

AMMB HOLDINGS BERHAD
(223035-V) (Incorporated in Malaysia)
and its subsidiary companies
AUDITED CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2009

	Note	The Group	
		31.03.09 RM'000	31.3.08 RM'000
ASSETS			
Cash and short-term funds		17,186,941	11,045,426
Securities purchased under resale agreements		16,807	52,468
Deposits and placements with banks and other financial institutions		46,026	1,387,810
Securities held-for-trading	A8	1,399,873	6,699,010
Securities available-for-sale	A9	6,626,054	1,850,935
Securities held-to-maturity	A10	780,209	1,179,878
Loans, advances and financing	A11	56,947,831	52,574,320
Derivative financial assets		482,933	370,681
Other assets	A12	1,490,006	2,023,969
Statutory deposits with Bank Negara Malaysia		517,578	1,660,197
Investments in jointly controlled companies		380	-
Investments in associated companies		1,301	1,301
Prepaid land lease payments		6,646	7,059
Property and equipment		228,399	225,616
Life fund assets		2,006,799	1,702,469
Deferred tax assets		346,997	608,583
Intangible assets		1,808,101	1,801,985
TOTAL ASSETS		89,892,881	83,191,707
LIABILITIES AND EQUITY			
Deposits from customers	A13	64,131,506	55,768,861
Deposits and placements of banks and other financial institutions	A14	6,135,409	7,117,279
Bills and acceptances payable		2,120,247	1,909,243
Recourse obligations on loans sold to Cagamas Berhad		155,037	243,979
Derivative financial liabilities		587,763	410,929
Other liabilities	A15	2,639,015	3,250,328
Term loans		351,859	1,790,844
Subordinated term loan		-	460,000
Unsecured bonds		1,090,000	1,750,000
Medium Term Notes		1,460,000	860,000
Hybrid capital		1,303,691	673,830
Life fund liabilities		222,160	189,819
Life policyholder funds		1,784,639	1,512,650
Total Liabilities		81,981,326	75,937,762
Share capital		2,722,970	2,722,970
Reserves		5,013,123	4,446,623
Equity attributable to equity holders of the Company		7,736,093	7,169,593
Minority interests		175,462	84,352
Total Equity		7,911,555	7,253,945
TOTAL LIABILITIES AND EQUITY		89,892,881	83,191,707

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AUDITED CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2009 (CONTD.)

	Note	The Group	
		31.03.09 RM'000	31.3.08 RM'000
COMMITMENTS AND CONTINGENCIES	A25	49,911,642	57,539,798
CAPITAL ADEQUACY RATIO	A29		
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%
NET ASSETS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)		2.84	2.63

The Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 March 2009.

AMMB HOLDINGS BERHAD
(223035-V) (Incorporated in Malaysia)
and its subsidiary companies

AUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2009

The Group	Note	Individual Quarter		Cumulative Quarter	
		31.03.09 RM'000	31.03.08 RM'000	31.03.09 RM'000	31.03.08 RM'000
Revenue		1,473,841	1,487,807	5,860,729	5,992,682
Interest income	A16	929,763	982,261	3,793,368	3,768,943
Interest expense	A17	(484,332)	(553,283)	(2,017,054)	(2,153,121)
Net interest income		445,431	428,978	1,776,314	1,615,822
Net income from Islamic banking business		156,764	136,658	572,619	517,071
Other operating income	A18	251,396	260,658	922,043	1,218,824
Net income		853,591	826,294	3,270,976	3,351,717
Other operating expenses	A19	(406,973)	(453,802)	(1,612,146)	(1,536,899)
Operating profit		446,618	372,492	1,658,830	1,814,818
Allowance for losses on loans and financing	A20	(122,846)	(37,822)	(344,187)	(512,183)
Impairment (loss)/writeback on:					
Securities		(28,990)	(14,700)	(76,524)	(111,958)
Amount recoverable under asset-backed securitisation transaction		-	(3,000)	17,000	(10,000)
Assets acquired in exchange of debts		-	27	-	(45)
Fixed assets		-	-	(2,490)	-
Transfer (to)/from profit equalisation reserve		(23,031)	(8,076)	(24,518)	18,211
Writeback/(Allowance) for doubtful sundry receivables - net		2,163	2,108	3,653	(2,292)
Provision for foreclosed properties (Provision)/Writeback of provisions for commitments and contingencies		(1,942)	(473)	(1,942)	(473)
		1,596	(1,940)	(11,974)	(1,641)
Profit before share in results of jointly controlled company		273,568	308,616	1,217,848	1,194,437
Share in results of jointly controlled company		(212)	-	(212)	-
Profit before taxation and zakat		273,356	308,616	1,217,636	1,194,437
Taxation and zakat	B5	(87,626)	(84,975)	(339,382)	(383,618)
Profit for the period		185,730	223,641	878,254	810,819
Attributable to:					
Equity holders of the Company		179,818	217,493	860,824	668,542
Minority interests		5,912	6,148	17,430	142,277
Profit for the period		185,730	223,641	878,254	810,819
EARNINGS PER SHARE (SEN)	B13				
Basic		6.60	8.23	31.61	28.24

The Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2009

AMMB HOLDINGS BERHAD
(223035-V) (Incorporated in Malaysia)
and its subsidiary companies

AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2009

The Group	Attributable to Equity Holders of the Company										
	Ordinary share capital	Converting preference shares [^]	Non-Distributable				Distributable		Total	Minority interests	Total equity
			Share premium	Statutory reserve	Available-for-sale reserve	Exchange fluctuation reserve	Unappropriated profits	RM'000			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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 recognised directly in equity	-	-	(6,434)	137,676	6,538	(2,131)	(137,676)	(2,027)	-	(2,027)	
Profit for the period	-	-	-	-	-	-	668,542	668,542	142,277	810,819	
Total recognised net income for the year	-	-	(6,434)	137,676	6,538	(2,131)	530,866	666,515	142,277	808,792	
Issue of converting preference shares [^]	-	458,343	-	-	-	-	-	458,343	-	458,343	
Issue of shares pursuant to:											
- Exercise of Warrants 1997/2007	-*	-	-*	-	-	-	-	-	-	-	
- Exercise of Warrants 2003/2008	132,498	-	155,302	-	-	-	-	287,800	-	287,800	
- Right Issue	295,973	-	710,335	-	-	-	-	1,006,308	-	1,006,308	
- Converting of CPS	163,934	(458,343)	336,066	-	-	-	-	41,657	-	41,657	
Arising from subscription for shares in AmPrivate Equity Sdn Bhd	-	-	-	-	-	-	-	-	3,180	3,180	
Arising from privatisation of AIGB	-	-	-	-	-	-	-	-	(1,188,227)	(1,188,227)	
Arising from disposal of shares in MVM	-	-	-	-	-	-	-	-	(380)	(380)	
Dividend 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	

[^] Representing the equity component of the 163.9 million converting preference shares ("CPS") of RM1.00 each in ANZ Funds Pty Ltd, a wholly owned subsidiary of Australia and New Zealand Banking Group Limited ("ANZ") at an issue price of RM3.05 per CPS and was converted into 163.9 million ordinary shares of RM1.00 each during the financial year.

