banking

Through AMIL and AmBank Labuan branch, the Group has established a presence in the international arena at the Labuan International Offshore Financial Centre. The products and services offered include corporate finance, advisory and trust services, credit facilities and acting as Listing Sponsor for corporations seeking listing on the Labuan International Financial Exchange.

Islamic banking

Islamic banking segment relates to Islamic banking business activities undertaken by the Group.

Insurance

The insurance segment offers a broad range of life and general insurance products.

Others

Others comprises a variety of activities, which complements and supports the operations of the main business units. It includes the Company's corporate income and expense items that are not allocated to individual business segments. In addition, the income and the Company's funding cost of the Group's associate and subsidiaries are included in this category.

54. BUSINESS SEGMENT ANALYSIS (CONTD.)

Group 2009	Investment Banking RM'000	Commercial and Retail RM'000	Offshore Banking RM'000	Islamic Banking RM'000	Insurance RM'000	Others RM'000	Elimination/ Consolidation Adjustments RM'000	Total RM'000
External revenue	298,994	2,986,025	13,067	1,070,648	1,082,887	162,022	(110,891)	5,502,752
Revenue from other segments	40,370	38,672	3,328	-	6,796	12,352	256,459	357,977
Operating revenue	339,364	3,024,697	16,395	1,070,648	1,089,683	174,374	145,568	5,860,729
Segment results	61,307	767,378	(1,338)	222,346	73,618	104,945	(10,408)	1,217,848
Share in results of jointly controlled company	(212)	-	-	-	-	-	-	(212)
Profit before taxation	61,095	767,378	(1,338)	222,346	73,618	104,945	(10,408)	1,217,636
Taxation	(21,942)	(253,449)	(20)	(56,969)	(28,545)	9,954	11,589	(339,382)
Minority interests	-	-	-	-	-	-	(17,430)	(17,430)
Net profit for the year	39,153	513,929	(1,358)	165,377	45,073	114,899	(16,249)	860,824
Other information								
Segment assets	2,213,952	69,946,479	1,481,569	14,136,998	3,272,942	2,016,391	(4,908,066)	88,160,265
Investments in subsidiaries	231,668	850,371	-	-	-	10,375,946	(11,457,985)	-
Investment in jointly controlled Company	380	-	-	-	-	-	-	380
Investment in associate	693	237	-	-	-	100	271	1,301
Goodwill/(reserve) on consolidation	-	-	-	-	(1,565)	-	1,732,500	1,730,935
Total assets	2,446,693	70,797,087	1,481,569	14,136,998	3,271,377	12,392,437	(14,633,280)	89,892,881
Segment liabilities	1,439,671	67,034,320	1,542,652	12,810,725	2,875,685	1,463,208	(5,184,935)	81,981,326
Property and equipment purchases	9,775	68,420	8	98	2,159	1,420	-	81,880
Depreciation of property and equipment	8,951	38,098	68	148	2,419	766	36	50,486

Group 2008	Investment Banking RM'000	Commercial and Retail RM'000	Offshore Banking RM'000	Islamic Banking RM'000	Insurance RM'000	Others RM'000	Elimination/ Consolidation Adjustments RM'000	Total RM'000
External revenue	1,136,036	2,585,463	62,485	1,012,253	971,400	109,013	(260,390)	5,616,260
Revenue from other segments	131,707	120,946	6,652	-	4,345	10,974	101,798	376,422
Operating revenue	1,267,743	2,706,409	69,137	1,012,253	975,745	119,987	(158,592)	5,992,682
Profit/(Loss) before taxation	359,552	590,020	16,731	192,176	56,530	12,381	(32,953)	1,194,437
Taxation	(90,216)	(204,854)	(20)	(72,515)	(18,271)	(1,271)	3,529	(383,618)
Minority interests	-	-	-	-	-	-	(142,277)	(142,277)
Net profit/(loss) for the year	269,336	385,166	16,711	119,661	38,259	11,110	(171,701)	668,542
Other information								
Segment assets	15,146,792	54,581,226	1,108,673	11,091,189	2,613,182	1,370,554	(4,454,082)	81,457,534
Investments in subsidiaries	264,688	814,350	-	-	-	11,007,442	(12,086,480)	-
Investment in associate	100	238	-	-	-	100	863	1,301
Goodwill/(reserve) on consolidation	-	-	-	-	(1,566)	-	1,734,438	1,732,872
Total assets	15,411,580	55,395,814	1,108,673	11,091,189	2,611,616	12,378,096	(14,805,261)	83,191,707
Segment liabilities	13,155,170	52,235,560	1,250,281	9,657,718	2,356,468	2,434,937	(5,152,372)	75,937,762
Property and equipment purchases	12,034	47,255	76	(295)	4,099	276	-	63,445
Depreciation of property and equipment	8,054	37,208	65	122	2,115	825	36	48,425

The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia except for FIPL and its subsidiaries, AMCI, AmCapital (B) Sdn Bhd, AmSecurities (HK) Limited and AmTrade Services Limited, activities of which are principally conducted in Singapore, Indonesia, Brunei and Hong Kong, respectively. These activities in Singapore, Indonesia, Brunei and Hong Kong are not significant in relation to the Group's activities in Malaysia.

Effective from April 2008, the fund based activities of Investment Banking had been transferred to Commercial and Retail banking under the Group Proposed Internal Restructuring.

55. LIFE BUSINESS LIABILITIES AND LIFE POLICYHOLDERS' FUND

The state of affairs as at 31 March 2009 and the results for the financial year ended 31 March 2009 under the life business liabilities and life policyholders' fund of AmLife Insurance Berhad (formerly known as AmAssurance Berhad), are summarised as follows:

BALANCE SHEET
AS AT 31 MARCH 2009

	2009 RM'000	2008 RM'000
ASSETS		
Cash and short-term funds	**16,502**	204
Securities purchased under resale agreements	**165,325**	207,313
Deposits and placements with banks and other financial institutions	**109,729**	112,741
Securities held-for-trading	**73,015**	62,026
Securities available-for-sale	**940,644**	1,002,244
Securities held to maturity	**265,292**	-
Loans, advances and financing	**100,003**	91,342
Other assets	**201,106**	104,008
Investment properties	**84,193**	82,278
Property and equipment	**30,438**	29,699
Intangible assets	**20,552**	10,614
TOTAL ASSETS	**2,006,799**	1,702,469
LIABILITIES AND POLICYHOLDERS' FUND		
Other liabilities	**222,160**	189,819
Life policyholders' fund	**1,784,639**	1,512,650
TOTAL LIABILITIES AND POLICYHOLDERS' FUND	**2,006,799**	1,702,469

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009

	2009 RM'000	2008 RM'000
Revenue	**572,699**	487,844
Interest income	**79,023**	66,484
Writeback of/(Allowance) for losses on loans and financing	**1**	11
Impairment loss on securities	**-**	(5,774)
	79,024	60,721
Net premium investment and other income	**493,676**	421,360
Net income	**572,700**	482,081
Other operating expenses and transfer to policyholders's funds	**(552,700)**	(465,081)
Transfer to shareholders' funds	**20,000**	17,000

56. CAPITAL ADEQUACY RATIO

a. The capital adequacy ratios of the banking subsidiaries Group as at 31 March are as follows:

	Group*	
	2009	2008
Before deducting proposed dividends:		
Core capital ratio	**9.74%**	8.54%
Risk-weighted capital ratio	**15.16%**	14.14%
After deducting proposed dividends:		
Core capital ratio	**9.74%**	8.40%
Risk-weighted capital ratio	**15.16%**	14.00%

The capital adequacy ratios of the banking subsidiaries of the Group are as follows:

2009	AmBank (M) 1	AmIB 1	AmIslamic 2	AmIL 3
Before deducting proposed dividends:				
Core capital ratio	**10.39%**	**28.13%**	**11.22%**	**33.09%**
Risk-weighted capital ratio	**14.20%**	**28.13%**	**16.65%**	**33.22%**
After deducting proposed dividends:				
Core capital ratio	**10.39%**	**28.13%**	**11.22%**	**33.09%**
Risk-weighted capital ratio	**14.20%**	**28.13%**	**16.65%**	**33.22%**

2008	AmBank (M) 1	AmIB 1	AmIslamic 2	AmIL 3
Before deducting proposed dividends:				
Core capital ratio	8.12%	13.98%	10.32%	15.88%
Risk-weighted capital ratio	12.96%	17.35%	16.28%	15.98%
After deducting proposed dividends:				
Core capital ratio	8.12%	13.33%	10.32%	15.88%
Risk-weighted capital ratio	12.96%	16.70%	16.28%	15.98%

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 (RWCAF-Basel II). The Group have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

The detailed disclosures on the risk-weighted assets, as set out in Notes 56 (c), (d) and (e) are presented in accordance with para 4.3 of Bank Negara Malaysia's Concept Paper Risk Weighted Capital Adequacy Framework (Basel II) and Capital Adequacy Framework of Islamic Banks (CAFIB) Disclosure Requirements (Pillar 3), whereby such disclosures are effective for financial reports for periods beginning on or after 1 January 2008.

* The aggregated components of the Group Tier I and Tier II capital are that of the banking subsidiaries, namely AmBank(M) Berhad ("AmBank"), AmIslamic Bank Berhad, AmInvestment Bank Berhad ("AmIB") and AmInternational (L) Ltd ("AMIL"). The Group comparative for Financial Year 31 March 2008 has been restated accordingly.

1. The capital adequacy ratios are computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework, which are based on the Basel II capital accord. Both AmBank (M) Berhad and AmInvestment Bank Berhad have adopted the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.

   The capital adequacy ratio of AmBank refers to the combined capital base as a ratio of the combined risk-weighted assets of AmBank and its wholly-owned offshore banking subsidiary, AmInternational (L) Ltd ("AmIL"). Effective April 2008, AmIL became a wholly-owned subsidiary of AmBank. Prior to April 2008, AMIL was a wholly-owned subsidiary of AmInvestment Bank.

2. The capital adequacy ratios of AmIslamic Bank Berhad are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (CAFIB), which are based on the Basel II capital accord. AmIslamic Bank Berhad has adopted the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.

3. The capital adequacy ratios of AmInternational (L) Ltd ("AmIL") for capital compliance on a standalone basis are computed in accordance with the guidelines on Risk-Weighted Capital Adequacy issued by Labuan Offshore Financial Servcies Authority (LOFSA), which is based on the Basel I capital accord.

56. CAPITAL ADEQUACY RATIO (CONTD.)

b. The aggregated components of Tier I and Tier II Capital of the Group are as follows:

	Group*	
	2009 RM'000	2008 RM'000
Tier 1 capital		
Paid-up ordinary share capital	**870,364**	850,364
Paid-up non-cumulative preference shares	**-**	100,000
Share premium	**942,844**	900,944
Statutory reserve	**1,049,232**	1,160,398
Capital reserve	**380,307**	380,307
Merger reserve	**397,566**	349,050
Exchange fluctuation reserve	**36,803**	23,853
Irredeemable non-cumulative convertible preference shares	**150,000**	150,000
Innovative tier 1 capital	**750,100**	548,463
Non-innovative tier 1 capital	**500,000**	-
Unappropriated profit at end of year	**1,402,639**	1,818,345
Minority interests	**-**	41
Total	**6,479,855**	6,281,765
Less : Goodwill	**(47,686)**	(47,685)
Deferred tax assets - net	**(297,733)**	(610,302)
Total tier 1 capital	**6,134,436**	5,623,778
Tier 2 capital		
Irredeemable convertible unsecured loan stock	**-**	291,586
Innovative tier 1 capital	**-**	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
Redeemable unsecured bonds	**135,000**	595,000
General allowance for bad and doubtful debts	**899,985**	844,548
Total tier 2 capital	**3,469,985**	4,427,771
Less: Excess tier 2 capital	**-**	(667,050)
Maximum allowable tier 2 capital	**3,469,985**	3,760,721
Total capital funds	**9,604,421**	9,384,499
Less: Investment in subsidiaries	**(32,780)**	-
Investment in capital of related financial institutions	**(18,105)**	(72,439)
Less: Other deduction	**(10,219)**	(11)
Capital base	**9,543,317**	9,312,049

The risk-weighted assets of the Group are derived by aggregating the risk-weighted assets of the banking subsidiaries. The breakdown of risk-weighted assets of the Group in the various risk categories are as follows:

	Group*	
	2009 RM'000	2008 RM'000
Credit risk	**56,206,945**	56,260,383
Market risk	**2,019,969**	5,210,306
Operational risk	**4,713,862**	4,387,477
Large exposure risk requirements for equity holdings	**13,391**	14,923
Total risk-weighted assets	**62,954,167**	65,873,089

56. CAPITAL ADEQUACY RATIO (CONTD.)

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

2009
Group*

Exposure Class

		Gross Exposures RM'000		Net Exposures RM'000	Risk Weighted Assets RM'000	Capital Requirements RM'000
1.	**Credit Risk**					
	On-Balance Sheet Exposures					
	Sovereigns/Central Banks	16,196,838		16,196,838	-	-
	Public Sector Entities ("PSEs")	70,928		70,928	14,186	1,135
	Banks, Development Financial Institutions ("DFI") & Multilateral Development Banks ("MDBs"), Insurance Companies, Securities Firms & Fund Managers	2,821,137		2,821,137	900,727	72,058
	Corporates	21,220,171		19,859,870	16,501,287	1,320,103
	Regulatory Retail	32,200,659		32,036,417	23,996,353	1,919,708
	Residential Mortgages	6,402,124		6,394,984	2,721,869	217,750
	Higher Risk Assets	180,954		180,954	271,432	21,714
	Other Assets	2,546,519		2,546,519	1,841,162	147,293
	Equity Exposure	294,336		294,336	294,336	23,547
	Securitisation Exposures	215,864		215,864	73,955	5,916
	Defaulted Exposures	3,167,345		3,094,368	4,230,420	338,434
	Total for On- Balance Sheet Exposures	85,316,875		83,712,215	50,845,727	4,067,658
	Off-Balance Sheet Exposures					
	Over the counter ("OTC") derivatives	1,304,464		1,304,464	578,234	46,259
	Credit Derivatives	10,422		10,422	4,228	338
	Off balance sheet exposures other than OTC derivatives or credit derivatives	5,606,911		5,390,455	4,778,756	382,301
	Total for Off- Balance Sheet Exposures [Note 56 (e)]	6,921,797		6,705,341	5,361,218	428,898
	Total On and Off- Balance Sheet Exposures	92,238,672		90,417,556	56,206,945	4,496,556
2.	**Large Exposures Risk Requirement**	202		202	13,391	1,071
3.	**Market Risk**	**Long Position**	**Short Position**			
	Interest Rate Risk					
	- General interest rate risk	30,636,665	28,307,712		1,379,902	110,392
	- Specific interest rate risk	1,717,431	6,099		40,076	3,206
	Foreign Currency Risk	221,009	379,640		380,934	30,475
	Equity Risk					
	- General risk	31,045	-		31,045	2,483
	- Specific risk	161,843	-		109,012	8,721
	Option Risk	592,000	-		79,000	6,320
	Total	33,359,993	28,693,451		2,019,969	161,597
4.	**Operational Risk**				4,713,862	377,109
5.	**Total RWA and Capital Requirements**				62,954,167	5,036,333

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

d. The aggregated breakdown of credit risk exposures by risk weights of the Group for the current financial year are as follows:

2009
Group*

	Exposures after Netting and Credit Risk Mitigation													
Risk Weights	Sovereigns & Central Banks	PSEs	Banks, MDBs and DFIs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residental Mortgages	Higher Risk Assets	Other Assets	Specialised Financing / Investment	Securitisation	Equity	Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
0%	16,198,999	-	-	-	-	-	-	-	292,252	-	-	-	16,491,251	-
10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20%	-	70,959	2,382,175	-	3,771,700	10,378	-	-	502,400	-	168,088	-	6,905,700	1,381,140
35%	-	-	-	-	-	-	3,171,497	-	-	-	-	-	3,171,497	1,110,024
50%	-	-	1,462,578	-	990,114	157,585	3,244,358	-	-	-	14,876	-	5,869,511	2,934,756
75%	-	-	-	-	-	33,915,078	493	-	-	-	-	-	33,915,571	25,436,677
100%	-	-	258,039	4,486	18,802,051	118,975	218,361	-	1,774,238	-	32,900	294,336	21,503,386	21,503,385
150%	-	-	-	-	1,516,129	880,116	-	186,768	(22,372)	-	-	-	2,560,641	3,840,963
Average Risk Weight														
Total	16,198,999	70,959	4,102,792	4,486	25,079,994	35,082,132	6,634,709	186,768	2,546,518	-	215,864	294,336	90,417,557	56,206,945
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	40	-	40	

56. CAPITAL ADEQUACY RATIO (CONTD.)

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

2009
Group*

	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
Credit-Related Exposures				
Guarantees given on behalf of customers	2,723,184		2,723,184	2,378,082
Certain transaction-related contingent items	1,496,866		748,433	740,965
Underwriting liabilities	-		-	-
Short term self liquidating trade-related contingencies	493,284		98,657	98,716
Islamic financing sold to Cagamas	879,088		879,088	663,997
Irrevocable commitments to extend credit maturing :				
- within one year	-		-	-
- more than one year	561,411		280,705	241,501
Unutilised credit card line	4,383,472		876,694	655,346
Sell and buy back agreements	153,300		212	206
Others	11,988,296		150	150
	22,678,901		5,607,123	4,778,963
Derivative Financial Instruments Foreign exchange related contracts:				
Forward exchange contracts				
- One year or less	824,899	29,552	30,173	14,435
- Over one year to five years	-	-	-	-
- Over five years	-	-	-	-
Cross currency swaps				
- One year or less	298,931	607	10,068	5,034
- Over one year to five years	311,282	-	26,721	13,360
- Over five years	-	-	-	-
Interest rate related contracts:				
Interest rate futures				
- One year or less	-	-	-	-
- Over one year to five years	60,000	1,507	-	-
- Over five years	-	-	-	-
Interest rate swaps				
- One year or less	4,215,000	12,904	21,022	9,005
- Over one year to five years	17,641,853	291,170	765,528	351,903
- Over five years	2,755,588	137,697	450,952	184,496
Equity related contracts:				
Options				
- One year or less	30,000	390	-	-
- Over one year to five years	164,154	9,106	-	-
- Over five years	-	-	-	-
Equity futures				
- One year or less	-	-	-	-
- Over one year to five years	-	-	-	-
- Over five years	-	-	-	-
	26,301,707	482,933	1,304,464	578,233
Other Treasury-related Exposures				
Forward purchase commitments	265,000		10,210	4,022
Total	49,245,608	482,933	6,921,797	5,361,218
		Note 12	<---------------Note 56(c)-----------------	>

57. SIGNIFICANT EVENTS

1. The transfer of the fund-based activities of AmInvestment Bank to AmBank and AmIslamic Bank ("Business Transfer") was completed on 12 April 2008. Subsequent to the completion of the Business Transfer and with the confirmation of the High Court of Malaya, AmInvestment Bank had on 26 September 2008 implemented a capital restructuring exercise, comprising the cancellation of part of AmInvestment Bank's ordinary share capital, its entire preference share capital and share premium account balance for an aggregate amount of RM519.8 million, to return the excess capital funds arising from the Business Transfer in cash to its sole shareholder, AmInvestment Group Berhad which have been paid ultimately to the Company to fund its working capital requirements.

2. On 19 December 2007, the Company received Bank Negara Malaysia's ("BNM") approval for the internal shareholding restructuring of certain operating subsidiaries to constitute the Capital Market Group and Asset Management Group (the "Proposed Internal Transfer") involving the intra-group transfer of following subsidiaries, which was completed on 1 April 2009:-

   i. AmFutures Sdn Bhd ("AmFutures"), a licensed futures broker, from AmSecurities Holding Sdn Bhd ("AMSH") to AmInvestment Bank for a cash consideration based on book value;

   ii. AmResearch Sdn Bhd ("AmResearch"), a licensed investment adviser, from AMSH to AmInvestment Bank for a cash consideration based on book value;

   iii. AmInvestment Management Sdn Bhd ("AIM"), an asset management company, from AmInvestment Bank to AmInvestment Group Berhad ("AIGB") for a cash consideration based on book value; and

   iv. AmInvestment Services Berhad ("AIS"), a unit trust management company, from AmInvestment Bank to AIGB for a cash consideration based on book value.

   The Proposed Internal Transfer involving PT. AmCapital Indonesia, the group's Indonesian subsidiary which is licensed to undertake stockbroking, underwriting and investment management activities, is targeted to complete in the second half of year 2009, subject to obtaining the approval of Badan Pengawas Pasar Modal dan Lembaga Kewangan, the Indonesian securities regulatory authority.

3. On 11 April 2008, AmAssurance Berhad ("AmAssurance") received the approvals of BNM and the Minister of Finance ("MOF") for the proposed separation of the composite insurance business of AmAssurance involving the transfer of the general insurance business to a related corporation of AmAssurance which was incorporated under the name of AmG Insurance Berhad ("AmG") (the "Scheme of Business Transfer"). The Scheme of Business Transfer was implemented in accordance with the provisions of Part XI of the Insurance Act 1996 and was completed on 1 December 2008 pursuant to the vesting orders of the High Court of Malaya and High Court of Sabah and Sarawak.

   In line with the completion of the Scheme of Business Transfer, AmAssurance has changed its name to AmLife Insurance Berhad ("AmLife") to better reflect its status as a life insurance company.

4. On 20 November 2008, the Company received the approval of MOF for the shareholding restructuring of AmLife (the "Shareholding Restructuring"), which, inter alia, involved:-

   i. the acquisition by the Company from IAG International Pty Limited ("IAG") of the 30% equity interest held by IAG in AmLife, for a cash consideration of RM170 million (completed on 9 December 2008);

   ii. the sale by the Company to Friends Provident Public Limited Company ("FP") of 30% equity interest in AmLife for a cash consideration of RM170 million (completed on 9 December 2008);

   iii. the acquisition by IAG of an additional 19% equity interest in AmG for a cash consideration of RM141.1 million (completed on 9 December 2008); and

   iv. the transfer of the Company's investments in the AmLife and AmG to AMAB Holdings Sdn Bhd ("AMAB Holdings"), the wholly-owned subsidiary of the Company established to hold its investments in AmLife and AmG.

   Accordingly, with the completion of the Shareholding Restructuring, the strategic partners in the Group's insurance business comprise:-

   i. IAG holding a 49% equity interest in AmG (general insurance) with the remaining 51% equity interest held by AMAB Holdings; and

   ii. FP, with a 30% equity interest in AmLife (life insurance) while the remaining 70% equity interest is held by AMAB Holdings.

5. Malaysian Ventures Management Incorporated Sdn Bhd ("MVMI") had on 25 June 2008 entered into a joint venture agreement with Konzen Capital Pte Ltd, a member of Konzen Group, to establish a private equity fund management company in Singapore. The joint venture will manage a proposed US$320 million (RM1 billion) special purpose vehicle called AmKonzen Asia Water Fund.

6. AmInvestment Group Berhad had after obtaining the approval of BNM established a 100%-owned subsidiary under the name of AmIslamic Funds Management Sdn Bhd ("AFM") to provide Islamic funds management services. On 12 January 2009, AFM has been licensed by the Securities Commission ("SC") pursuant to the Capital Markets and Services Act, 2007 and will commence operations during the financial year ending 31 March 2010.

7. AmG had on 10 November 2008 entered into a non-binding memorandum of understanding with MAA Holdings Berhad and Malaysian Assurance Alliance Berhad (MAA) in respect of the proposed acquisitions of:-

   i. the general insurance business of MAA at a headline price of RM274.8 million (subject to adjustments), and

   ii. a 4.9% equity stake in MAA Takaful Berhad for a consideration of RM16.2 million, equivalent to RM3.30 per share.

8. On 28 August 2008, AmBank entered into a technical services agreement ("TSA") with Australia and New Zealand Banking Group Limited ("ANZ") to accelerate the expansion and development of the foreign exchange, interest rate and commodities derivatives business of the Group.

   The TSA is intended to formally set out the arrangement between AmBank and ANZ to build an infrastructure to develop a sustainable and profitable business in the provision, dealing and offering of products and services in foreign exchange, interest rate and commodities derivatives to foreign and local customers of the Group through leveraging on ANZ's technical skills, processes and know-how in areas relating to sales and trading, risks, product development and systems.

   The TSA shall be for a period of 7 years from the date of the TSA and may be extended as agreed by ANZ and AmBank.

9. Pursuant to the approvals by BNM and SC dated 23 December 2008 and 6 January 2009, the Company had on 6 March 2009 announced that AmBank had successfully completed the issuance of RM500 million non-innovative Tier 1 capital ("NIT1").

   The NIT1 issuance is structured in accordance with BNM's guidelines on the risk-weighted capital adequacy framework. The NIT1 capital issue comprises non-cumulative perpetual capital securities ("NCPCS") issued by AmBank and subordinated notes issued by AmPremier Capital Berhad, a wholly owned subsidiary of AmBank, which are stapled together with the NCPCS, which together constitute the "Stapled Securities". The Stapled Securities are rated A3 by RAM Rating Services Berhad.

57. SIGNIFICANT EVENTS (CONTD.)

10. On 9 April 2008, AmBank issued the sixth tranche of medium term notes ("MTN") amounting to RM600.0 million under a RM2.0 billion nominal value MTN Programme ("the Programme"). The proceeds raised from the Programme have been utilised for the refinancing of existing subordinated debts and increasing Tier 2 capital of AmBank. To date, AmBank has issued a total of RM1,460.0 million MTN under the Programme.

11. At the 22nd Extraordinary General Meeting on 26 September 2008, the shareholders approved the proposal by the Company to establish an executives' share scheme ("ESS") of up to fifteen percent (15%) of the issued and paid-up ordinary share capital of the Company at any point in time for the duration of the ESS for eligible executives (including senior management) and executive directors of the Group (excluding subsidiaries which are dormant or such other subsidiaries which may be excluded under the terms of the by laws) who fulfil the criteria for eligibility stipulated in the By-Laws governing the ESS ("Eligible Executives"). The ESS is implemented and administered by an executives' share scheme committee ("ESS Committee"), in accordance with the By-Laws. The members of the ESS Committee are duly appointed and authorised by the Board.

    The salient features of the ESS are disclosed in Note 33 to the financial statements.

    To facilitate the implementation of the ESS, the Company entered into a Trust via the signing of a Trust Deed on 24 February 2009 with an appointed Trustee. The Trustee shall, at such times as the ESS Committee shall direct, subscribe for or acquire the necessary number of new or existing ordinary shares to accommodate any future transfer of shares to be made available to the Scheme Participants. For the aforementioned purpose and to enable the Trustee to meet payment of expenses in relation to the administration of the Trust, the Trustee will be entitled from time to time to accept funding and/or assistance, financial or otherwise from the Company and/or its subsidiaries.

    During the financial year, the Trustee of the ESS had purchased 2,896,000 of the Company's issued ordinary shares from the open market at an average price of RM2.44 per share. The total consideration paid for the purchase including transaction costs amounted to RM7,063,679.

    As at 31 March 2009, the Trustee of the ESS held 2,896,000 ordinary shares representing 0.11% of the issued and paid-up capital of the Company.

12. On 23 January 2009, the Company announced that it is proposing to undertake a Bumiputera issue of 96,300,000 new ordinary shares of RM1.00 each ("Special Issue Shares") to its eligible Bumiputera shareholders to be identified later ("Identified Bumiputera Shareholders") at an issue price to be determined after obtaining all relevant approvals ("Proposed Special Issue").

    The Proposed Special Issue is being undertaken to enable the Company to comply with the Bumiputera equity condition imposed by the SC pursuant to its approval for the equity participation of Australia and New Zealand Banking Group Limited in the Company.

    The price of the Special Issue Shares will be fixed at a later date at the discretion of the Board in accordance with the SC guidelines, after all the relevant approvals for the Proposed Special Issue have been obtained.

    Upon allotment and issuance, the Special Issue Shares shall rank pari passu in all respects with the then existing issued and paid-up shares of the Company. The Special Issue Shares will not be entitled to any dividend, rights, allotment and/or any other distribution declared, made or paid to the shareholders of the Company, where the entitlement date is prior to the allotment date of the Special Issue Shares.

    The total proceeds to be raised under the Proposed Special Issue cannot be determined at this juncture as it will depend on the issue price of the Special Issue Share. The proceeds from the Proposed Special Issue are expected to be utilised for working capital requirements after defraying expenses in relation to the Proposed Special Issue.

    The Proposed Special Issue is subject to the following approvals:

    i. The SC, which was obtained on 13 April 2009;

    ii. Equity Compliance Unit of SC under the Foreign Investment Committee guidelines, which was obtained on 13 April 2009;

    iii. Bursa Securities for the listing and quotation of the Special Issue Shares;

    iv. BNM, which was obtained on 14 January 2009 together with approval of the MOF for AmcorpGroup Berhad ("Amcorp") to increase its shareholding up to 20% of the enlarged issued and paid-up share capital of the Company through the acquisition of the Special Issue Shares that Amcorp may be allocated pursuant to the Proposed Special Issue;

    v. MOF for the recognition of the Bumiputera status of the Identified Bumiputera Shareholders;

    vi. The shareholders of the Company at an Extraordinary General Meeting to be convened; and

    vii. Any other relevant authorities (where applicable).

13. Upon BNM's approval dated 19 February 2009, AmBank had established a wholly-owned subsidiary under the name of AmMortgage One Berhad ("AmMortgage"), to undertake the business of securitization of mortgage loans. AmMortgage has an authorised share capital of RM100,000 and an issued and paid-up share capital of RM1,000.

58. SUBSEQUENT EVENTS

1. The Proposed Internal Transfer to constitute the Capital Market Group and Asset Management Group involving the Intra-group transfers of:-

    i. AmFutures and AmResearch from AMSH to AmInvestment Bank; and

    ii. AIM and AIS from AmInvestment Bank to AIGB,

    was completed on 1 April 2009.

2. On 10 April 2009, the Company had granted in the offer letters the following Scheme Shares and Options to Eligible Executives of the Group pursuant to the ESS:-

    i. 2,729,200 scheme shares under the Long-term Incentive Award; and

    ii. 9,736,800 options under the Long-term Incentive Award at an option price of RM2.20 per share,

    Scheme shares will only vest on or Options are only exercisable by Scheme Participants subject to the satisfaction of stipulated conditions. Such conditions are stipulated and determined to be satisfied by the ESS Committee.

    The Company operates an equity-settled, share-based compensation plan pursuant to the ESS.