* 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.

AMMB HOLDINGS BERHAD
(223035-V) (Incorporated in Malaysia)
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AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2009

The Group	Attributable to Equity Holders of the Company										
	Non-Distributable						Distributable				
	Ordinary share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Available-for-sale reserve RM'000	Cashflow hedging reserve RM'000	Shares held in trust for ESS RM'000	Exchange fluctuation reserve RM'000	Unappropriated profits RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
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)
Unrealised net loss on cashflow hedge	-	-	-	-	(91,486)	-	-	-	(91,486)	-	(91,486)
Expenses relating to rights issue	-	(21)	-	-	-	-	-	-	(21)	-	(21)
Transfer from unappropriated profits	-	-	78,334	-	-	-	-	(78,334)	-	-	-
Exchange fluctuation adjustments	-	-	-	-	-	-	11,425	-	11,425	-	11,425
Net (expense)/income recognised directly in equity	-	(21)	78,334	(84,644)	(91,486)	-	11,425	(78,334)	(164,726)	-	(164,726)
Profit for the period	-	-	-	-	-	-	-	860,824	860,824	17,430	878,254
Total recognised net (expense)/income for the year	-	(21)	78,334	(84,644)	(91,486)	-	11,425	782,490	696,098	17,430	713,528
Purchased of shares pursuant to Executives' Share Scheme ("ESS") ^{^^}	-	-	-	-	-	(7,064)	-	-	(7,064)	-	(7,064)
Arising from acquisition of AmPrivate Equity Sdn Bhd	-	-	-	-	-	-	-	-	-	400	400
Arising from acquisition of AmG Insurance Berhad	-	-	-	-	-	-	-	-	-	112,700	112,700
Dividend paid	-	-	-	-	-	-	-	(122,534)	(122,534)	(39,420)	(161,954)
At 31 March 2009	2,722,970	1,986,836	1,323,767	(41,744)	(91,486)	(7,064)	19,591	1,823,223	7,736,093	175,462	7,911,555

^{^^} 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.

The Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2009.

AMMB HOLDINGS BERHAD
(223035-V) (Incorporated in Malaysia)
and its subsidiary companies

AUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2009

The Group	31.03.09	31.03.08
	RM'000	RM'000
Profit before taxation	1,217,636	1,194,437
Add adjustments for non-operating and non-cash items	671,132	531,357
Operating profit before working capital	1,888,768	1,725,794
Increase/(Decrease) in operating assets	2,654,756	(4,564,650)
Increase in operating liabilities	6,036,677	1,509,357
Cash generated from/(used in) operations	10,580,201	(1,329,499)
Taxation paid	(40,383)	(93,509)
Net cash generated from/(used in) operating activities	10,539,818	(1,423,008)
Net cash used in investing activities	(3,744,540)	(1,249,951)
Net cash (used in)/generated from financing activities	(575,918)	2,929,063
Net decrease in cash and cash equivalents	6,219,360	256,104
Cash and cash equivalents at beginning of period	10,746,526	10,490,422
Cash and cash equivalents at end of period	16,965,886	10,746,526

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 overdrafts. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

The Group	31.03.09	31.03.08
	RM'000	RM'000
Cash and short-term funds	17,186,941	11,045,426
Bank overdrafts	(786)	(541)
	17,186,155	11,044,885
Less: Cash and bank balances and deposits held in trust	(219,432)	(297,825)
	16,966,723	10,747,060
Effect of exchange rates changes	(837)	(534)
Cash and cash equivalents	16,965,886	10,746,526

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2009.

EXPLANATORY NOTES :

A1. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with Financial Reporting Standards ("FRS") 134, Interim Financial Reporting, issued by Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") and should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2008.

The accounting policies adopted by the Group and the Company are consistent with those adopted in previous years. 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 Bank upon their initial application except for changes on disclosure arising from the adoption of FRS 7 and FRS 8. The Group and the Bank are exempted from disclosing the possible impact, if any, in the financial statements upon the initial application of FRS 139. The effects of adopting these standards are discussed below:

- (i) 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.

- (ii) 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.
- (iii) 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.

A1. BASIS OF PREPARATION (CONTD.)

- (iv) 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.
- (v) 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.
- (vi) 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.

A2. AUDIT QUALIFICATION

There were no audit qualification in the annual financial statements for the year ended 31 March 2008.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The operations of the Group are not materially affected by any seasonal or cyclical fluctuation in the current financial quarter.

A4. UNUSUAL ITEMS

There were no unusual items during the current financial quarter.

A5. USE OF ESTIMATES

There was no material change in estimates of amounts reported in the prior financial years that have a material effect on the financial quarter and year ended 31 March 2009.

A6. ISSUANCE, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

The Company has not issued any new shares and debentures during the financial quarter.

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

A7. DIVIDENDS PAID

Subsequent to the financial period ended 30 September 2008, a final dividend of 6.0%, less tax, amounting to RM122,533,632 for the financial year ended 31 March 2008 was paid on 21 October 2008 to shareholders whose names appear in the record of Depositors on 7 October 2008.