59. RECLASSIFICATION AND RESTATEMENT OF COMPARATIVES

1. BNM Circular on Reclassification of Securities under Specific Circumstances

The Group 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/GP8). The provisions in the 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.

i. Effects on Balance Sheet as at 30 September 2008:

	Increase/(Decrease)		
Description of change	**30.9.08 Before reclass RM'000**	**BNM Guidelines on reclassification RM'000**	**30.9.08 After reclass RM'000**
Securities held-for-trading	1,966,677	(785,770)	1,180,907
Securities available-for-sale	5,622,487	785,770	6,408,257
Available-for-sale reserve	(134,321)	(37,887)	(172,208)
Unappropriated profits	1,564,536	31,774	1,596,310

ii. Effects on Income Statement for the quarter ended 30 September 2008:

	Increase/(Decrease)		
Group	**30.9.08 Before reclass RM'000**	**BNM Guidelines on reclassification RM'000**	**30.9.08 After reclass RM'000**
Revenue	1,406,584	39,664	1,446,248
Other operating income	108,799	39,664	148,463
Taxation	(84,427)	(6,197)	(90,624)
Profit after taxation attributable to equity holders of the Company	198,355	31,774	230,129

iii. Effects on Income Statement for the 6 months period ended 30 September 2008:

	Increase/(Decrease)		
Group	**30.9.08 Before reclass RM'000**	**BNM Guidelines on reclassification RM'000**	**30.9.08 After reclass RM'000**
Revenue	2,805,561	39,664	2,845,225
Other operating income	328,766	39,664	368,430
Taxation	(153,914)	(6,197)	(160,111)
Profit after taxation attributable to equity holders of the Company	401,269	31,774	433,043

iv. The carrying amounts and fair values of all securities reclassified from securities held-for-trading to securities available-for-sale are as follows:

	31.3.09		30.9.08	
Group	**Carrying amount RM'000**	**Fair values RM'000**	**Carrying amount RM'000**	**Fair values RM'000**
Securities reclassified from securities held-for-trading to securities available-for-sale	678,723	623,735	822,964	785,770

59. RECLASSIFICATION AND RESTATEMENT OF COMPARATIVES (CONTD.)

2. Restatement of comparatives

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

a. 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.

b. credit card receivables under instalment payment scheme which were previously classified under Other Assets have been reclassified as part of Loans, advances and financing.

c. 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.

d. deposits for certain depositors which were previously classified under Deposits and placements of banks and other financial institutions have been reclassified as part of Deposit from customers.

The above classifications are to conform with current year presentation which better reflects the nature of the items.

Balance Sheet as at 31 March 2008 Group	As previously reported RM'000	Effect of re-classification RM'000	As restated RM'000
Assets			
Cash and short-term funds	10,958,364	87,062	11,045,426
Loans, advances and financing	52,453,593	120,727	52,574,320
Other assets	2,231,758	(207,789)	2,023,969
Liabilities			
Deposits from customers	47,767,451	8,001,410	55,768,861
Deposits and placements of banks and other financial institutions	15,118,689	(8,001,410)	7,117,279
Income Statement for 31 March 2008			
Operating revenue	6,007,582	(14,900)	5,992,682
Interest income	3,783,729	(14,786)	3,768,943
Net income from Islamic banking business	517,185	(114)	517,071
Other operating expenses	(1,552,272)	15,373	(1,536,899)
Provision for foreclosed property	-	(473)	(473)

60. ISLAMIC BANKING BUSINESS

The state of affairs as at 31 March 2009 and the results for the year ended 31 March 2009 of the Islamic banking business of the Group and included in the financial statements, after elimination of intercompany transactions and balances, are summarised as follows:

BALANCE SHEET
AS AT 31 MARCH 2009

		Group	
	Note	2009 RM'000	2008 RM'000
ASSETS			
Cash and short-term funds	(ii)	**3,218,641**	1,921,662
Securities held-for-trading	(iii)	**203,863**	559,411
Securities available-for-sale	(iv)	**569,295**	-
Securities held-to-maturity	(v)	**36,710**	32,373
Financing and advances	(vi)	**9,810,477**	8,054,961
Statutory deposits with Bank Negara Malaysia		**86,079**	271,700
Other receivables, deposits and prepayments		**109,804**	92,154
Property and equipment	(vii)	**489**	536
Deferred tax assets		**99,191**	157,781
Computer software	(viii)	**565**	611
TOTAL ASSETS		**14,135,114**	11,091,189
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(ix)	**10,155,389**	6,917,573
Deposits and placements of banks and other financial institutions	(x)	**1,425,410**	1,636,439
Converted fund	(xi)	**7,240**	2,160
Acceptances payable		**612,567**	547,347
Other liabilities	(xii)	**208,235**	154,200
Subordinated Sukuk Musyarakah	28	**400,000**	400,000
Total Liabilities		**12,808,841**	9,657,719
ISLAMIC BANKING FUNDS			
Share capital/Capital funds	(xiii)	**435,877**	505,877
Reserves		**890,396**	927,593
Islamic Banking Funds		**1,326,273**	1,433,470
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		**14,135,114**	11,091,189
COMMITMENTS AND CONTINGENCIES	(xxi)	**4,301,299**	6,111,742

60. ISLAMIC BANKING BUSINESS (CONTD.)

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009

	Note	Group 2009 RM'000	Group 2008 RM'000
Income derived from investment of depositors' funds and others	(xiv)	**809,625**	704,643
Allowance for losses on financing	(xv)	**(91,951)**	(138,061)
Provision for commitment and contingencies		**(11,978)**	-
Impairment loss for sundry debt		**(18)**	-
Transfer (to)/from profit equalization reserve		**(24,518)**	18,211
Total attributable income		**681,160**	584,793
Income attributable to the depositors	(xvi)	**(383,685)**	(364,313)
Profit attributable to the Group		**297,475**	220,480
Income derived from Islamic Banking Funds	(xvii)	**165,879**	195,994
Total net income		**463,354**	416,474
Operating expenditure	(xviii)	**(221,808)**	(205,045)
Finance cost		**(19,200)**	(19,253)
Profit before taxation and zakat		**222,346**	192,176
Taxation and zakat	(xix)	**(58,001)**	(73,116)
Profit after taxation and zakat		**164,345**	119,060

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2009

		Non-Distributable				Distributable	
Group	Capital funds RM'000	Share premium RM'000	Statutory reserve RM'000	Available-for-sale reserve RM'000	Exchange fluctuation reserve RM'000	Unappropriated profits RM'000	Total RM'000
At 1 April 2007	505,877	534,068	47,390	52	(343)	227,756	1,314,800
Transfer from unappropriated profits	-	-	43,049	-	-	(43,049)	-
Translation adjustments	-	-	-	-	(390)	-	(390)
Profit for the year	-	-	-	-	-	119,060	119,060
At 31 March 2008	505,877	534,068	90,439	52	(733)	303,767	1,433,470
At 1 April 2008	**505,877**	**534,068**	**90,439**	**52**	**(733)**	**303,767**	**1,433,470**
Transfer from unappropriated profits	**-**	**-**	**78,334**	**-**	**-**	**(78,334)**	**-**
Amount retained by AmInvestment Bank's conventional business	**(70,000)**	**-**	**-**	**-**	**-**	**(211,118)**	**(281,118)**
Unrealised net gain on revaluation of securities available-for-sale				**8,906**	**-**	**-**	**8,906**
Translation adjustments	**-**	**-**	**-**	**-**	**670**	**-**	**670**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**164,345**	**164,345**
At 31 March 2009	**435,877**	**534,068**	**168,773**	**8,958**	**(63)**	**178,660**	**1,326,273**

The accompanying notes form an integral part of the Islamic banking business financial statements.

60. ISLAMIC BANKING BUSINESS (CONTD.)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2009

	Group	
	2009 RM'000	2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**222,346**	192,176
Add/(Less) adjustments for:		
Specific allowance for bad and doubtful financing	**108,429**	138,762
General allowance for bad and doubtful financing	**11,554**	15,443
Depreciation of property and equipment	**145**	120
Amortisation of computer software	**150**	90
Transfer to/(from) profit equalization reserve	**24,518**	(18,211)
Net gain from sale of securities held-for-trading	**(7,489)**	(22,141)
Loss on revaluation of securities held-for-trading	**3,958**	661
Net gain on disposal of securities held-to-maturity	**-**	(673)
Operating profit before working capital changes	**363,611**	306,227
(Increase)/Decrease in operating assets		
Deposit and placements with banks and other financial institutions	**-**	415,200
Securities held-for-trading	**359,080**	14,329
Financing and advances	**(1,875,499)**	(1,805,547)
Other receivables, deposits and prepayments	**(14,692)**	6,641
Statutory deposits with Bank Negara Malaysia	**185,621**	(8,200)
Increase/(Decrease) in operating liabilities		
Deposits from customers	**3,237,816**	1,821,648
Deposits and placements of banks and other financial institutions	**(211,029)**	(1,376,202)
Converted funds	**5,080**	(12,037)
Acceptances payable	**65,220**	100,733
Other liabilities	**28,320**	(75,733)
Cash generated from/(used in) operating activites	**2,143,528**	(612,941)
Taxation and zakat paid	**(503)**	(9,051)
Net cash generated from/(used in) operating activites	**2,143,025**	(621,992)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase)/Proceeds from disposal of securities - net	**(564,726)**	20,988
Purchase of property and equipment	**(98)**	(192)
Purchase of computer software	**(104)**	(636)
Net cash (used in)/generated from investing activities	**(564,928)**	20,160
CASH FLOWS FROM FINANCING ACTIVITIES		
Net capital funds transferred to conventional business	**(281,118)**	-
Net cash used in financing activities	**(281,118)**	-
Net increase/(decrease) in cash and cash equivalents	**1,296,979**	(601,832)
Cash and cash equivalents at beginning of year	**1,921,662**	2,523,494
Cash and cash equivalents at end of year	**3,218,641**	1,921,662

The accompanying notes form an integral part of the Islamic banking business financial statements.

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS

i. ISLAMIC BANKING BUSINESS

Disclosure of Shariah Advisors

The Group's Islamic banking activities are subject to conformity with Shariah requirements and confirmation by the Shariah Advisors, Dr Amir Husin Mohd Nor, En. Adnan Bin Yusoff and Associate Professor Dr. Noor Naemah Abd. Rahman. The role and authority of the Shariah Advisors are as follows:

a. Advise and provide guidance on all matters pertaining to Shariah principles including product development, marketing and implementation activities.

b. Assist in the setting up of business and operational procedures with respect to compliance with Shariah principles.

Zakat Obligations

This represents business zakat. It is an obligatory amount payable by the Group to comply with the principles of Shariah. The Group does not pay zakat on behalf of the shareholders or depositors.

ii. CASH AND SHORT-TERM FUNDS

	Group	
	2009 RM'000	2008 RM'000
Cash and bank balances	**8,541**	2,802
Money on call and deposits maturing within one month:		
Other financial institutions	**3,210,100**	1,918,860
	3,218,641	1,921,662

iii. SECURITIES HELD-FOR-TRADING

	Group	
	2009 RM'000	2008 RM'000
At Fair Value		
Money Market Securities:		
Treasury bills	**-**	78,225
Malaysian Government Investment Certificates	**-**	35,221
Cagamas Bonds	**-**	2,091
Islamic Khazanah Bonds	**991**	-
Khazanah Bonds	**-**	13,502
Negotiable Islamic debt certificates	**-**	313,741
	991	442,780
Unquoted Private Debt Securities of Companies Incorporated In Malaysia:		
Islamic corporate bonds	**135,714**	86,697
Islamic corporate notes	**67,158**	29,934
	202,872	116,631
Total	**203,863**	559,411

iv. SECURITIES AVAILABLE-FOR-SALE

	Group	
	2009 RM'000	2008 RM'000
At Fair Value		
Securities Quoted In Malaysia:		
Corporate bonds	**569,295**	-

v. SECURITIES HELD-TO-MATURITY

	Group	
	2009 RM'000	2008 RM'000
At Amortised Cost		
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:		
Corporate bonds	**36,710**	32,373
Market/Indicative Value		
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:		
Corporate bonds	**35,458**	31,764

vi. FINANCING AND ADVANCES

	Group	
	2009 RM'000	2008 RM'000
Islamic hire purchase, net of unearned income	**5,283,928**	4,327,138
Term financing/Revolving credit facilities	**3,029,943**	2,309,469
Claims on customer under acceptance credits	**763,656**	686,376
Credit card receivables	**310,266**	303,280
Trust receipts	**31,828**	44,996
Other financing	**656,417**	692,092
Gross financing and advances	**10,076,038**	8,363,351
Allowance for bad and doubtful debts and financing		
-general	**(166,508)**	(154,954)
-specific	**(99,053)**	(153,436)
	(265,561)	(308,390)
Net financing and advances	**9,810,477**	8,054,961

Financing and advances analysed by concepts are as follows:

	Group	
	2009 RM'000	2008 RM'000
Al-Ijarah	**5,430,924**	4,326,730
Al-Bai' Bithaman Ajil	**1,177,304**	1,187,106
Al-Murabahah	**861,692**	834,492
Al-Musyarakah	**6**	17,418
Al-Wujuh	**-**	3,814
Al-Istina	**625**	1,398
Others	**2,605,487**	1,992,393
	10,076,038	8,363,351

The maturity structure of financing and advances are as follows:

	Group	
	2009 RM'000	2008 RM'000
Maturing within one year	**1,263,333**	1,327,084
One year to three years	**754,872**	1,086,567
Three to five years	**1,466,156**	883,627
Over five years	**6,591,677**	5,066,073
	10,076,038	8,363,351

Gross financing and advances analysed by type of customers are as follows:

	Group	
	2009 RM'000	2008 RM'000
Individuals	**7,801,363**	6,596,519
Business enterprises	**1,319,548**	1,031,057
Small medium industries	**946,981**	707,024
Government	**-**	21,311
Foreign entities	**4,040**	3,597
Other domestic entities	**-**	3,182
Non-bank financial institutions	**4,106**	661
	10,076,038	8,363,351

Financing and advances analysed by profit rate sensitivity are as follows:

	Group	
	2009 RM'000	2008 RM'000
Fixed rate:		
Housing finance	**381,353**	418,918
HP receivables	**5,430,921**	4,455,609
Others	**4,101,031**	3,422,933
Variable rate:		
Cost-plus	**160,720**	64,724
BLR-plus	**2,013**	1,167
	10,076,038	8,363,351

VI. FINANCING AND ADVANCES (CONTD.)

Gross financing and advances analysed by their economic purposes are as follows:

	Group	
	2009 RM'000	2008 RM'000
Purchase of transport vehicles	**5,349,678**	4,412,141
Purchase of landed properties:		
a. Residential	**383,048**	420,105
b. Non-residential	**213,184**	145,369
Personal use	**2,035,433**	1,702,103
Working capital	**1,216,669**	1,092,858
Credit cards	**309,379**	303,053
Fixed assets	**161,385**	126,277
Construction	**109,673**	27,467
Purchase of securities	**6,319**	9,416
Consumer durables	**124**	1,184
Other purpose	**291,146**	123,378
	10,076,038	8,363,351

Movements in non-performing financing and advances ("NPL") are as follows:

	Group	
Gross	2009 RM'000	2008 RM'000
Balance at beginning of year	**305,321**	503,084
Non-performing during the year	**186,216**	206,068
Reclassification to performing financing	**(62,432)**	(103,518)
Recoveries	**(27,618)**	(70,877)
Amount written off	**(161,850)**	(229,436)
Balance at end of year	**239,637**	305,321
Specific allowance	**(99,053)**	(153,436)
Non-performing financing - net	**140,584**	151,885
Net NPL as % of gross financing and advances (including Islamic financing sold to Cagamas Berhad) less specific allowance	**1.29%**	1.51%

Non-performing financing and advances analysed by their economic purposes are as follows:

	Group	
	2009 RM'000	2008 RM'000
Purchase of transport vehicles	**120,820**	124,907
Purchase of landed properties:		
a. Residential	**58,008**	81,367
b. Non-residential	**14,277**	29,038
Working capital	**30,747**	24,847
Credit cards	**11,095**	10,580
Personal use	**496**	452
Fixed assets	**2,312**	7,203
Construction	**6**	21,878
Purchase of securities	**626**	913
Other purpose	**1,250**	4,136
	239,637	305,321

Movements in allowances for bad and doubtful financing accounts are as follows:

	Group	
	2009 RM'000	2008 RM'000
General Allowance		
Balance at beginning of year	**154,954**	139,511
Allowance made during the year	**11,554**	15,443
Balance at end of year	**166,508**	154,954
% of total financing and advances less specific allowance	**1.53%**	1.54%
Specific Allowance		
Balance at beginning of year	**153,436**	253,699
Allowance made during the year	**156,574**	217,276
Amount written back in respect of recoveries	**(48,145)**	(78,514)
Net charge to income statement	**108,429**	138,762
Amount written off/Adjustment to Asset Deficiency Account	**(162,812)**	(239,025)
Balance at end of year	**99,053**	153,436

vii. PROPERTY AND EQUIPMENT

Group	Leasehold Improvements RM'000	Computer hardware RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
2009				
COST				
At beginning of year	**275**	**207**	**391**	**873**
Addition	**11**	**79**	**8**	**98**
Reclassification/Transfers	**-**	**127**	**(127)**	**-**
At end of year	**286**	**413**	**272**	**971**
ACCUMULATED DEPRECIATION				
At beginning of year	**99**	**74**	**164**	**337**
Addition	**49**	**72**	**24**	**145**
Reclassification/Transfers	**-**	**33**	**(33)**	**-**
At end of year	**148**	**179**	**155**	**482**
NET BOOK VALUE				
As at 31 March 2009	**138**	**234**	**117**	**489**
2008				
COST				
At beginning of year	245	631	287	1,163
Addition	30	58	104	192
Reclassification/Transfers	-	(482)	-	(482)
At end of year	275	207	391	873
ACCUMULATED DEPRECIATION				
At beginning of year	55	41	121	217
Addition	44	33	43	120
Reclassification/Transfers	-	-	-	-
At end of year	99	74	164	337
NET BOOK VALUE				
As at 31 March 2008	176	133	227	536

viii. COMPUTER SOFTWARE

	Group	
	2009 RM'000	2008 RM'000
COST		
At beginning of year	**709**	73
Additions	**104**	636
At end of year	**813**	709
ACCUMULATED AMORTISATION		
At beginning of year	**98**	8
Additions	**150**	90
At end of year	**248**	98
NET CARRYING AMOUNT	**565**	611

ix. DEPOSITS FROM CUSTOMERS

	Group	
	2009 RM'000	**2008 RM'000**
Mudarabah Fund		
Special Investment deposits	**44,850**	512,022
General Investment deposits	**8,251,739**	4,675,498
	8,296,589	5,187,520
Non-Mudarabah Fund		
Demand deposits	**645,865**	520,564
Saving deposits	**945,950**	801,381
Negotiable Islamic debt certificates	**266,985**	408,108
	1,858,800	1,730,053
	10,155,389	6,917,573

The maturity structure of deposits from customers is as follows:

	Group	
	2009 RM'000	**2008 RM'000**
Due within six months	**9,180,487**	6,035,112
Six months to one year	**525,255**	591,156
One year to three years	**379,264**	203,909
Three years to five years	**70,383**	87,396
	10,155,389	6,917,573

The deposits are sourced from the following types of customers:

	Group	
	2009 RM'000	**2008 RM'000**
Business enterprises	**4,765,935**	2,796,767
Government and statutory bodies	**2,914,913**	1,937,844
Individuals	**1,957,159**	1,622,719
Others	**517,382**	560,243
	10,155,389	6,917,573

x. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	2009 RM'000	**2008 RM'000**
Mudarabah Fund		
Other financial institutions	**588,790**	356,492
Licensed investment/merchant banks	**-**	31,413
Non-Mudarabah Fund		
Licensed investment/merchant banks	**158,978**	662,466
Other financial institutions	**61,731**	33,195
Licensed banks	**198,258**	107,466
Licensed islamic banks	**414,224**	442,984
Bank Negara Malaysia	**3,429**	2,423
	1,425,410	1,636,439

xi. CONVERTED FUND

This represent funds transferred from non-Islamic banking business to Islamic banking business for funding purposes at commercial terms.

xii. OTHER LIABILITIES

	Group	
	2009 RM'000	**2008 RM'000**
Other payables and accruals	**130,875**	105,075
Taxation and zakat payable	**7,930**	6,581
Amount owing to head office	**401**	68
Lease deposits and advance rentals	**6,867**	4,869
Profit equalisation reserve	**62,162**	37,607
	208,235	154,200

xii. OTHER LIABILITIES (CONTD.)

The movements in profit equalisation reserve are as follows:

	Group	
	2009 RM'000	2008 RM'000
Balance at beginning of year	**37,607**	55,837
Transfer from/(to) income statements	**24,518**	(18,211)
Exchange fluctuation adjustments	**37**	(19)
Balance at end of year	**62,162**	37,607

xiii. CAPITAL FUNDS

	Group	
	2009 RM'000	2008 RM'000
Allocated:		
Balance at beginning and end of year	**563,381**	563,381
Utilised:		
Balance at beginning of year	**505,877**	505,877
Amount retained by AmInvestment Bank conventional business	**(70,000)**	-
Balance at end of year	**435,877**	505,877

xiv. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Group	
	2009 RM'000	2008 RM'000
Income derived from investment of:		
i. General investment deposits	**477,791**	348,623
ii. Specific investment deposits	**211**	360
iii. Other deposits	**331,623**	355,660
	809,625	704,643

i. Income derived from investment of general investment deposits:

	Group	
	2009 RM'000	2008 RM'000
Finance income and hibah:		
Financing and advances	**403,011**	279,414
Securities held-for-trading	**7,603**	7,772
Securities available-for-sale	**-**	162
Securities held-to-maturity	**1,063**	2,275
Money at call and deposits with financial institutions	**39,554**	42,797
	451,231	332,420
Accretion of discount	**2,004**	269
	453,235	332,689
Net gain/(loss) from sale of securities held-for-trading	**3,347**	(136)
Net gain from disposal of securities held-to-maturity	**-**	260
Loss on revaluation of securities-held-for-trading	**(1,989)**	(172)
Others	**258**	(50)
	1,616	(98)
Fee and commission income:		
Commission	**4,184**	2,379
Other fee income	**18,756**	13,653
	22,940	16,032
Total	**477,791**	348,623

ii. Income derived from investment of specific investment deposits:

	Group	
	2009 RM'000	2008 RM'000
Finance income and hibah:		
Securities available-for-sale	**-**	95
Securities held-to-maturity	**211**	265
	211	360

XIV. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS (CONTD.)

iii. Income derived from investment of other deposits:

	Group	
	2009 RM'000	2008 RM'000
Finance income and hibah:		
Financing and advances	**280,024**	307,179
Securities held-for-trading	**5,379**	2,775
Securities held-to-maturity	**-**	630
Money at call and deposits with financial institutions	**27,766**	27,387
	313,169	337,971
Accretion of discount	**1,392**	297
	314,561	338,268
Net gain/(loss) from sale of securities held-for-trading	**2,325**	(150)
Loss on revaluation of securities-held-for-trading	**(1,382)**	(400)
Net gain from disposal of securities held-to-maturity	**-**	287
Others	**180**	(55)
	1,123	(318)
Fee and commission income:		
Commission	**2,907**	2,628
Other fee income	**13,032**	15,082
	15,939	17,710
Total	**331,623**	355,660

xv. ALLOWANCE FOR LOSSES ON FINANCING

	Group	
	2009 RM'000	2008 RM'000
Allowance for bad and doubtful financing:		
- general allowance	**11,554**	15,443
- specific allowance (net)	**108,429**	138,762
	119,983	154,205
Bad debts recovered	**(28,032)**	(16,144)
	91,951	138,061

xvi. INCOME ATTRIBUTABLE TO THE DEPOSITORS

	Group	
	2009 RM'000	2008 RM'000
Deposits from customers		
- Mudarabah Fund	**230,017**	162,561
- Non-Mudarabah Fund	**29,469**	27,198
Deposits and placements of banks and other financial institutions		
- Mudarabah Fund	**14,321**	30,968
- Non-Mudarabah Fund	**43,267**	40,658
Converted fund	**118**	303
Others	**66,493**	102,625
	383,685	364,313

xvii. INCOME DERIVED FROM ISLAMIC BANKING FUNDS

	Group	
	2009 RM'000	2008 RM'000
Finance income and hibah:		
Financing and advances	**119,063**	134,940
Securities held-for-trading	**2,574**	3,619
Securities available-for-sale	**12,685**	23
Securities held-to-maturity	**220**	533
Money at call and deposits with financial institutions	**12,738**	20,214
	147,280	159,329
Accretion of discount	**472**	130
	147,752	159,459
Net gain from sale of securities held-for-trading	**1,817**	22,427
Net gain from disposal of securities available-for-sale	**2,307**	
Net gain from disposal of securities held-to-maturity	**-**	126
Loss on revaluation of securities-held-for-trading	**(587)**	(89)
Others	**76**	(24)
	3,613	22,440
Fee and commission income:		
Guarantee fees	**1,716**	1,437
Commission	**1,236**	1,150
Other fee income	**11,562**	11,508
	14,514	14,095
Total	**165,879**	195,994

xviii. OPERATING EXPENDITURE

	Group	
	2009 RM'000	2008 RM'000
Personnel costs	**9,448**	8,882
Establishment costs	**2,279**	1,694
Marketing and communication expenses	**6,660**	7,000
Administration and general expenses	**203,421**	187,469
	221,808	205,045

xix. TAXATION AND ZAKAT

	Group	
	2009 RM'000	2008 RM'000
Estimated current tax payable	**1,336**	6,580
Transfer from deferred tax assets (Note xx)	**55,633**	65,935
Taxation	**56,969**	72,515
Zakat	**1,032**	601
Taxation and zakat	**58,001**	73,116

xx. DEFERRED TAX ASSETS

	Group	
	2009 RM'000	**2008 RM'000**
Balance at beginning of year	**157,781**	223,716
Net transfer to income statement	**(55,633)**	(65,935)
Recognised in equity	**(2,957)**	-
Balance at end of year	**99,191**	157,781
The deferred taxation is in respect of the following:		
Unabsorbed tax losses	**59,570**	123,082
General allowance for financing activites	**41,627**	38,739
Profit equalisation reserve	**15,483**	9,342
Temporary difference between depreciation and tax allowence	**(187)**	(142)
Temporary difference arising from unrealised loss on securities available-for-sale	**(2,957)**	-
Others	**(14,345)**	(13,240)
	99,191	157,781

xxi. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Islamic banking business of the Group 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 assets.

As at 31 March 2009, the commitments and contingencies outstanding are as follows:

	2009			2008		
Group	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
Commitments						
Irrevocable commitments to extend credit maturing:						
within one year	**1,508,291**	**-**	**-**	1,267,700	238,540	235,039
more than one year	**259,804**	**10,433**	**24,083**	331,014	165,507	136,579
Unutilised credit card line	**505,845**	**101,169**	**75,602**	551,454	110,291	82,365
Sale and buy back agreements	**155,560**	**212**	**206**	1,216,782	1,216,782	879,744
	2,429,500	**111,814**	**99,891**	3,366,950	1,731,120	1,333,727
Contingent Liabilities						
Islamic revolving underwriting facilities	**399,000**	**199,500**	**199,500**	337,000	168,500	168,500
Certain transaction-related contingent items	**182,317**	**91,159**	**91,659**	80,340	40,170	40,170
Financing sold to Cagamas Bhd	**874,067**	**874,067**	**663,997**	1,863,857	1,863,857	1,404,403
Short-term self liquidating trade-related contingencies	**55,734**	**11,147**	**11,147**	72,577	14,515	14,497
Al-Kafalah guarantees	**328,104**	**328,104**	**328,104**	386,043	386,043	361,879
Others	**32,577**	**-**	**-**	4,975	-	-
	1,871,799	**1,503,977**	**1,294,407**	2,744,792	2,473,085	1,989,449
	4,301,299	**1,615,791**	**1,394,298**	6,111,742	4,204,205	3,323,176

With effect from 1 January 2008, the credit equivalent and risk-weighted amount are in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework: Standardised Approach (Basel II).

xxii. YIELD/PROFIT RATE RISK

The following table shows the effective profit rates at the balance sheet date and the periods in which the financial instruments reprice or mature, whichever is earlier.

	Non Trading Book									
Group	**Up to 1 month RM'000**	**>1 - 3 months RM'000**	**>3 - 6 months RM'000**	**>6 - 12 months RM'000**	**1 - 5 years RM'000**	**Over 5 years RM'000**	**Non-yield/ profit sensitive RM'000**	**Trading Book RM'000**	**Total RM'000**	**Effective profit rate %**
2009										
ASSETS										
Cash and short-term funds	3,210,100	-	-	-	-	-	8,541	-	3,218,641	2.10
Securities held-for-trading	-	-	-	-	-	-	-	203,863	203,863	4.62
Securities available-for-sale	-	7,384	9,286	31,760	336,935	183,930	-	-	569,295	2.22
Securities held-to-maturity	-	36,455	-	-	-	-	255	-	36,710	3.03
Financing and advances										
- performing	762,591	440,423	(245,620)	86,593	2,019,866	6,772,547	-	-	9,836,400	7.88
- non-performing*	-	-	-	-	-		(25,923)	-	(25,923)	-
Other non-profit sensitive balances	-	-	-	-	-	-	296,128	-	296,128	-
TOTAL ASSETS	3,972,691	484,262	(236,334)	118,353	2,356,801	6,956,477	279,001	203,863	14,135,114	
LIABILITIES AND ISLAMIC BANKING FUNDS										
Deposits from customers	5,000,417	2,294,215	1,239,990	525,255	449,647	-	645,865	-	10,155,389	2.46
Deposits and placements of banks and other financial institutions	469,588	297,622	293,707	166,528	192,778	-	5,187	-	1,425,410	3.03
Converted fund	7,240	-	-	-	-	-	-	-	7,240	1.02
Acceptances payable	220,903	281,824	109,840	-	-	-	-	-	612,567	2.00
Subordinated Sukuk Musyarakah	-	-	-	-	400,000	-	-	-	400,000	4.80
Other non-profit sensitive balances	-	-	-	-	-	-	208,235	-	208,235	-
Total liabilities	5,698,148	2,873,661	1,643,537	691,783	1,042,425	-	859,287	-	12,808,841	
Islamic Banking Funds	-	-	-	-	-	-	1,326,273	-	1,326,273	
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	5,698,148	2,873,661	1,643,537	691,783	1,042,425	-	2,185,560	-	14,135,114	
On-balance sheet yield/ profit rate gap sensitivity	(1,725,457)	(2,389,399)	(1,879,871)	(573,430)	1,314,376	6,956,477	(1,906,559)	203,863	-	
Off-balance sheet yiled/ profit rate gap sensitivity	-	-	-	-	-	-	-	-	-	
Total yield/profit rate sensitivity gap	(1,725,457)	(2,389,399)	(1,879,871)	(573,430)	1,314,376	6,956,477	(1,906,559)	203,863	-	
Cumulative yield/profit rate gap sensitivity	(1,725,457)	(4,114,856)	(5,994,727)	(6,568,157)	(5,253,781)	1,702,696	(203,863)	-	-	

xxii. YIELD/PROFIT RATE RISK (contd.)