A8. SECURITIES HELD-FOR-TRADING

	The Group	
	31.03.09 RM'000	31.3.08 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
Khazanah bonds	-	59,359
Cagamas Mudharabah bearer bonds	-	37,167
Bank Negara Malaysia Monetary Notes	-	274,645
Islamic acceptance bills	-	-
Negotiable Islamic Debt Certificates	-	39,674
Negotiable instruments of deposits	-	15,368
Islamic Bank Negara Monetary Notes	-	134,107
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

	The Group	
	31.03.09	31.3.08
	RM'000	RM'000
Unquoted Private Debt Securities Of Companies		
Incorporated:		
In Malaysia:		
Corporate bonds	-	1,219,481
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
	<u>362,410</u>	<u>4,800,033</u>
Total	<u>1,399,873</u>	<u>6,699,010</u>

A9. SECURITIES AVAILABLE-FOR-SALE

	The Group	
	31.03.09	31.3.08
	RM'000	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	-
	<u>285,279</u>	<u>162,905</u>
Securities Quoted:		
In Malaysia:		
Shares	162,814	-
Trust units	329,472	74,714
Outside Malaysia:		
Shares	25,857	21,981
Trust units	1,811	-
	<u>519,954</u>	<u>96,695</u>
Unquoted Securities:		
In Malaysia:		
Shares	22,871	4,378
Outside Malaysia:		
Shares	17,848	-
	<u>40,719</u>	<u>4,378</u>
Debt Equity Converted Securities Quoted:		
In Malaysia:		
Shares	25,751	26,139
Shares - with options	-	6,014
Loan stocks	3,096	9,145
Collateralised corporate bonds	332	4,411
Outside Malaysia:		
Shares	40	77
	<u>29,219</u>	<u>45,786</u>

	The Group	
	31.03.09	31.3.08
	RM'000	RM'000
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	-
	<u>5,297,927</u>	<u>1,351,338</u>
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:		
Corporate bonds	367,780	189,833
Islamic corporate bonds	85,176	-
	<u>452,956</u>	<u>189,833</u>
Total	<u>6,626,054</u>	<u>1,850,935</u>
A10. SECURITIES HELD-TO-MATURITY		
Securities Quoted In Malaysia:		
In Malaysia:		
Shares	2	-
Islamic Corporate bonds	29,164	25,552
Trust units	1,000	2,012
Outside Malaysia:		
Islamic Corporate bonds	7,291	6,388
	<u>37,457</u>	<u>33,952</u>
Unquoted Securities Of Companies Incorporated:		
In Malaysia:		
Shares	102,958	102,433
Corporate bonds	959	959
Unit trust	-	-
Outside Malaysia:		
Shares	4,330	6,441
	<u>108,247</u>	<u>109,833</u>
Quoted Debt Equity Converted Securities:		
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
	<u>162,712</u>	<u>224,502</u>

	The Group	
	31.03.09	31.3.08
	RM'000	RM'000
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
	<u>636,176</u>	<u>1,067,650</u>
Unquoted Private Debt Securities Of Companies Incorporated:		
In Malaysia:		
Corporate notes	32,700	33,720
Islamic corporate bonds	177,096	190,331
	<u>209,796</u>	<u>224,051</u>
Unquoted Guaranteed Private Debt Securities Of Companies		
Incorporated In Malaysia:		
Corporate bonds	10,000	-
	<u>1,164,388</u>	<u>1,659,988</u>
Accumulated impairment losses	(384,179)	(480,110)
Total	<u>780,209</u>	<u>1,179,878</u>

A11. LOANS, ADVANCES AND FINANCING

	The Group	
	31.03.09	31.3.08
	RM'000	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
	<u>65,730,305</u>	<u>61,481,656</u>
Less: Unearned interest and income	6,961,346	6,482,856
Total	<u>58,768,959</u>	<u>54,998,800</u>
Less:		
Allowance for bad and doubtful debts and financing:		
General	899,517	845,225
Specific	921,611	1,579,255
	<u>1,821,128</u>	<u>2,424,480</u>
Net loans, advances and financing	<u>56,947,831</u>	<u>52,574,320</u>

Loans, advances and financing analysed by their economic purposes are as follows:

	The Group				Annualised Loans Growth (%)
	31.03.09		31.3.08		
	RM'000	%	RM'000	%	
Purchase of transport vehicles	24,349,948	40.8	24,036,314	42.3	
Purchase of landed properties:					
- Residential	11,316,431	19.0	10,998,983	19.3	
- 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	
Purchase of securities	1,882,498	3.2	1,545,274	2.7	
Credit cards	1,844,448	3.1	1,898,413	3.3	
Construction	1,127,824	1.9	919,301	1.6	
Merger and acquisition	346,203	0.6	278,877	0.5	
Consumer durables	933	0.0	3,892	0.0	
Other purpose	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		
	<u>58,768,959</u>		<u>54,998,800</u>		<u>6.9</u>

Loans, advances and financing analysed by type of customers are as follows:

	The Group	
	31.03.09 RM'000	31.3.08 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
	<u>58,768,959</u>	<u>54,998,800</u>

Loans, advances and financing analysed by interest rate sensitivity are as follows:

	The Group	
	31.03.09	31.3.08
	RM'000	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
	<u>23,661,731</u>	<u>21,114,316</u>
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
	<u>35,107,228</u>	<u>33,884,484</u>
	<u>58,768,959</u>	<u>54,998,800</u>

Movements in non-performing loans, advances and financing are as follows:-

	The Group	
	31.03.09	31.3.08
	RM'000	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 period/year	<u>2,426,458</u>	<u>3,602,479</u>
Less: Specific allowance	<u>(921,611)</u>	<u>(1,579,255)</u>
Non-performing loans, advances and financing - net	<u>1,504,847</u>	<u>2,023,224</u>
Ratios of non-performing loans, advances and financing to total loans, advances and financing (including Islamic financing sold to Cagamas Berhad) - net	<u>2.6%</u>	<u>3.7%</u>
Loan loss coverage excluding collateral values	<u>75.1%</u>	<u>67.3%</u>

Non-performing loans, advances and financing analysed by their economic purposes are as follows:

	The Group			
	31.03.09		31.3.08	
	RM'000	%	RM'000	%
Purchase of landed properties:				
Residential	924,484	38.1	962,785	26.7
Non-residential	220,630	9.1	334,169	9.3
Working capital	450,015	18.6	1,014,761	28.2
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
Purchase of consumer durables	550	-	485	0.0
Other purpose	44,741	1.8	236,007	6.6
	<u>2,426,458</u>	<u>100.0</u>	<u>3,602,479</u>	<u>100.0</u>

Movements in allowances for bad and doubtful debts and financing are as follows:

	The Group	
	31.03.09	31.3.08
	RM'000	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	<u>899,517</u>	<u>845,225</u>
% of total loans, advances and financing (including Islamic financing sold to Cagamas) less specific allowances	<u>1.53%</u>	<u>1.53%</u>
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
Reclassification from sundry receivables	4	(8,103)
Adjustment to deferred asset account	(956)	(102)
Amount written off	(1,333,350)	(1,291,798)
Repurchase of loan	17,508	-
Sale of non-performing loan	-	(219,832)
Debt equity conversion	(933)	(17,190)
Exchange fluctuation adjustments	2	(1,877)
Balance at end of year	<u>921,611</u>	<u>1,579,255</u>

A12. OTHER ASSETS

	The Group	
	31.03.09 RM'000	31.3.08 RM'000
Trade receivables, net of allowance for doubtful debts	399,788	756,706
Other receivables, deposits and prepayments, net of allowance for doubtful debts	653,170	703,125
Interest receivables on treasury assets, net of allowance for doubtful debts	117,778	112,194
Fee receivables, net of allowance for doubtful debts	39,832	44,056
Amount due from Originators	25,789	35,140
Amount due from agents, brokers and reinsurer, net of allowance	37,533	161,405
Amount recoverable under asset-backed securitisation transactions, net of impairment loss	-	67,066
Foreclosed properties, net of allowance for impairment in value	181,372	102,396
Tax recoverable	-	2,180
Deferred assets	34,744	39,701
	1,490,006	2,023,969

Amount due from Originators represents housing loans, hire purchase and leasing receivables acquired from the Originators for onward sale to Cagamas Berhad with recourse.

A13. DEPOSITS FROM CUSTOMERS

	The Group	
	31.03.09 RM'000	31.3.08 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 deposits are sourced from the following types of customers:

Business enterprises	26,311,197	20,161,116
Individuals	25,510,224	23,634,806
Government	10,915,816	8,989,532
Others	1,394,269	2,983,407
	64,131,506	55,768,861

A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	31.03.09 RM'000	31.3.08 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

A15. OTHER LIABILITIES

	The Group	
	31.03.09	31.3.08
	RM'000	RM'000
Trade payables	508,293	969,301
Securities sold not yet re-purchased	-	-
Other payables and accruals	1,316,297	1,558,005
Interest payable on deposits and borrowings	444,455	393,882
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
Profit equalization reserve	62,162	37,607
Deferred tax liabilities	13,087	5,925
Tax payable	8,173	-
	<u>2,639,015</u>	<u>3,250,328</u>

A16. INTEREST INCOME

The Group	Individual Quarter		Cumulative Quarter	
	31.03.09	31.03.08	31.03.09	31.03.08
	RM'000	RM'000	RM'000	RM'000
Short-term funds and deposits with financial institutions	66,409	86,575	278,779	290,400
Securities held-for-trading	7,504	68,778	61,434	255,625
Securities available for sale	76,992	23,645	276,496	96,021
Securities held-to-maturity	5,240	3,194	31,538	110,181
Loans and advances				
- Interest income other than recoveries from NPLs	743,356	742,527	3,000,288	2,822,021
- Recoveries from NPLs	46,669	72,376	215,111	274,600
Others	262	563	1,786	3,810
Gross interest income	<u>946,432</u>	<u>997,658</u>	<u>3,865,432</u>	<u>3,852,658</u>
Amortisation of premiums less accretion of discounts	6,719	3,887	23,422	14,640
Interest suspended	<u>(23,388)</u>	<u>(19,284)</u>	<u>(95,486)</u>	<u>(98,355)</u>
Total after net interest suspension	<u>929,763</u>	<u>982,261</u>	<u>3,793,368</u>	<u>3,768,943</u>

A17. INTEREST EXPENSE

The Group	Individual Quarter		Cumulative Quarter	
	31.03.09	31.03.08	31.03.09	31.03.08
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	385,458	430,841	1,554,032	1,651,367
Deposit of banks and other financial institutions	37,455	16,245	191,217	129,177
Securities sold under repurchase agreements	-	-	-	17,388
Amount due to Cagamas Berhad	1,188	1,914	5,334	15,056
Bank borrowings:				
Term loans	3,438	16,658	31,564	30,082
Overdrafts	33	37	148	214
Subordinated deposits and term loans	(1,183)	5,694	121	12,459
Interest on Bonds	13,717	22,691	71,800	103,202
Medium term notes	20,384	4,777	81,848	4,777
Net Interest rate swap expense	8,024	18,343	18,586	79,051
Hybrid securities	12,275	10,916	46,495	45,643
Others	3,543	25,167	15,909	64,705
	484,332	553,283	2,017,054	2,153,121

A18. OTHER OPERATING INCOME

The Group	Individual Quarter		Cumulative Quarter	
	31.03.09 RM'000	31.03.08 RM'000	31.03.09 RM'000	31.03.08 RM'000
Fee income:				
Fees on loans and advances	34,769	42,206	150,954	130,340
Corporate advisory	3,760	5,038	27,017	35,153
Guarantee fees	8,062	4,867	29,445	19,624
Underwriting commissions	622	2,808	8,311	13,566
Portfolio management fees	3,300	9,205	13,043	21,792
Unit trust management fees	12,732	15,577	59,783	62,584
Brokerage rebates	12	43	87	546
Property trust management fees	1,127	926	4,531	3,126
Brokerage fees and commissions	15,172	31,247	80,642	162,682
Banc assurance commission	4,448	5,781	26,879	27,804
Net income/(expense) from asset securitisation	486	66	893	(183)
Other fee income	17,479	12,407	55,384	57,224
	<u>101,969</u>	<u>130,171</u>	<u>456,969</u>	<u>534,258</u>
Investment and trading income:				
Net (loss)/gain from sale of securities held-for-trading	(1,247)	17,879	(77,092)	131,616
Net gain from sale of securities available-for-sale	3,720	2,033	3,944	31,735
Net gain on redemption of securities held-to-maturity	11,817	3,439	46,625	106,235
Gain/(Loss) on revaluation for securities held for trading	6,266	(39,297)	(32,978)	(128,923)
(Loss)/Gain on redemption of structured product	(1)	-	4	-
Gain/(Loss) on revaluation of derivatives	18,848	922	(55,790)	46,770
Gain on disposal of equity interest	-	-	95,462	-
Gross dividend income from:				
Securities held-for-trading	654	3,987	7,320	30,477
Securities available-for-sale	3,136	-	18,422	894
Securities held-to-maturity	36	11,177	5,976	27,169
	<u>43,229</u>	<u>140</u>	<u>11,893</u>	<u>245,973</u>
Premium income from general insurance business	122,539	118,368	492,604	447,903
Insurance commission	(11,822)	(14,722)	(48,335)	(55,237)
	<u>110,717</u>	<u>103,646</u>	<u>444,269</u>	<u>392,666</u>
Surplus transfer from life insurance business	8,000	17,000	20,000	17,000
	<u>118,717</u>	<u>120,646</u>	<u>464,269</u>	<u>409,666</u>
Other income:				
Foreign exchange (loss)/gain	(13,252)	8,188	(17,830)	21,810
Gain on disposal of property and equipment - net	38	384	1,100	686
Rental income	485	1,008	4,339	4,351
Other operating income	210	121	1,303	2,080
	<u>(12,519)</u>	<u>9,701</u>	<u>(11,088)</u>	<u>28,927</u>
	<u>251,396</u>	<u>260,658</u>	<u>922,043</u>	<u>1,218,824</u>