Group	Non Trading Book Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-yield/ profit sensitive RM'000	Trading Book RM'000	Total RM'000	Effective profit rate %
2008										
ASSETS										
Cash and short-term funds	1,918,862	-	-	-	-	-	2,800	-	1,921,662	3.57
Securities held-for-trading	-	-	-	-	-	-	-	559,411	559,411	4.19
Securities held-to-maturity	-	32,373	-	-	-	-	-		32,373	5.68
Financing and advances										
- 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	-	-	-	-	-	-	522,782	-	522,782	-
TOTAL ASSETS	2,406,784	367,774	45,374	(361,227)	1,568,823	5,981,737	522,513	559,411	11,091,189	
LIABILITIES AND ISLAMIC BANKING FUNDS										
Deposits from customers	3,485,078	1,200,561	828,909	591,156	291,305	-	520,564	-	6,917,573	2.96
Deposits and placements of banks and other financial institutions	240,081	216,014	236,676	595,816	343,749	-	4,103	-	1,636,439	3.63
Converted fund	2,160	-	-	-	-	-	-	-	2,160	3.34
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	-	-	-	-	-	-	154,200	-	154,200	-
Total liabilities	3,905,875	1,675,563	1,175,388	1,186,972	1,035,054		678,867	-	9,657,719	
Islamic Banking Funds	-	-	-	-	-	-	1,433,470	-	1,433,470	
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	3,905,875	1,675,563	1,175,388	1,186,972	1,035,054	-	2,112,337	-	11,091,189	
On-balance sheet yield/ profit rate gap sensitivity	(1,499,091)	(1,307,789)	(1,130,014)	(1,548,199)	533,769	5,981,737	(1,589,824)	559,411	-	
Off-balance sheet yiled/ profit rate gap sensitivity	(940,401)	(217,662)	51,098	3,421	845,385	258,159	-	-	-	
Total yield/profit rate sensitivity gap	(2,439,492)	(1,525,451)	(1,078,916)	(1,544,778)	1,379,154	6,239,896	(1,589,824)	559,411	-	
Cumulative yield/profit rate gap sensitivity	(2,439,492)	(3,964,943)	(5,043,859)	(6,588,637)	(5,209,483)	1,030,413	(559,411)	-	-	

* This is arrived at after deducting the general allowance and specific allowance from gross non-performing financing outstanding.

xxiii. FAIR VALUE OF ISLAMIC BANKING BUSINESS FINANCIAL INSTRUMENTS

The estimated fair values of the Group Islamic banking business financial instruments are as follows:

Group	2009 Carrying Value RM'000	2009 Fair Value RM'000	2008 Carrying Value RM'000	2008 Fair Value RM'000
Financial Assets				
Cash and short-term funds	**3,218,641**	**3,218,641**	1,921,662	1,921,662
Securities held-for-trading	**203,863**	**203,863**	559,411	559,411
Securities available-for-sale	**569,295**	**569,295**	-	-
Securities held-to-maturity	**36,710**	**35,458**	32,373	31,764
Financing and advances	**9,976,985**	**10,357,357**	8,209,915	8,572,058
Other financial assets	**109,804**	**109,804**	92,154	92,154
	14,115,298	**14,494,418**	10,815,515	11,177,049
Non-financial assets	**19,816**		275,674	
TOTAL ASSETS	**14,135,114**		11,091,189	
Financial Liabilities				
Deposits from customers	**10,155,389**	**10,181,045**	6,917,573	6,929,155
Deposits and placements of banks and other financial insitutions	**1,425,410**	**1,402,044**	1,636,439	1,640,484
Converted fund	**7,240**	**7,240**	2,160	2,160
Acceptances payable	**612,567**	**612,567**	547,347	547,347
Subordinated Sukuk Musyarakah	**400,000**	**456,142**	400,000	432,061
Other financial liabilities	**138,143**	**145,439**	110,012	110,012
	12,738,749	**12,804,477**	9,613,531	9,661,219
Non-financial liabilities				
Other non-financial liabilities	**70,092**		44,188	
Islamic Banking Funds	**1,326,273**		1,433,470	
	1,396,365		1,477,658	
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	**14,135,114**		11,091,189	

* The general allowance for the Group amounting to RM166,508,000 (RM154,954,000 as at 31 March 2008) has been included under non-financial assets.

xxiv. NET INCOME FROM ISLAMIC BANKING BUSINESS

For consolidation with the conventional business, net income from Islamic banking business comprises the following items:

	Group	
	2009 RM'000	2008 RM'000
Income derived from investment of depositors' funds and others	**809,625**	704,643
Less : Income attributable to depositors	**(383,685)**	(364,313)
Income attributable to the Group	**425,940**	340,330
Income derived from Islamic Banking Funds	**165,879**	195,994
Less : Finance cost	**(19,200)**	(19,253)
	572,619	517,071

xxv. CAPITAL ADEQUACY RATIO

a. The aggregated capital adequacy ratios under the Islamic banking business of the Group as at 31 March are as follows:

	Group	
	2009 RM'000	2008 RM'000
Before deducting proposed dividend:		
Core capital ratio	**11.39%**	12.08%
Risk-weighted capital ratio	**16.70%**	17.34%
After deducting proposed dividend:		
Core capital ratio	**11.39%**	12.08%
Risk-weighted capital ratio	**16.70%**	17.34%

With effect from 1 January 2008, the capital adequacy ratios of the Islamic banking business of the Group are computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework (RWCAF-Basel II) and the Capital Adequacy Framework for Islamic Banks (CAFIB). The Group's Islamic banking business has adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk.

b. The aggregated components of Tier I and Tier II Capital of the Islamic banking business of the Group are as follows:

	Group	
	2009 RM'000	2008 RM'000
Tier 1 capital		
Paid-up ordinary share capital	**435,877**	505,877
Share premium	**534,068**	534,068
Statutory reserve	**168,773**	90,439
Exchange fluctuation reserve	**-**	(733)
Unappropriated profit at end of year	**178,032**	303,767
Total tier 1 capital	**1,316,750**	1,433,418
Less: Deferred tax assets - net	**(102,161)**	(157,781)
Total	**1,214,589**	1,275,637
Tier 2 capital		
Subordinated Sukuk Musyarakah	**400,000**	400,000
General allowance for bad and doubtful financing	**166,508**	154,954
Total tier 2 capital	**566,508**	554,954
Capital base	**1,781,097**	1,830,591

The breakdown of risk-weighted assets of the Islamic banking business of the Group in the various risk categories are as follows:

	Group	
	2009 RM'000	2008 RM'000
Credit risk	**9,476,490**	8,774,188
Market risk	**237,786**	901,704
Operational risk	**949,499**	880,132
	10,663,775	10,556,024

XXV. CAPITAL ADEQUACY RATIO (CONTD.)

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

2009
Group

Exposure Class

		Gross Exposures RM'000		Net Exposures RM'000	Risk Weighted Assets RM'000	Capital Requirements RM'000
1.	**Credit Risk**					
	On-Balance Sheet Exposures					
	Sovereigns/Central Banks	3,087,200		3,087,200	-	-
	Public Sector Entities ("PSEs")	25,561		25,561	5,112	409
	Banks, Development Financial Institutions ("DFI") & Multilateral Development Banks ("MDBs") Insurance Companies, Securities Firms & Fund Managers	349,504		349,504	87,356	6,988
	Corporates	2,534,177		2,501,759	2,128,768	170,302
	Regulatory Retail	7,679,664		7,674,713	5,749,139	459,931
	Residential Mortgages	154,919		154,872	63,758	5,101
	Other Assets	44,689		44,689	33,119	2,650
	Defaulted Exposures	176,861		176,680	227,844	18,227
	Total for On- Balance Sheet Exposures	14,052,575		14,014,978	8,295,096	663,608
	Off-Balance Sheet Exposures					
	Credit Derivatives	212		212	206	17
	Off balance sheet exposures other than over the counter derivatives or credit derivatives	1,421,100		1,398,577	1,181,188	94,495
	Total for Off- Balance Sheet Exposures [Note xxv (e)]	1,421,312		1,398,789	1,181,394	94,512
	Total On and Off- Balance Sheet Exposures	15,473,887		15,413,767	9,476,490	758,120
2.	**Large Exposures Risk Requirement**					
3.	**Market Risk**	**Long Position**	**Short Position**			
	Profit rate risk					
	- General interest rate risk	770,071	53,563		160,198	12,816
	- Specific interest rate risk	304,537	-		21,419	1,714
	Foreign exchange risk	1,294	-		1,294	104
	Options	399,000	-		54,875	4,390
	Total	1,474,902	53,563		237,786	19,024
4.	Operational Risk				949,499	75,959
5.	Total RWA and Capital Requirements				10,663,775	853,103

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

d. The aggregated breakdown of credit risk exposures by risk weights of the Islamic banking business of the Group for the current financial year are as follows:

2009
Group

	Exposures after Netting and Credit Risk Mitigation													
Risk Weights	Sovereigns & Central Banks	PSEs	Banks, MDBs and DFIs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residental Mortgages	Higher Risk Assets	Other Assets	Specialised Financing / Investment	Securitisation	Equity	Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
0%	3,087,200	-	-	-	-	-	-	-	4,703	-	-	-	3,091,903	-
20%	-	25,593	291,322	-	409,685	-	-	-	3,818	-	-	-	730,418	146,083
35%	-	-	-	-	-	-	91,042	-	-	-	-	-	91,042	31,865
50%	-	-	58,194	-	53,283	15,901	65,516	-	-	-	-	-	192,894	96,446
75%	-	-	-	-	-	8,650,287	-	-	-	-	-	-	8,650,287	6,487,716
100%	-	-	-	129	2,468,804	16,490	13,695	-	43,787	-	-	-	2,542,905	2,542,905
150%	-	-	-	-	23,780	94,181	-	3,977	(7,621)	-	-	-	114,317	171,475
Average Risk Weight											-		-	-
Total	3,087,200	25,593	349,516	129	2,955,552	8,776,859	170,253	3,977	44,687	-	-	-	15,413,766	9,476,490
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	

XXV. CAPITAL ADEQUACY RATIO (CONTD.)

e. The Off-Balance Sheet exposures and their related counterparty credit risk of the Islamic banking business of the Group are as follows:

Group	2009 Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Assets RM'000
Credit -Related Exposures			
Al-Kafalah guarantees	328,104	328,104	314,700
Certain transaction-related contingent items	182,317	91,159	91,659
Islamic revolving underwriting facilities	-	-	-
Short term self liquidating trade-related contingencies	55,734	11,147	11,147
Financing sold to Cagamas Bhd	879,088	879,088	663,997
Irrevocable commitments to extend credit maturing:			
- within one year	1,508,291	-	-
- more than one year	259,804	10,433	24,083
Unutilised credit card line	505,845	101,169	75,602
Sale and buy back agreements	153,300	212	206
Others	32,577	-	-
Total	3,905,060	1,421,312	1,181,394

<-----------Note xxv (c)------------>

xxvi. RESTATEMENT OF COMPARATIVES

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

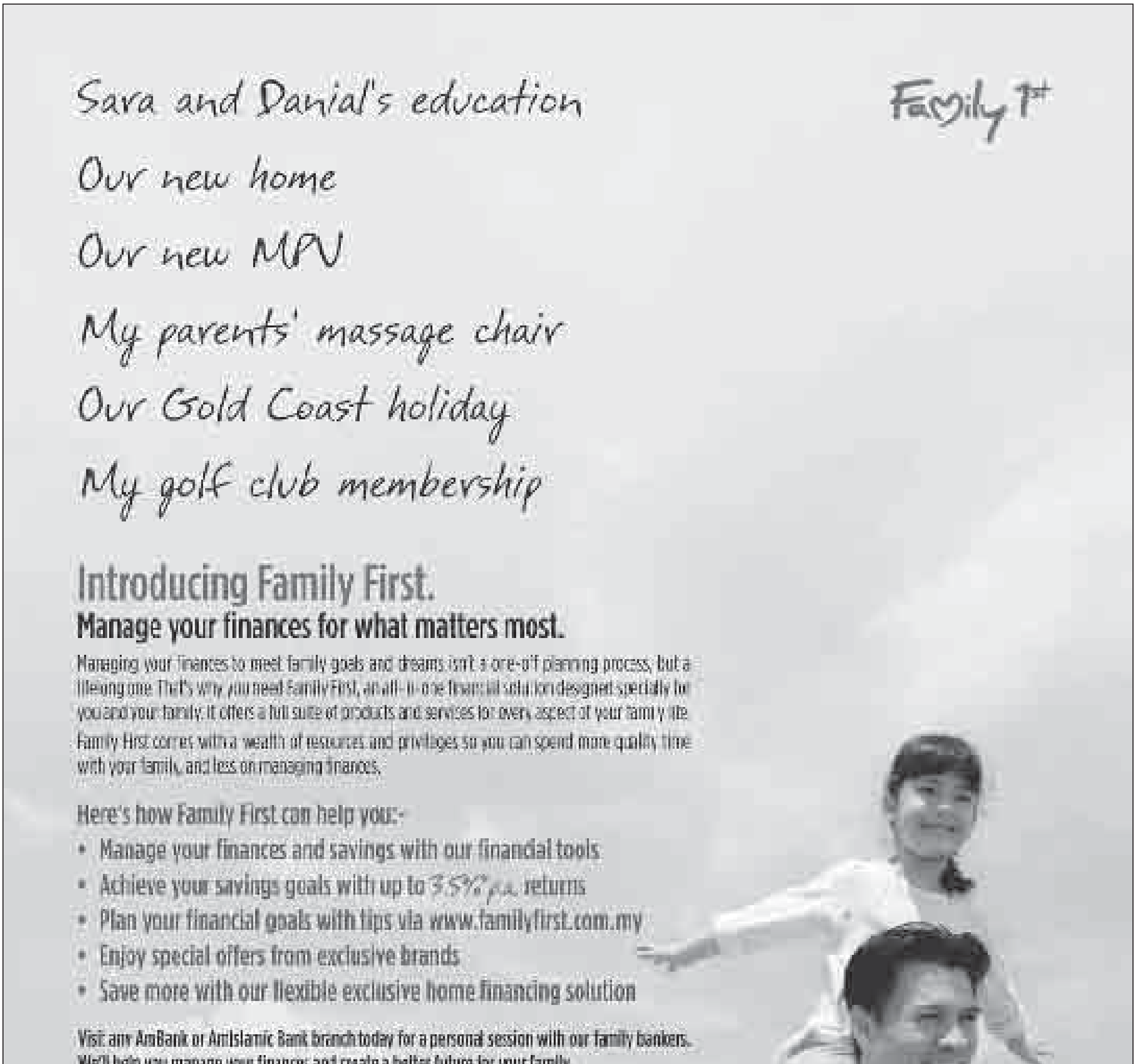
a. credit card receivables under instalment payment scheme which were previously classified under Other Assets have been reclassified as part of financing and advances.

b. deposits for certain depositors which were previously classified under Deposits and placements of banks and other financial institutions have been reclassified as part of Deposits from customers.

c. certain incidental expenses which were incurred in the acquisition of house financing and commercial property financing and were previously taken up under Operating expenditure are now deducted against income earned from the said financing.

The above classifications are to conform with current year presentation which better reflects the nature of the items.

Group	As previously reported RM'000	Effect of reclassification RM'000	As restated RM'000
Balance Sheet as at 31 March 2008			
Assets			
Financing and advances	8,019,646	35,315	8,054,961
Other assets	127,469	(35,315)	92,154
Liabilities			
Deposits from customers	5,872,599	1,044,974	6,917,573
Deposits and placements of banks and other financial institutions	2,681,413	(1,044,974)	1,636,439
Income Statement for 31 March 2008			
Income derived from investment ofdepositors' funds and others	704,757	(114)	704,643
Operating expenditure	(205,159)	114	(205,045)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Our new home
Our new MPV
My parents' massage chair
Our Gold Coast holiday
My golf club membership
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LIST OF
Landed Properties

As At 31 March 2009

The properties owned by the subsidiary companies are as follows:

Location	Description	Age of Property	Tenure	Net Book Value (RM)	Built-up Area (sq. ft.)	Date of Acquisition
Perlis Indera Kayangan						
13, Jalan Jubli Perak 01000 Kangar	One unit of double storey shoplot for branch premises	25 years	Freehold	99,309	2,800	4 Nov 1991
Perak Darul Ridzuan						
5, Main Road 32300 Pulau Pangkor	One unit of two-storey shophouse for branch premises	36 years	Freehold	52,922	2,720	31 Dec 1990
27, Jalan Trump Kuala Sepetang 34650 Taiping	One unit of double storey shoplot for branch premises	26 years	Freehold	44,801	2,702	4 Nov 1991
23 & 24, Jalan Raja Omar 32000 Sitiawan	Two units of three-storey shoplots for branch premises	27 years	Freehold	245,590	7,040	1 Nov 1991
107, Jalan Tokong Datoh 33300 Grik	One unit of two-storey shoplot for branch premises	24 years	Leasehold Term: 99 years Expiry: 30 Oct 2084	172,524	5,695	29 Dec 1990
2 & 4, Jalan Temenggong Pusat Bandar 34200 Parit Buntar	Two units of two-storey shoplots for branch premises	20 years	Leasehold Term: 99 years Expiry: Oct 2088	273,208	6,722	23 Dec 1993
Pulau Pinang						
1 & 3, Lorong Murni 6 Taman Desa Murni, Sungai Dua 13800 Butterworth	Two units of double storey shoplots for branch premises	17 years	Freehold	553,665	7,200	28 Nov 1996
35 & 36 – Phase 1 Prai Business Point Prai Perdana 12000 Seberang Prai	Two units of vacant three-storey shop office	9 years	Freehold	1,469,351	10,307	28 Nov 1998
1311, Jalan Besar 14200 Sungai Bakap Province Wellesley	One unit of two-storey shoplot for branch premises	19 years	Freehold	195,400	3,894	7 Dec 1992
4194, Jalan Bagan Luar 12000 Butterworth	Two units of two-storey shoplots for branch premises	24 years	Freehold	223,860	7,200	16 Sep 1992
Wilayah Persekutuan – Kuala Lumpur						
Wisma AmBank 113, Jalan Pudu 55100 Kuala Lumpur	One unit 12-storey office building for operations and branch premises	23 years	Freehold	15,025,108	55,700	4 Nov 1991
2 & 4, Jalan 12/5 Taman Melati, Setapak 53100 Kuala Lumpur	Two units of two-storey shoplots for storage purposes	18 years	Freehold	338,990	5,600	17 July 1992
2 & 4, Jalan 23/70A Desa Sri Hartamas 55048 Kuala Lumpur	Two units of four-storey shoplots for rental purposes	10 years	Freehold	3,152,030	13,504	23 Apr 1998
85, 87, 89, 107, 109 & 111 Jalan 3/93, Taman Miharja 55200 Kuala Lumpur	Six units of three-storey shoplots for rental purposes	19 years	Leasehold Term: 99 years Expiry: 11 Aug 2086	2,521,104	30,528	9 Mar 1992
8th & 9th Floors Bangunan AMDB 1, Jalan Lumut 50400 Kuala Lumpur	Two floors of office space for operations	16 years	Freehold	6,954,795	25,488	18 May 1994
Wilayah Persekutuan – Labuan						
A (03-6) & E (03-1) Kerupang II 87000 Labuan	Two units of three-room walk-up apartment for residential purposes	14 years	Leasehold Term: 99 years Expiry: 25 Apr 2058	347,840	1,016	30 June 1996
Alpha Park Tower Condo Labuan, 10th Floor Financial Park Complex 87000 Labuan	Condominium for residential purposes	13 years	Leasehold Term: 99 years Expiry: 31 Dec 2090	417,845	1,679	1 July 1996

Location	Description	Age of Property	Tenure	Net Book Value (RM)	Built-up Area (sq. ft.)	Date of Acquisition
Selangor Darul Ehsan						
11, Jalan Taman Off Jalan Melayu 41300 Klang	One unit of four-storey shoplot under joint venture for rental	24 years	Leasehold Term: 20 years Expiry: July 2006	237,906	6,200	4 Nov 1991
7 & 9, Jalan Perusahaan 2 Off Jalan Kolej 43300 Seri Kembangan	Two units of two-storey commercial complex for branch premises	23 years	Leasehold Term: 40 years Expiry: May 2017	470,277	8,000	25 Nov 1995
Damansara Fairway 3 6C, Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya	One unit of 13-storey office building	18 years	Leasehold Term: 99 years Expiry: 25 Oct 2090	16,933,022	76,120	13 Oct 2000
Pahang Darul Makmur						
Lot 4, Sec 1, Pekan Mengkuang Mukim of Triang District of Temerloh	One piece of vacant land	N/A	Freehold	61,000	410,009	4 Nov 1991
533, Tanah Rata 39000 Cameron Highlands	One unit of apartment	25 years	Leasehold Term: 85 years Expiry: Aug 2067	143,671	980	30 Nov 1985
Melaka						
Lot 43 & 44, Sec 7 Jalan Hang Tuah Town Area XXI Melaka Tengah	Two pieces of vacant land for rental purposes	18 years	Freehold	2,142,416	26,789	4 Nov 1991
Negeri Sembilan Darul Khusus						
22 & 23, Jalan Dato' Lee Fong Yee 70000 Seremban	Two units of four-storey shoplots for branch premises	24 years	Freehold	1,070,074	22,000	15 Mar 1990
Lot 4261 GM395 Mukim Jimah, Port Dickson	One unit of two-storey shophouse	12 years	Freehold	29,837	1,765	25 Apr 1997
Johor Darul Takzim						
S142, Bt 22, Jalan Mersing Kahang New Village 86700 Kahang	One unit of double storey shoplot for branch premises	26 years	Freehold	70,324	2,300	4 Nov 1991
31-7, Jalan Raya Kulai Besar, 81000 Kulai	One unit of shoplot for branch premises	21 years	Freehold	381,608	6,930	19 May 1992
14 & 15, Jalan Abdullah 85000 Segamat	Two units of four-storey shoplots for branch premises	69 years	Freehold	367,968	5,832	12 June 1985
100, Jalan Besar 83700 Yong Peng	One unit of shoplot for branch premises	71 years	Freehold	216,520	3,120	12 June 1985
Kelantan Darul Naim						
707, Jalan Masjid Lama 17000 Pasir Mas	One unit of two-storey shoplot for branch premises	31 years	Leasehold Term: 66 years Expiry: Jan 2061	309,155	3,024	25 June 1993
Terengganu Darul Iman						
50, Jalan Lim Teck Wan 23000 Dungun	One unit of double storey shoplot for branch premises	26 years	Freehold	156,798	3,600	4 Nov 1991
Sabah and Sarawak						
257, Jalan Haji Taha 93400 Kuching	Seven-storey office building for branch premises and rental	10 years	Leasehold Term: 855 years Expiry: July 2792	12,208,275	51,906	31 Dec 1994

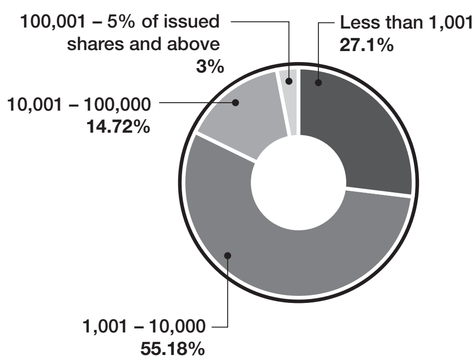
SHAREHOLDING Structure

As At 30 June 2009

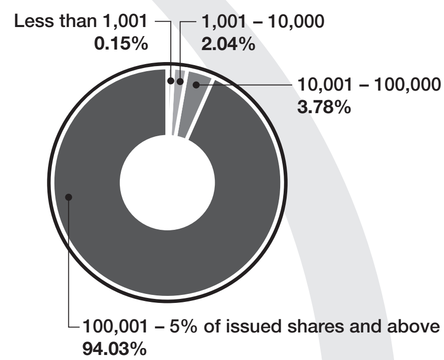
Analysis Of Shareholdings

Authorised Share Capital	:	RM5,200,000,000 divided into 5,000,000,000 Ordinary Shares of RM1.00 each and 200,000,000 Converting Preference Shares of RM1.00 each
Issued and Paid-up Ordinary Share Capital	:	RM2,722,969,590
Class of Share	:	Ordinary Share of RM1.00 each
Voting Rights	:	1 vote per ordinary shareholder on a show of hands 1 vote per ordinary share on a poll

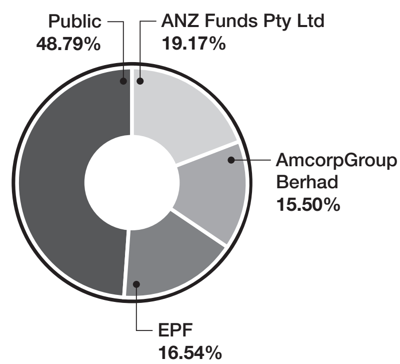
Number of Shareholders



Number of Shares



Direct Shareholding



Number of Shareholders	Number of Shares		Direct Shareholding	
	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Size of Shareholdings				
Less than 100	1,299	5.08	49,057	0.00
100 – 1,000	5,634	22.02	4,137,422	0.15
1,001 – 10,000	14,120	55.18	55,529,311	2.04
10,001 – 100,000	3,766	14.72	102,837,451	3.78
100,001 to less than 5% of issued shares	766	2.99	1,397,556,920	51.32
5% and above of issued shares	3	0.01	1,162,859,429	42.71
Total	**25,588**	**100.00**	**2,722,969,590**	**100.00**
Location of Shareholders				
Malaysia	24,160	94.42	1,395,551,864.00	51.25
Singapore	366	1.43	4,987,544.00	0.18
Hong Kong	4	0.02	300,200.00	0.01
Australia	44	0.17	522,567,828.00	19.19
Japan	2	0.01	35,800.00	0.00
United States of America	6	0.02	139,400.00	0.01
Other Countries	1,006	3.93	799,386,954.00	29.36
Total	**25,588**	**100.00**	**2,722,969,590.00**	**100.00**
Types of Shareholders (By Nationality)				
Malaysian				
- Individual	20,949	81.87	144,632,140.00	5.31
- Nominee companies	2,778	10.86	742,141,722.00	27.25
- Other companies	433	1.69	508,778,002.00	18.68
Singaporean	366	1.43	4,987,544.00	0.18
Hong Kong National	4	0.02	300,200.00	0.01
Australian	44	0.17	522,567,828.00	19.19
Japanese	2	0.01	35,800.00	0.00
American	6	0.02	139,400.00	0.01
Other foreigners	1,006	3.93	799,386,954.00	29.36
Total	**25,588**	**100.00**	**2,722,969,590.00**	**100.00**

SHAREHOLDING Structure

As At 30 June 2009

30 Largest Shareholders

		No. of Shares	%
1	ANZ Funds Pty Ltd	521,926,229	19.17
2	Employees Provident Fund Board	365,933,200	13.44
3	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account For AmcorpGroup Berhad	275,000,000	10.10
4	HSBC Nominees (Asing) Sdn Bhd TNTC For M&G Global Basics Fund	78,000,000	2.86
5	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For AmcorpGroup Berhad (492344 JTRK-RC2)	76,000,000	2.79
6	AmcorpGroup Berhad	63,635,083	2.34
7	Amanah Raya Nominees (Tempatan) Sdn Bhd Skim Amanah Saham Bumiputera	48,056,612	1.76
8	HSBC Nominees (Asing) Sdn Bhd Exempt AN For The Bank Of New York Mellon (Mellon Acct)	38,328,254	1.41
9	HSBC Nominees (Asing) Sdn Bhd TNTC For Saudi Arabian Monetary Agency	29,935,207	1.10
10	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Wawasan 2020	27,251,125	1.00
11	Valuecap Sdn Bhd	26,977,900	0.99
12	Cartaban Nominees (Asing) Sdn Bhd Government Of Singapore Investment Corporation Pte Ltd For Government Of Singapore (C)	26,290,935	0.97
13	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (ETP)	25,960,800	0.95
14	HSBC Nominees (Tempatan) Sdn Bhd Nomura Asset MGMT Malaysia For Employees Provident Fund	22,695,400	0.83
15	SBB Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	21,836,200	0.80
16	Citigroup Nominees (Asing) Sdn Bhd CBNY For DFA Emerging Markets Fund	21,831,262	0.80
17	Citigroup Nominees (Tempatan) Sdn Bhd CMS Trust Management Berhad For Employees Provident Fund	21,775,320	0.80
18	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Malaysia	21,517,360	0.79
19	HSBC Nominees (Asing) Sdn Bhd Exempt AN For JPMorgan Chase Bank, National Association (U.S.A)	18,508,249	0.68
20	HSBC Nominees (Asing) Sdn Bhd TNTC For M&G Global Leaders Fund [M&G INV FD (1)]	15,688,700	0.58
21	CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account For AmcorpGroup Berhad (49234 JTRK)	15,000,000	0.55
22	HSBC Nominees (Asing) Sdn Bhd Exempt AN For The Bank Of New York Mellon (BNYM AS E&A)	14,725,411	0.54
23	HSBC Nominees (Asing) Sdn Bhd Exempt AN For JPMorgan Chase Bank, National Association (U.A.E)	14,711,772	0.54
24	HSBC Nominees (Asing) Sdn Bhd HSBC BK PLC For Prudential Assurance Company Ltd	14,558,300	0.53
25	Malaysia Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	14,325,500	0.53
26	HSBC Nominees (Asing) Sdn Bhd BBH And Co Boston For Vanguard Emerging Markets Stock Index Fund	14,192,458	0.52
27	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustee Berhad For Public Regular Savings Fund (N14011940100)	13,665,200	0.50
28	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN For American International Assurance Berhad	12,310,846	0.45
29	Cartaban Nominees (Asing) Sdn Bhd State Street For Ishares, Inc	10,537,737	0.39
30	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN For Prudential Fund Management Berhad	10,023,300	0.37
	Total	**1,881,198,360**	**69.09**

SHAREHOLDING
Structure

As At 30 June 2009

Substantial Shareholding According To The Register Of Substantial Shareholders

	No. of Shares			
	Direct Interest	%	Indirect Interest	%
Y Bhg Tan Sri Dato' Azman Hashim	-	-	422,001,333[1]	15.50
ANZ Funds Pty Ltd	521,926,229	19.17	-	-
Australia and New Zealand Banking Group Limited	-	-	521,926,229[2]	19.17
AmcorpGroup Berhad	422,001,333	15.50	-	-
Clear Goal Sdn Bhd	-	-	422,001,333[1]	15.50
Employees Provident Fund Board	451,573,397	16.54	-	-

Notes:
1. Deemed interested by virtue of Section 6A (4) of the Companies Act, 1965 held through AmcorpGroup Berhad.
2. Deemed interested by virtue of Section 6A (4) of the Companies Act, 1965 held through ANZ Funds Pty Ltd.

Directors' Interest In The Company And Its Subsidiaries

The Company - AMMB Holdings Berhad

	No. of Shares			
	Direct Interest	%	Indirect Interest	%
Y Bhg Tan Sri Dato' Azman Hashim			422,001,333	15.50
Y Bhg Dato' Azlan Hashim	180,684	0.01		
Y Bhg Dato' Izham Mahmud	7,000	0.00		
Mr Cheah Tek Kuang	78,800	0.00		

Y Bhg Tan Sri Dato' Azman Hashim, by virtue of his interest in the shares of AMMB Holdings Berhad ("AHB"), is also deemed to have an interest in the shares of the subsidiaries of AHB to the extent that AHB has an interest.

Other than stated above, none of the other directors of the Company had any direct and indirect interest in the Company or its subsidiaries.