A19. OTHER OPERATING EXPENSES

The Group	Individual Quarter		Cumulative Quarter	
	31.03.09 RM'000	31.03.08 RM'000	31.03.09 RM'000	31.03.08 RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	139,880	161,320	556,005	544,056
- Others	48,053	48,497	176,998	151,260
	<u>187,933</u>	<u>209,817</u>	<u>733,003</u>	<u>695,316</u>
Establishment costs				
- Depreciation	12,799	12,525	50,486	48,590
- Amortisation of computer software	7,423	6,226	27,411	23,494
- Computerisation costs	17,536	20,866	72,760	65,541
- Rental	17,283	14,881	65,286	59,696
- Cleaning and maintenance	4,168	6,039	18,754	21,899
- Others	5,821	5,442	24,581	23,062
	<u>65,030</u>	<u>65,979</u>	<u>259,278</u>	<u>242,282</u>
Marketing and communication expenses				
- Sales commission	5,627	6,506	17,134	18,523
- Advertising, promotional and other marketing activities	6,684	12,947	51,880	64,157
- Telephone charges	5,312	4,893	18,913	18,527
- Postage	1,880	2,608	12,263	11,924
- Travel and entertainment	3,862	4,680	17,015	17,850
- Others	3,389	6,265	20,464	26,950
	<u>26,754</u>	<u>37,899</u>	<u>137,669</u>	<u>157,931</u>
Administration and general				
- Professional services	30,585	14,454	92,417	77,727
- Donations	53	2,163	157	2,986
- Administration and management expenses	706	274	2,256	2,025
- Others	13,867	16,172	44,437	43,033
	<u>45,211</u>	<u>33,063</u>	<u>139,267</u>	<u>125,771</u>
Overheads	324,928	346,758	1,269,217	1,221,300
General insurance claims	82,045	107,044	342,929	315,599
	<u>406,973</u>	<u>453,802</u>	<u>1,612,146</u>	<u>1,536,899</u>

A20. ALLOWANCE FOR LOSSES ON LOANS AND FINANCING

The Group	Individual Quarter		Cumulative Quarter	
	31.03.09	31.03.08	31.03.09	31.03.08
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts and financing:				
Specific allowance - net	171,446	78,982	660,081	765,110
Allowance during the period	291,732	183,657	1,043,753	1,192,451
Amount written back in respect of recoveries and reversals	(120,286)	(104,675)	(383,672)	(427,341)
General allowance	8,492	27,530	53,561	67,107
Recoveries of value impairment on amount recoverable from Danaharta	-	-	-	(609)
Bad debts and financing recovered - net	(57,092)	(68,690)	(369,455)	(319,425)
Written off	-	2,500	1,504	2,653
Recovered	(57,092)	(71,190)	(370,959)	(322,078)
	122,846	37,822	344,187	512,183

A21. SEGMENTAL INFORMATION

BY BUSINESS SEGMENT

	Individual Quarter		Cumulative Quarter	
	31.03.09 RM'000	31.03.08 RM'000	31.03.09 RM'000	31.03.08 RM'000
Investment banking				
Revenue	89,336	284,902	334,321	1,266,685
Profit before taxation	55,424	91,232	46,507	398,504
Commercial and retail banking				
Revenue	1,035,438	1,369,618	4,460,276	4,368,959
Profit before taxation	77,438	240,900	973,791	742,576
Offshore banking				
Revenue	25,624	28,015	17,906	71,645
(Loss)/Profit before taxation	5,731	(11,439)	(617)	17,349
Insurance				
Revenue	125,195	231,542	929,253	937,509
Profit before taxation	25,332	24	73,618	56,530
Others				
Revenue	14,039	41,779	174,373	119,987
Profit before taxation	(1,480)	767	104,957	12,381
Total before consolidation adjustments				
Revenue	1,289,632	1,955,856	5,916,129	6,764,785
Profit before taxation	162,445	321,484	1,198,256	1,227,340
Consolidation adjustments				
Revenue	184,209	(468,049)	(55,400)	(772,103)
Profit before taxation	110,911	(12,868)	19,380	(32,903)
Total after consolidation adjustments				
Revenue	1,473,841	1,487,807	5,860,729	5,992,682
Profit before taxation	273,356	308,616	1,217,636	1,194,437

Included in the above is Islamic banking business profit before taxation of RM53.1 million for the quarter and RM222.3 million for the period ended 31 March 2009 (RM46.7 million for the quarter and RM192.2 million for the period ended 31 March 2008).

The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia except for Frasers International Pte. Ltd. and its subsidiary companies, PT AmCapital Indonesia, AmCapital (B) Sdn Bhd, AmSecurities (H.K) 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.

A22. VALUATIONS OF PROPERTY AND EQUIPMENTS

Property and equipments are stated at cost less accumulated depreciation and impairment losses.

A23. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There has not arisen in the interval between the end of the financial year and the date of this report any items, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the result of the operations of the Group for the current financial quarter other than as disclosed in Note B8.

A24. CHANGES IN THE COMPOSITION OF THE GROUP AND THE COMPANY

There were no material changes in the composition of the Group and the Company for the current financial quarter.