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Directory

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Website: www.ambankgroup.com

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MELAKA
Jalan Munshi Abdullah
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Fax: 03-2141 2413

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Fax: 03-9101 4977

Cheras – Taman Maluri
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Fax: 03-2094 1937

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Fax: 03-2162 1606

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Selayang
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Sentul
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Fax: 03-4042 5777

Setapak
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Fax: 03-4023 6551

Sri Petaling
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Fax: 03-9056 2512

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Fax: 03-8070 3336

Rawang Country Homes
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Bandar Baru Rawang
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Fax: 03-6091 8612

Semenyih
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Fax: 03-8723 9571

Sepang
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Fax: 03-3142 2170

Shah Alam – Section 9
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Fax: 03-5510 2416

Shah Alam – Section 15B
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Fax: 03-5510 6968

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Subang Jaya
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Subang New Village
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Tel: 05-465 1964, 466 1067
Fax: 05-465 1534

Kuala Kangsar
Tel: 05-776 1186, 776 1955
Fax: 05-776 4008

Kuala Sepetang
Tel: 05-858 1773
Fax: 05-858 1996

Langkap
Tel: 05-659 1227, 659 2735
Fax: 05-659 2888

Menglembu
Tel: 05-281 0402, 281 0403
Fax: 05-281 0408

Pulau Pangkor
Tel: 05-685 1051, 685 2776
Fax: 05-685 2161

Parit Buntar
Tel: 05-716 2366, 716 1732
Fax: 05-716 4287

Silibin
Tel: 05-527 7715, 527 7716
Fax: 05-527 7719

Sitiawan
Tel: 05-691 2476, 691 2496
Fax: 05-691 6935

Sungai Siput
Tel: 05-597 2357, 597 2388
Fax: 05-597 2359

Taiping
Tel: 05-808 3108, 806 0613
Fax: 05-807 2108

Tanjung Malim
Tel: 05-459 0825, 459 6649
Fax: 05-459 6371

Teluk Intan
Tel: 05-621 1008, 621 7175
Fax: 05-621 2120

PULAU PINANG
Ayer Itam
Tel: 04-826 3015, 828 8566
Fax: 04-829 1414

Balik Pulau
Tel: 04-866 0863, 866 8633
Fax: 04-866 8430

Bagan Ajam
Tel: 04-331 9020
Fax: 04-331 9024

Bandar Baru Ayer Itam
Tel: 04-828 1745, 828 2850
Fax: 04-828 1985

Bayan Baru
Tel: 04-644 8142, 644 8149
Fax: 04-644 8163

Bukit Mertajam
Tel: 04-530 2392, 530 2393
Fax: 04-530 2395

Butterworth
Tel: 04-332 2901, 332 2902
Fax: 04-332 4619

Gelugor
Tel: 04-657 1284, 657 2148
Fax: 04-657 2004

Jelutong
Tel: 04-657 2339, 659 2410
Fax: 04-657 1644

MBf Tower
Tel: 04-229 0917, 229 0972
Fax: 04-229 0943

Penang Main – Leboh Bishop
Tel: 04-263 2520, 263 2523
Fax: 04-263 1468

Pulau Tikus
Tel: 04-229 8942, 229 8943
Fax: 04-229 8945

Sungai Bakap
Tel: 04-582 2368, 582 4579
Fax: 04-582 5827

Sungai Dua
Tel: 04-356 7691, 356 1328
Fax: 04-356 1159

Tanjung Bungah
Tel: 04-890 4502, 890 4628
Fax: 04-890 4690

Menara Liang Court
Tel: 04-226 3939
Fax: 04-226 1313

Seberang Jaya
Tel: 04-397 9569, 397 9570
Fax: 04-397 9572

KEDAH DARUL AMAN
Alor Setar
Tel: 04-730 1905, 731 1984
Fax: 04-731 3901

Jitra
Tel: 04-917 2910, 917 5555
Fax: 04-917 2911

Kulim
Tel: 04-491 3666, 491 3667
Fax: 04-490 0162

Langkawi
Tel: 04-966 3130, 966 3133
Fax: 04-966 3129

Sungai Petani
Tel: 04-422 7980, 422 7987
Fax: 04-422 8191

PERLIS INDERA KAYANGAN
Arau
Tel: 04-986 2220, 986 2705
Fax: 04-986 2221

Kangar
Tel: 04-976 9177, 976 9190
Fax: 04-976 4217

KELANTAN DARUL NAIM
Kota Bharu
Tel: 09-741 9508, 741 9506
Fax: 09-747 9340

Pasir Mas
Tel: 09-790 0701, 790 0702
Fax: 09-790 0703

TERENGGANU DARUL IMAN
Dungun
Tel: 09-848 5220, 848 5221
Fax: 09-845 6220

Jerteh
Tel: 09-697 2511, 697 2512
Fax: 09-697 2513

Kemaman
Tel: 09-859 2534, 859 5486
Fax: 09-859 4433

Kuala Terengganu
Tel: 09-624 9957, 624 9958,
624 9959, 624 9960
Fax: 09-624 9916

Marang
Tel: 09-618 2787, 618 2788,
618 5493
Fax: 09-618 1390

PAHANG DARUL MAKMUR
Bentong
Tel: 09-222 6850, 222 3888
Fax: 09-222 4622

Jerantut
Tel: 09-266 3005, 266 5005
Fax: 09-266 5046

Kuantan – Jalan Beserah
Tel: 09-560 1818, 560 1830
Fax: 09-567 0695

Kuantan – Jalan Haji Abdul Aziz
Tel: 09-516 4389, 516 2607
Fax: 09-555 3782

Mentakab
Tel: 09-277 1196, 277 3028
Fax: 09-277 5427

Raub
Tel: 09-356 1850, 355 3166
Fax: 09-356 1852

Tanah Rata
Tel: 05-491 1088, 491 1089
Fax: 05-491 1087

Temerloh
Tel: 09-290 1113, 290 1128
Fax: 09-296 5889

Triang
Tel: 09-255 3124, 255 3304
Fax: 09-255 3198

NEGERI SEMBILAN DARUL KHUSUS
Bahau
Tel: 06-455 3001, 455 3002
Fax: 06-454 3998

Mantin
Tel: 06-758 3630, 758 3631
Fax: 06-758 2251

Nilai
Tel: 06-850 0648, 850 0649
Fax: 06-850 0647

Port Dickson
Tel: 06-646 1013, 646 1016
Fax: 06-647 4033

Rasah Jaya
Tel: 06-632 8462, 632 8420
Fax: 06-632 8382

Seremban –
Jalan Dato' Lee Fong Yee
Tel: 06-762 4463, 763 6988
Fax: 06-763 5905

Seremban – Jalan Pasar
Tel: 06-764 7735, 764 7734
Fax: 06-764 1537

MELAKA
Ayer Keroh
Tel: 06-232 3146, 232 3866
Fax: 06-232 3466

Jasin
Tel: 06-529 4361, 529 4362
Fax: 06-529 4363

Masjid Tanah
Tel: 06-384 3977, 384 6310
Fax: 06-384 3979

Melaka – Jalan Munshi Abdullah
Tel: 06-282 8114, 286 6530,
286 2870, 286 2871
Fax: 06-283 6926

Tampin
Tel: 06-441 1330, 441 3301
Fax: 06-441 4735

Melaka – Taman Melaka Raya
Tel: 06-282 5785, 282 5897
Fax: 06-282 5979

JOHOR DARUL TAKZIM
Batu Pahat – Jalan Rugayah
Tel: 07-433 8431, 434 8550
Fax: 07-431 6214

Johor Bahru –
Jalan Wong Ah Fook
Tel: 07-228 2200, 276 3355
Fax: 07-221 0663

Johor Bahru – Melodies Garden
Tel: 07-334 1061, 334 1054
Fax: 07-334 1063

Johor Jaya
Tel: 07-354 7033, 355 7759
Fax: 07-356 2624

Kluang
Tel: 07-776 2801
Fax: 07-771 9408

Kota Tinggi
Tel: 07-883 4978, 883 3232
Fax: 07-883 4507

Kulai
Tel: 07-663 4830, 663 1567
Fax: 07-663 1155

Mersing
Tel: 07-799 4394, 799 4397
Fax: 07-799 1336

Pasir Gudang
Tel: 07-251 0861, 251 2916
Fax: 07-251 8908

Permas Jaya
Tel: 07-387 8977, 386 9842
Fax: 07-387 7748

Pontian
Tel: 07-687 3171, 687 6388
Fax: 07-687 3067

Segamat
Tel: 07-931 9515, 931 9941
Fax: 07-931 6159

Simpang Renggam
Tel: 07-755 6416, 755 0733
Fax: 07-755 6417

Skudai
Tel: 07-556 8031, 556 7259
Fax: 07-558 1927

Sungai Rengit
Tel: 07-826 3011, 826 3013
Fax: 07-826 3359

Tampoi
Tel: 07-234 1216, 234 1217
Fax: 07-234 1131

Tangkak
Tel: 07-978 1331, 978 9519
Fax: 07-978 2144

Ulu Tiram
Tel: 07-867 1004, 867 1002
Fax: 07-867 1006

Yong Peng
Tel: 07-467 2499, 467 3546
Fax: 07-467 2668

Batu Pahat – Jalan Rahmat
Tel: 07-432 4208, 431 8218
Fax: 07-431 8961

Johor Bahru – Metropolis Tower
Tel: 07-335 8905, 335 0600
Fax: 07-335 0469

Muar
Tel: 06-954 0070, 954 0071
Fax: 06-954 0076

SABAH
Bandar Pasaraya
Tel: 089-218 240, 213 419
Fax: 089-218 226

Inanam
Tel: 088-421 534, 427 704
Fax: 088-428 830

Keningau
Tel: 087-333 745, 331 088
Fax: 087-331 818

Kota Kinabalu – Jalan Sagunting
Tel: 088-243 725, 246 112
Fax: 088-248 967

Kota Kinabalu –
Luyang Commercial Centre
Tel: 088-280 164, 280 160
Fax: 088-242 241

Kudat
Tel: 088-612 301, 613 255
Fax: 088-612 253

Lahad Datu
Tel: 089-881 561, 884 992
Fax: 089-881 778

Sandakan
Tel: 089-212 627, 215 322
Fax: 089-273 666

Tawau
Tel: 089-764 932, 764 905,
770 430
Fax: 089-764 971

Tuaran
Tel: 088-792 900, 792 901
Fax: 088-792 902

Kota Kinabalu –
Jalan Tunku Abdul Rahman
Tel: 088-265 643, 265 645
Fax: 088-265 654

SARAWAK
Bau
Tel: 082-762 319, 762 325
Fax: 082-762 320

Bintulu
Tel: 086-334 153
Fax: 086-332 400

Kuching –
Boulevard Shopping Mall
Tel: 082-460 354
Fax: 082-460 479

Kuching – Jalan Abell
Tel: 082-244 608, 244 604
Fax: 082-232 023

Kuching – Jalan Haji Taha
Tel: 082-207 298, 236 610
Fax: 082-256 600

Kuching – Jalan Penrissen
Tel: 082-455 560
Fax: 082-455 596

Kuching – Tabuan Jaya
Tel: 082-360 644/740
Fax: 082-360 942

Kuching – The Spring
Tel: 082-417 508
Fax: 082-417 613

Lawas
Tel: 085-285 594, 285 637
Fax: 085-285 699

Marudi
Tel: 085-755 297, 755 721
Fax: 085-755 788

Miri – Beautiful Jade Centre
Tel: 085-411 257, 414 988
Fax: 085-419 676

Miri – Boulevard Centre
Tel: 085-437 908, 437 909
Fax: 085-437 915

Sarikei
Tel: 084-655 776, 655 777
Fax: 084-655 775

Serian
Tel: 082-875 157, 875 158
Fax: 082-875 155

Sibu – Tanahmas
Tel: 084-322 766, 313 639
Fax: 084-318 786

Sibu – Jalan Pedada
Tel: 084-337 791, 339 105
Fax: 084-337 736

Sibu – Jalan Tuanku Osman
Tel: 084-348 746
Fax: 084-348 745

Sibu Jaya
Tel: 084-237 849, 236 978,
237 030
Fax: 084-237 927

WILAYAH PERSEKUTUAN LABUAN
Labuan
Tel: 087-417 891, 417 898
Fax: 087-418 090

AmISLAMIC BANK BERHAD

Head Office
Level 45, Menara AmBank
No. 8, Jalan Yap Kwan Seng
50400 Kuala Lumpur
Tel: 03-2167 3000
Fax: 03-2166 5664
Telex: MA 032355
Cable Address: AMBANK MAL
Website:
www.amislamicbank.com.my
Contact Centre:
1300 80 8888 (Domestic)
or 603-2178 8888 (Overseas)

Note: Branch Offices & Regional Offices are shared with AmBank (M) Berhad except Bandar Baru Bangi and Alamanda Shopping Complex.

Branch Offices

SELANGOR DARUL EHSAN
Bandar Baru Bangi
Tel: 03-8925 1124, 8925 3313
Fax: 03-8925 2005

WILAYAH PERSEKUTUAN PUTRAJAYA
Alamanda Shopping Complex
Tel: 03-8888 3898
Fax: 03-8888 9352

ARAB-MALAYSIAN CREDIT BERHAD

Head Office
22nd Floor
Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2036 2633
Fax: 03-2031 6453

AmLife INSURANCE BERHAD

Head Office
9th Floor, Bangunan
AmAssurance
No. 1, Jalan Lumut
50400 Kuala Lumpur
Tel: 03-4047 8000
Fax: 03-4043 8680
Contact Centre:
1300 88 8800 (Domestic)
or 603-2178 8000 (Overseas)

Division Branch Offices

WILAYAH PERSEKUTUAN KUALA LUMPUR
KL Main Branch
Tel: 03-4041 6959
Fax: 03-4045 4682

SELANGOR DARUL EHSAN
Klang
Tel: 03-3344 8100
Fax: 03-3344 7524

PERAK DARUL RIDZUAN
Ipoh
Tel: 05-254 0589, 255 8193
Fax: 05-241 3570

PULAU PINANG
Jalan Burmah
Tel: 04-229 3611, 228 7270
Fax: 04-228 4412

KEDAH DARUL AMAN
Sungai Petani
Tel: 04-422 8819, 04-422 3168
Fax: 04-421 3528

Alor Setar
Tel: 04-734 6731, 735 4809
Fax: 04-735 4335

KELANTAN DARUL NAIM
Kota Bharu
Tel: 09-747 0571, 747 0569
Fax: 09-744 2342

TERENGGANU DARUL IMAN
Kuala Terengganu
Tel: 09-624 2388, 624 2361
Fax: 09-631 7285

PAHANG DARUL MAKMUR
Kuantan
Tel: 09-566 2011, 566 5788
Fax: 09-567 9792

NEGERI SEMBILAN DARUL KHUSUS
Seremban
Tel: 06-767 2280
Fax: 06-767 2282

MELAKA
Taman Melaka Raya
Tel: 06-281 3590, 281 3591
Fax: 06-281 3580

JOHOR DARUL TAKZIM
Batu Pahat
Tel: 07-434 2985, 434 2986
Fax: 07-434 3102

Johor Bahru
Tel: 07-333 2688
Fax: 07-334 4776

SABAH
Kota Kinabalu
Tel: 088-234 488
Fax: 088-241 686

Tawau
Tel: 089-760 151, 760 152
Fax: 089-760 153

SARAWAK
Kuching
Tel: 082-415 067
Fax: 082-236 418

Sibu
Tel: 084-313 901, 313 902
Fax: 084-344 875

Miri
Tel: 085-415 526
Fax: 085-423 097

Agency Offices

WILAYAH PERSEKUTUAN
Jalan Pudu
Tel: 03-7982 3006

Jalan Dewan Bahasa
Tel: 03-7726 8064
Fax: 03-2141 7076

Taman Seraya Cheras,
Kuala Lumpur
Tel: 03-4297 8400
Fax: 03-4296 6043

SELANGOR DARUL EHSAN
Jalan Persiaran Raja Muda Muda,
Klang
Tel: 03-3372 0981
Fax: 03-3373 9834