A25. COMMITMENTS AND CONTINGENCIES

In the normal course of business, AmInvestment Bank Berhad ("AmInvestment Bank"), AmBank (M) Berhad ("AmBank"), AmIslamic Bank Berhad ("AmIslamic" Bank") and AmInternational (L) Ltd ("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. 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:

The Group	31.3.09			31.3.08		
	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	-	-
	<u>26,437,259</u>	<u>1,329,568</u>	<u>590,784</u>	<u>33,564,769</u>	<u>975,544</u>	<u>274,513</u>
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
	<u>17,140,841</u>	<u>1,168,332</u>	<u>901,445</u>	<u>16,869,194</u>	<u>5,286,579</u>	<u>4,189,582</u>
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
	<u>6,333,542</u>	<u>4,740,591</u>	<u>4,191,416</u>	<u>7,105,835</u>	<u>5,230,523</u>	<u>4,575,210</u>
	<u>49,911,642</u>	<u>7,238,491</u>	<u>5,683,645</u>	<u>57,539,798</u>	<u>11,492,646</u>	<u>9,039,305</u>

The credit equivalent amount is arrived at using the credit conversion factor as per Bank Negara Malaysia 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 subsidiary companies.
- (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.

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 the 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 the 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 fixed for hearing on 27 April 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.

A26. RELATED PARTY TRANSACTIONS

There were no related party transaction announced during the current financial quarter.

A27. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 March 2009, derivative financial instruments outstanding are as follows:

The Group

Items	Principial Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	>1 - 5 years RM'000	>5 years RM'000	Margin requirement
Interest rate related contracts :								
Interest rate futures	60,000	-	-	-	-	60,000	-	1,004
Interest rate swaps	24,612,441	430,000	1,005,000	1,430,000	1,350,000	17,641,853	2,755,588	19,041
Foreign exchange related contracts :								
Forward exchange contracts	824,899	245,926	257,479	275,573	45,921	-	-	-
Cross currency swaps	610,213	-	-	109,365	189,566	311,282	-	543
Equity related contracts:								
Options	321,444	-	-	23,354	133,936	164,154	-	-
Equity futures	8,262	8,262	-	-	-	-	-	-
Total	26,437,259	684,188	1,262,479	1,838,292	1,719,423	18,177,289	2,755,588	20,588

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 focussed on interest rate derivatives and foreign exchange rate derivatives.

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

The principal interest rate contracts used are interest rate 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.

For revenue purposes the Group maintains trading positions in these instruments and engages in transactions with customers to satisfy their needs in managing their respective interest rate and foreign exchange rate 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 90-day period at a 99% 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.

Derivative Financial Instruments And Hedge Accounting

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

(i) Fair value hedge

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

(ii) Cash flow hedge

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

(iii) Derivatives that do not qualify for hedge accounting

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

A28. INTEREST/PROFIT RATE RISK

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.

The Group 31.03.09	-----Non Trading Book----->						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000				
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
Derivative financial assets	-	-	-	-	-	-	482,933	-	482,933	-
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	-
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 to Cagamas Berhad	-	-	-	-	155,037	-	-	-	155,037	3.98

A28. INTEREST/PROFIT RATE RISK

The Group 31.03.09	←-----Non Trading Book-----→						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000				
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.

A28. INTEREST/PROFIT RATE RISK

The Group	←-----Non Trading Book-----→							Trading Book	Total	Effective interest rate
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years	Non-interest sensitive			
31.3.08	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
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
Derivative financial assets	-	-	-	-	-	-	370,681	-	370,681	-
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	-
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	3,029,301	72,605	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

A28. INTEREST/PROFIT RATE RISK

The Group 31.3.08	←-----Non Trading Book-----→						Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000				
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	3,838,918	3,931,830	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	3,838,918	3,931,830	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)	4,579,029	11,568,516	(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)	572,989	12,372,124	(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)	(15,027,354)	(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.

A29. CAPITAL ADEQUACY RATIO

(a) The capital adequacy ratios of the Group are as follows:

		The Group				
		31.03.09	31.3.08			
Before deducting proposed dividends:						
Core capital ratio		9.74%	8.54%			
Risk-weighted capital ratio		15.16%	14.14%			
After deducting proposed dividend:						
Core capital ratio		9.74%	8.40%			
Risk-weighted capital ratio		15.16%	14.00%			
2009			AmBank (M)₁	AmIB₁	AmIslamic₂	AmIL₃
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	AmIB₁	AmIslamic₂	AmIL₃
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 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 the 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 company, 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.

A29. CAPITAL ADEQUACY RATIO (CONTD.)

- 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 Services Authority (LOFSA), which is based on the Basel I capital accord.

- (b) The aggregated components of Tier I and Tier II Capital of the Group are as follows:

	The Group	
	31.03.09	31.3.08
	RM'000	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	<u>6,479,855</u>	<u>6,281,765</u>
Less : Goodwill	(47,685)	(47,685)
Deferred tax assets - net	(297,734)	(610,302)
Total tier 1 capital	<u>6,134,436</u>	<u>5,623,778</u>
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	<u>3,469,985</u>	<u>4,427,771</u>
Less: Excess tier 2 capital	-	(667,050)
Maximum allowable tier 2 capital	<u>3,469,985</u>	<u>3,760,721</u>
Total capital funds	9,604,421	9,384,499
Less: Investment in subsidiary company	(32,780)	-
Investment in capital of related financial institutions	(18,105)	(72,439)
Less: Other deduction	(10,219)	(11)
Capital base	<u>9,543,317</u>	<u>9,312,049</u>

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:

	The Group	
	31.03.09	31.3.08
	RM'000	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	<u>62,954,167</u>	<u>65,873,089</u>

A30. CREDIT EXPOSURE ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

	The Group	
	31.03.09	31.3.08
	RM'000	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
	<hr/>	<hr/>
- which is non-performing or in default	0.26	0.21
	<hr/>	<hr/>

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008.

A31. ISLAMIC BANKING BUSINESS

The state of affairs as at 31 March 2009 and the results for the period 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:

AUDITED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2009

	The Group	
	31.03.09	31.3.08
	RM'000	RM'000
ASSETS		
Cash and short-term funds	3,218,641	1,921,662
Deposit and placements with banks and other financial institutions	-	-
Securities held-for-trading	203,863	559,411
Securities available-for-sale	569,295	-
Securities held-to-maturity	36,710	32,373
Financing and advances	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	489	536
Deferred tax assets	99,191	157,781
Intangible assets	565	611
TOTAL ASSETS	14,135,114	11,091,189
LIABILITIES AND ISLAMIC BANKING FUNDS		
Deposits from customers	10,155,389	6,917,573
Deposits and placements of banks and other financial institutions	1,425,410	1,636,439
Converted fund	7,240	2,160
Acceptances payable	612,567	547,347
Other liabilities	208,235	154,200
Subordinated Sukuk Musyarakah	400,000	400,000
Total Liabilities	12,808,841	9,657,719
ISLAMIC BANKING FUNDS		
Share capital/Capital funds	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	4,301,299	6,111,742

**AUDITED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2009**

The Group	Individual Quarter		Cumulative Quarter	
	31.03.09 RM'000	31.3.08 RM'000	31.03.09 RM'000	31.3.08 RM'000
Income derived from investment of depositors' funds and others	220,523	176,897	809,625	704,643
Allowance for losses on financing	(25,098)	(29,260)	(91,951)	(138,061)
Writeback/(Provision) for commitment and contingencies	1,273	-	(11,978)	-
Impairment loss for sundry debt	-	-	(18)	-
Transfer (to)/from profit equalization reserve	(23,031)	(8,076)	(24,518)	18,211
Total attributable income	173,667	139,561	681,160	584,793
Income attributable to the depositors	(92,027)	(88,595)	(383,685)	(364,313)
Profit attributable to the Group	81,640	50,966	297,475	220,480
Income derived from Islamic Banking Funds	33,002	50,547	165,879	195,994
Total net income	114,642	101,513	463,354	416,474
Operating expenditure	(56,789)	(52,573)	(221,808)	(205,045)
Finance cost	(4,734)	(2,191)	(19,200)	(19,253)
Profit before taxation	53,119	46,749	222,346	192,176
Taxation	(13,458)	(18,364)	(58,001)	(73,116)
Profit for the period	39,661	28,385	164,345	119,060

A31a. Financing and Advances

	The Group	
	31.03.09	31.3.08
	RM'000	RM'000
Term financing/Revolving credit facilities	3,029,943	2,309,469
Islamic hire purchase, net of unearned income	5,283,928	4,327,138
Credit card receivables	310,266	303,280
Trust receipts	31,828	44,996
Claims on customer under acceptance credits	763,656	686,376
Other financing	656,417	692,092
Gross financing and advances	<u>10,076,038</u>	<u>8,363,351</u>
Allowance for bad and doubtful debts and financing		
-general	(166,508)	(154,954)
-specific	(99,053)	(153,436)
	<u>(265,561)</u>	<u>(308,390)</u>
Net financing and advances	<u>9,810,477</u>	<u>8,054,961</u>

Movements in non-performing financing and advances ("NPL") are as follows:

	The Group	
	31.03.09	31.3.08
	RM'000	RM'000
Gross		
Balance at beginning of year	305,321	503,084
Non-performing during the year	186,216	206,068
Reclassification to performing financing	(62,366)	(103,518)
Recoveries	(27,684)	(70,877)
Amount written off	(161,850)	(229,436)
Balance at end of year	<u>239,637</u>	<u>305,321</u>
Specific allowance	(99,053)	(153,436)
Non-performing financing - net	<u>140,584</u>	<u>151,885</u>
Net NPL as % of gross financing and advances (including Islamic financing sold to Cagamas Berhad) less specific allowance	<u>1.29%</u>	<u>1.51%</u>

Movements in allowances for bad and doubtful debts and financing accounts are as follows:

	The Group	
	31.03.09	31.3.08
	RM'000	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	<u>166,508</u>	<u>154,954</u>
% of total financing and advances (including Islamic financing sold to Cagamas Berhad) less specific allowance	 <u>1.53%</u>	 <u>1.54%</u>
Specific Allowance		
Balance at beginning of year	<u>153,436</u>	<u>253,699</u>
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	<u>108,429</u>	<u>138,762</u>
Amount written off/Adjustment to Asset Deficiency Account	 (162,812)	 (239,025)
Balance at end of year	<u>99,053</u>	<u>153,436</u>

A31b. DEPOSITS FROM CUSTOMERS

	The Group	
	31.03.09	31.3.08
	RM'000	RM'000
Mudarabah Fund		
Special Investment deposits	44,850	512,022
General Investment deposits	8,251,739	4,675,498
	<u>8,296,589</u>	<u>5,187,520</u>
Non-Mudarabah Fund		
Demand deposits	645,865	520,564
Saving deposits	945,950	801,381
Negotiable Islamic debt certificates	266,985	408,108
	<u>1,858,800</u>	<u>1,730,053</u>
	<u>10,155,389</u>	<u>6,917,573</u>

A31c. OTHER LIABILITIES

	The Group	
	31.03.09	31.3.08
	RM'000	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
	<u>208,235</u>	<u>154,200</u>

A31d. 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, advances and other loans.
- (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 Deposit from customers.
- (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.

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	As previously reported	Effect of reclassification	As restated
Group	RM'000	RM'000	RM'000
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 of depositors' funds and others	704,757	(114)	704,643
Operating expenditure	(205,159)	114	(205,045)

A32. RECLASSIFICATION

(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:

Description of change	Increase/(Decrease)		
	BNM		
	30.9.08	Guidelines on	30.9.08
	Before reclass	reclassification	After reclass
The Group	RM'000	RM'000	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 Statements for the quarter ended 30 September 2008

	Increase/(Decrease)		
	BNM		
	30.9.08	Guidelines on	30.9.08
	Before reclass	reclassification	After reclass
The Group	RM'000	RM'000	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 Statements for the 6 months period ended 30 September 2008

	Increase/(Decrease)		
	BNM		
	30.9.08	Guidelines on	30.9.08
	Before reclass	reclassification	After reclass
The Group	RM'000	RM'000	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:

The Group	31.3.09		30.9.08	
	Carrying amount	Fair values	Carrying amount	Fair values
	RM'000	RM'000	RM'000	RM'000
Securities reclassified from securities held-for-trading to securities available-for-sale	678,723	623,735	822,964	785,770

A32. RECLASSIFICATION (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	As previously reported	Effect of reclassification	As restated
Group	RM'000	RM'000	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 properties	-	(473)	(473)

B1. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP FOR THE QUARTER AND YEAR

The Group registered a net profit of RM860.8 million for the financial year ended 31 March 2009, an improvement of RM192.3 million compared to the previous corresponding period of RM668.5 million. The higher earnings was mainly attributed to improved net interest income and income from Islamic banking business, lower loan loss provisions, lower minority interest and impairment losses offset by a reduction in other operating income.