Taman Bayu Perdana, Klang
Tel: 03-3324 0877
Fax: 03-3324 0018

Sg. Buloh
Tel: 03-6038 2522

Bandar Puteri, Puchong
Tel: 03-8062 2865
Fax: 03-8062 5777

Puchong Utama, Puchong
Tel: 03-8060 2935

Batang Berjuntai
Tel: 03-3271 0151
Fax: 03-3271 6244

Bandar Baru Bangi
Tel/Fax: 03-8737 3320

PERAK DARUL RIDZUAN
Sitiawan
Tel/Fax: 05-253 1625

Parit Buntar
Tel/Fax: 05-727 7607

Teluk Intan
Tel: 05-621 3214
Fax: 05-621 8214

Batu Gajah
Tel: 05-366 4923
Fax: 05-366 9266

KEDAH DARUL AMAN
Jalan Bakar Arang, Sg. Petani
Tel: 04-421 4132

NEGERI SEMBILAN DARUL KHUSUS
Seremban
Tel/Fax: 06-764 7763

JOHOR DARUL TAKZIM
Muar
Tel: 06-951 8999
Fax: 06-952 4588

Johor Bahru
Tel: 07-227 1570
Fax: 07-223 1784

TERENGGANU DARUL IMAN
Besut
Tel/Fax: 09-690 4119

Jerteh
Tel/Fax: 09-748 5135

Jalan Kelantan
Tel: 09-622 4428

KELANTAN DARUL NAIM
Tanah Merah
Tel: 09-955 4541

Jalan Sultan Yahya Petra,
Kota Bharu
Tel: 09- 741 9137

Jalan Che Kadir, Kota Bharu
Tel: 09-960 2382

Jalan Tok Hakim, Kota Bharu
Tel: 09-719 1550

SABAH
Tawau
Tel/Fax: 089-778 914

AmG INSURANCE BERHAD

Branch Offices

KUALA LUMPUR
Tel: 03-4047 8000
Fax: 03-4045 3520
Contact Centre: 1300 80 3030

SELANGOR DARUL EHSAN
Klang
Tel: 03-3344 7430, 3344 7489
Fax: 03-3343 6331

PERAK DARUL RIDZUAN
Ipoh
Tel: 05-253 3493, 255 7509
Fax: 05-253 1650

PULAU PINANG
Jalan Burmah
Tel: 04-226 3618, 228 9963
Fax: 04-227 3886

KEDAH DARUL AMAN
Alor Setar
Tel: 04-733 7898
Fax: 04-732 4606

Sungai Petani
Tel: 04-421 7177, 421 7188
Fax: 04-423 8528

KELANTAN DARUL NAIM
Kota Bharu
Tel: 09-747 0042, 747 0043
Fax: 09-747 0046

TERENGGANU DARUL IMAN
Kuala Terengganu
Tel: 09-624 2361
Fax: 09-624 2364

PAHANG DARUL MAKMUR
Kuantan
Tel: 09-566 3012
Fax: 09-567 5785

NEGERI SEMBILAN DARUL KHUSUS
Seremban
Tel: 06-767 1181
Fax: 06-767 1171

MELAKA
Taman Melaka Raya
Tel: 06-283 4323, 283 4324
Fax: 06-282 2122

JOHOR DARUL TAKZIM
Batu Pahat
Tel: 07-432 7219
Fax: 07-432 7224

Johor Bahru
Tel: 07-334 2618
Fax: 07-334 7620

Kluang
Tel: 07-776 6717
Fax: 07-776 5814

SABAH
Kota Kinabalu
Tel: 088-240 480, 240 481
Fax: 088-240 489

Tawau
Life & General Division
Tel: 089-760 151/760 152
Fax: 089-760 153

SARAWAK
Kuching
Tel: 082-415 296
Fax: 082-428 537

Sibu
Tel: 084-310 930, 318 289
Fax: 084-317 302

Miri
Tel: 085-422 275, 423 395
Fax: 085-416 995

AmINVESTMENT SERVICES BERHAD
9th Floor
Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2032 2888
Fax: 03-2031 5210
Telex: MA 31167 & 31169 ABMAL

Correspondence Address
P. O. Box 13611
50816 Kuala Lumpur

Representative Offices

WILAYAH PERSEKUTUAN KUALA LUMPUR
Tel: 03-2167 6204
Fax: 03-2163 2949

PULAU PINANG
Cantonment Road
Tel: 04-229 7318, 229 7319
Fax: 04-229 7314

MELAKA
Taman Melaka Raya
Tel: 06-281 1770, 282 1770
Fax: 06-281 8770

SABAH
Kota Kinabalu
Tel: 088-266 350, 266 351,
Fax: 088-266 352

SARAWAK
Kuching
Tel: 082-238 633, 258 677
Fax: 082-238 644

AmINVESTMENT MANAGEMENT SDN BHD
10th Floor
Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2036 2633
Fax: 03-2078 9358

AmFUTURES SDN BHD
15th Floor
Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-9235 3235, 3223
Fax: 03-2032 3221

AmINTERNATIONAL (L) LTD

Head Office
Level 12(B)
Block 4 Office Tower
Financial Park Labuan Complex
Jalan Merdeka
87000 Federal Territory of Labuan
Tel: 087-413 133, 439 399
Fax: 087-425 211, 439 395
Telex: MA 87020 AMMB

Kuala Lumpur Marketing Office
14th Floor
Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2031 7899
Fax: 03-2031 7909

Am ARA REIT MANAGERS SDN BHD
16th Floor
Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2026 9102
Fax: 03-2732 0644
Website: www.amfirstreit.com.my

AMMB CONSULTANT SDN BHD
9th Floor
Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2036 2633

AmTRUSTEE BERHAD
17th Floor
Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2036 2633
Fax: 03-2031 3070
Email: amtrustee@ambankgroup.com

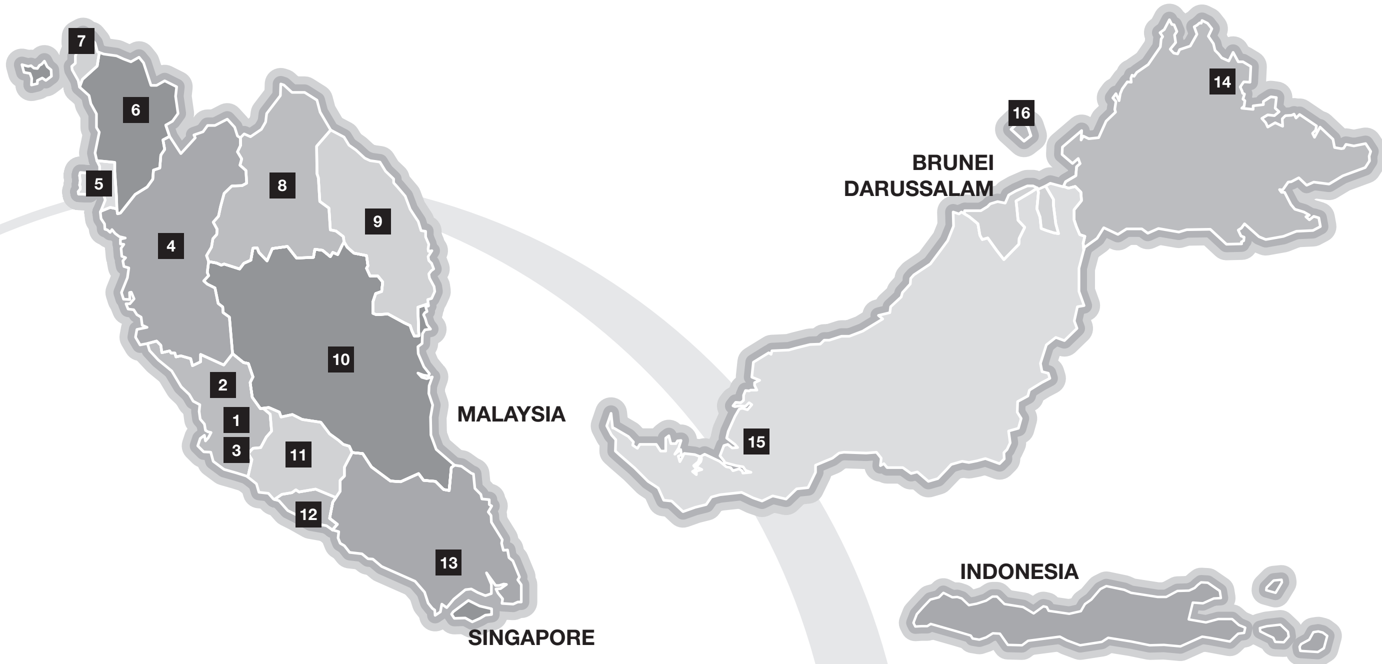
AmRESEARCH SDN BHD
15th Floor
Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 03-2036 2633
Fax: 03-2078 3162

PT AmCAPITAL INDONESIA
Wisma GKBI, 5th Floor, Suite 501
Jl. Jendral Sudirman, No. 28
Jakarta 10210
Tel: 62-21-574 2310
Fax: 62-21-571 3706

AmFRASER SECURITIES PTE LTD
4 Shenton Way
#13-01 SGX Centre 2
Singapore 068807
Tel: 02-6535 9455
Fax: 02-6534 4826

AmCAPITAL (B) SDN BHD
Ground Floor
DarTakaful IBB Utama
Jalan Pemancha
Bandar Seri Begawan BS8711
Brunei Darussalam
Tel: +673 2232 860
Fax: +673 2232 865

GROUP BRANCH
Network



MALAYSIA

1 Wilayah Persekutuan Kuala Lumpur
AmBank (M) Berhad/
AmIslamic Bank Berhad **[28]**
AmInvestment Bank Berhad **[1]**
AmFutures Sdn Bhd **[1]**
AmLife Insurance Berhad **[2]**
AmG Insurance Berhad **[1]**
AmInvestment Services Berhad **[1]**
AmInvestment Management Sdn Bhd **[1]**
Arab-Malaysian Credit Berhad **[1]**
AmInternational (L) Ltd **[1]**
Am ARA REIT Managers Sdn Bhd **[1]**
AMMB Consultant Sdn Bhd **[1]**
AmTrustee Berhad **[1]**

2 Selangor Darul Ehsan
AmBank (M) Berhad/
AmIslamic Bank Berhad **[35]**
AmInvestment Bank Berhad **[1]**
AmIslamic Bank Berhad **[1]**
AmLife Insurance Berhad **[1]**
AmG Insurance Berhad **[1]**

3 Wilayah Persekutuan Putrajaya
AmIslamic Bank Berhad **[1]**

4 Perak Darul Ridzuan
AmBank (M) Berhad/
AmIslamic Bank Berhad **[20]**
AmLife Insurance Berhad **[1]**
AmG Insurance Berhad **[1]**

5 Pulau Pinang
AmBank (M) Berhad/
AmIslamic Bank Berhad **[19]**
AmInvestment Bank Berhad **[1]**
AmLife Insurance Berhad **[1]**
AmG Insurance Berhad **[1]**
AmInvestment Services Berhad **[1]**

6 Kedah Darul Aman
AmBank (M) Berhad/
AmIslamic Bank Berhad **[6]**
AmLife Insurance Berhad **[2]**
AmG Insurance Berhad **[2]**

7 Perlis Indera Kayangan
AmBank (M) Berhad/
AmIslamic Bank Berhad **[2]**

8 Kelantan Darul Naim
AmBank (M) Berhad/
AmIslamic Bank Berhad **[2]**
AmLife Insurance Berhad **[1]**
AmG Insurance Berhad **[1]**

9 Terengganu Darul Iman
AmBank (M) Berhad/
AmIslamic Bank Berhad **[5]**
AmLife Insurance Berhad **[1]**
AmG Insurance Berhad **[1]**

10 Pahang Darul Makmur
AmBank (M) Berhad/
AmIslamic Bank Berhad **[10]**
AmLife Insurance Berhad **[1]**
AmG Insurance Berhad **[1]**

11 Negeri Sembilan Darul Khusus
AmBank (M) Berhad/
AmIslamic Bank Berhad **[8]**
AmLife Insurance Berhad **[1]**
AmG Insurance Berhad **[1]**

12 Melaka
AmBank (M) Berhad/
AmIslamic Bank Berhad **[7]**
AmLife Insurance Berhad **[1]**
AmG Insurance Berhad **[1]**
AmInvestment Services Berhad **[1]**

13 Johor Darul Takzim
AmBank (M) Berhad/
AmIslamic Bank Berhad **[25]**
AmInvestment Bank Berhad **[2]**
AmLife Insurance Berhad **[3]**
AmG Insurance Berhad **[3]**

14 Sabah
AmBank (M) Berhad/
AmIslamic Bank Berhad **[12]**
AmInvestment Bank Berhad **[1]**
AmLife Insurance Berhad **[2]**
AmG Insurance Berhad **[2]**
AmInvestment Services Berhad **[1]**

15 Sarawak
AmBank (M) Berhad/
AmIslamic Bank Berhad **[20]**
AmInvestment Bank Berhad **[1]**
AmLife Insurance Berhad **[3]**
AmG Insurance Berhad **[3]**
AmInvestment Services Berhad **[1]**

16 Wilayah Persekutuan Labuan
AmBank (M) Berhad/
AmIslamic Bank Berhad **[1]**
AmInternational (L) Ltd **[1]**

SINGAPORE
AmFraser Securities Pte Ltd

INDONESIA
PT AmCapital Indonesia

BRUNEI DARUSSALAM
AmCapital (B) Sdn Bhd

Form of Proxy

AMMB Holdings Berhad
(223035-V) (Incorporated in Malaysia)

CDS ACCOUNT NO. OF AUTHORISED NOMINEE *____________________

I/We ____ FULL NAME IN CAPITAL LETTERS
Company No. / NRIC No. ______________________________NEW ______________________________ OLD
of ____ FULL ADDRESS
being a member of the above Company, hereby appoint ____
NRIC No.______________________________________NEW______________________________________OLD
or failing him / her NRIC No. ______________________________NEW______________________________OLD
or failing him/her, THE CHAIRMAN OF THE MEETING, as my/our proxy to vote for me/us and on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held at Manhattan II, Level 14, Berjaya Times Square Hotel & Convention Center, No. 1, Jalan Imbi, 55100 Kuala Lumpur on Thursday, 13 August 2009 at 10:00 a.m. and at any adjournment thereof, as indicated below:

No.	Resolution	For	Against
1.	Receive the Audited Financial Statements for the financial year ended 31 March 2009 and the Reports of the Directors and Auditors thereon.		
2.	Declare a first and final dividend of 8.0% less tax for the financial year ended 31 March 2009.		
3.	Approve Directors' fees of RM72,000.00 per annum for each Director for the financial year ended 31 March 2009.		
4.	Re-elect Y Bhg Tan Sri Dato' Mohd Ibrahim Mohd Zain as Director under Article 89.		
5.	Re-elect Dr Robert John Edgar as Director under Article 89.		
6.	Re-elect Mr Cheah Tek Kuang as Director under Article 89.		
7.	Re-elect Mr Mark David Whelan as Director under Article 97.		
8.	Re-appoint Y Bhg Tan Sri Dato' Azman Hashim pursuant to Section 129 of the Companies Act, 1965.		
9.	Re-appoint Y A Bhg Tun Mohammed Hanif Omar pursuant to Section 129 of the Companies Act, 1965.		
10.	Re-appoint Messrs. Ernst & Young, the retiring Auditors, and to authorise the Directors to determine their remuneration.		
11.	**Special Business** Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company, Pursuant to the Company's Executives' Share Scheme.		
12.	Proposed Renewal of the Authority to Allot and Issue New Ordinary Shares in the Company to Mr Cheah Tek Kuang, the Group Managing Director of the Company, Pursuant to the Company's Executives' Share Scheme.		
13.	Authorise the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.		

Please indicate with an "X" in the spaces above how you wish your vote to be cast. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Dated this ______ day of ________________________ 2009.

____
Signature Of Member/Common Seal

No. Of Shares Held______________________________

Tel:____________________(O/H)____________________ (H/P)

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	NO. OF SHARES	PERCENTAGE
PROXY 1		
PROXY 2		
TOTAL		100%

Notes:

(1) A shareholder of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy or an attorney need not be a shareholder of the Company. Under Section 149(1) of the Act, if a proxy is not a shareholder, he must be an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case.

(2) An Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, may appoint one proxy in respect of each securities account held with ordinary shares of the Company standing to the credit of the securities account. The proxy so appointed shall be the beneficial owner of the shares in the said securities account or a person as provided under Section 149(1) of the Act.

(3) The instrument appointing a proxy in the case of an individual shall be signed by the appointor or his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under seal or under the hand of an officer or attorney duly authorised.

(4) The instrument appointing the proxy must be deposited at the Registered Office of the Company at 22nd Floor, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur not less than 48 hours before the time appointed for holding the Meeting. The last day and time for lodging the Form of Proxy is Tuesday, 11 August 2009 at 10:00 a.m.

(5) Only Members whose names appear on the General Meeting Record of Depositors of the Company as at 7 August 2009 shall be eligible to attend the Annual General Meeting.

* Applicable to shares held through a nominee account.

Please fold here to seal

STAMP

The Registered Office
AMMB HOLDINGS BERHAD
22nd Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

Please fold here to seal

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AmBank Auto Financing
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Let us make you smile.

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No. 55, Jalan Raja Chulan
50200 Kuala Lumpur, Malaysia
Tel: 603-2036 2633
Fax: 603-2031 6453

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