The Group's net profit for the fourth quarter was RM179.8 million or 17.3% lower than the previous corresponding quarter of RM217.5 million. The lower earnings was mainly attributed by increase in allowance for losses on loans and financing of RM85.0 million, lower interest income on loans and advances which decreased from RM814.9 million to RM790.0 million in the previous corresponding quarter and higher impairment losses on securities which rose by RM14.3 million.

The Group's commercial and retail banking operations were the largest contributors to the Group pre-tax profit, reporting a pre-tax profit of RM973.8 million followed by insurance operations which contributed RM73.6 million for the period ended 31 March 2009.

Gross loans and advances continued to expand to RM58.8 billion to register an annual growth of 6.9%. The growth was mainly attributed to financing of landed properties, securities and passenger vehicles. Financing for purchase of transport vehicles have expanded by RM313.6 million and account for 40.8% of total loans, followed by loans for residential mortgages which accounted for 19.0% of total loans.

The Group continued to see further improvement in asset quality, with net non-performing loans ("NPL") ratio on a 3-month classification basis, decreasing to 2.6%, from 3.7% as at 31 March 2008, due to intensified loan recovery efforts.

As at 31 March 2009, the Group's total assets stood at RM90.0 billion. Meanwhile, the Group's risk-weighted capital ratio ("RWCR") stood at 15.16% as at 31 March 2009, compared with 14.14% as at 31 March 2008.

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

B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION

The Group reported a pre-tax profit of RM273.4 million for the fourth quarter ended 31 March 2009 as compared to RM344.9 million for the third quarter ended 31 December 2008 mainly due to reduce in investment and trading income of RM27.7 million, higher impairment loss on securities of RM29.0 million and higher transfer to profit equalisation reserve of RM23.0 million. These, however, was partially cushioned by lower loan loss allowances.

B3. PROSPECTS FOR 31 MARCH 2010

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 NPL's 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.

The Group will stay focused on its executing to its strategies built around de-risking, diversifying away from concentrations and differentiated growth via targeting profitable business segments. 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.

The 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 ANZ, privatization of AmInvestment Group Berhad, and internal business restructuring will continue to underpin its ability to deliver profitable growth over the medium term.

B4. VARIANCE FROM PROFIT FORECAST AND SHORTFALL FROM PROFIT GUARANTEE

This is not applicable to the Group.

B5. TAXATION

The Group	Individual Quarter		Cumulative Quarter	
	31.03.09 RM'000	31.03.08 RM'000	31.03.09 RM'000	31.03.08 RM'000
Estimated current tax payable	23,677	21,520	46,156	122,091
Transfer from deferred tax	76,499	92,100	305,908	290,125
	100,176	113,620	352,064	412,216
Overprovision of current taxation in respect of prior years	(13,208)	(29,246)	(13,714)	(29,199)
Taxation	86,968	84,374	338,350	383,017
Zakat	658	601	1,032	601
Taxation and zakat	87,626	84,975	339,382	383,618

The total tax charge of the Group for the financial quarter ended 31 March 2009 and 2008 reflect an effective tax rate which is higher than the statutory tax rate due mainly to disallowances of certain expenses.

B6. SALE OF INVESTMENTS AND/OR FORECLOSED PROPERTIES

The Group	Individual Quarter		Cumulative Quarter	
	31.03.09 RM'000	31.03.08 RM'000	31.03.09 RM'000	31.03.08 RM'000
Net (loss)/gain from sale of securities held-for-trading	(1,247)	17,879	(77,092)	131,616
Net gain from sale of securities available-for-sale	3,720	2,033	3,944	31,735
Net gain from redemption of securities held-to-maturity	11,817	3,439	46,625	106,235
Impairment loss on securities	(28,990)	(14,700)	(76,524)	(111,958)

B7. QUOTED SECURITIES

This note is not applicable to financial institutions.

B8. CORPORATE PROPOSALS

1. AmG Insurance Berhad ("AmG") has on 10 November 2008 entered into a non-binding memorandum of understanding ("MOU") 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 at a consideration of RM16.2 million, equivalent to RM3.30 per share.
2. Pursuant to the approvals by Bank Negara Malaysia ("BNM") and Securities Commission ("SC") dated 23 December 2008 and 6 January 2009, the Company had on 6 March 2009 announced that AmBank (M) Berhad ("AmBank") had successfully completed the issuance of RM500 million non-innovative Tier 1 capital ("RMNIT1").

The RMNIT1 issuance is structured in accordance with BNM's guidelines on the risk-weighted capital adequacy framework. The RMNIT1 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.

3. On 19 December 2007, the Company received BNM's 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, a licensed futures broker, from AmSecurities Holding Sdn Bhd ("AMSH") to AmInvestment Bank Berhad ("AmInvestment Bank") for a cash consideration based on book value;
 - (ii) AmResearch Sdn Bhd, a licensed investment adviser, from AMSH to AmInvestment Bank for a cash consideration based on book value;
 - (iii) AmInvestment Management Sdn Bhd, 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, 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 Keuangan, the Indonesian securities regulatory authority.

B8. CORPORATE PROPOSALS (CONTD.)

4. 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
 - (iii) Bursa Securities for the listing and quotation of the Special Issue Shares;
 - (iv) Bank Negara Malaysia, which was obtained on 14 January 2009 together with approval of the Minister of Finance 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) Ministry of Finance 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).
5. Upon BNM's approval dated 19 February 2009, AmBank (M) Berhad 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.

B8. CORPORATE PROPOSALS (CONTD.)

6. 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 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 scheme ("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 to be satisfied 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.

During the reporting quarter, 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.

B9. BORROWINGS

	The Group	
	31.03.09 RM'000	31.3.08 RM'000
(i) Deposits from customers		
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
	<u>64,131,506</u>	<u>55,768,861</u>
(ii) Deposits and placements of banks and other financial institutions		
Due within six months	3,465,904	3,490,722
Six months to one year	1,364,334	1,092,562
One year to three years	402,859	539,103
Three to five years	902,312	1,994,892
	<u>6,135,409</u>	<u>7,117,279</u>
<i>Recap:</i>		
<i>Interbank lendings</i>	16,536,853	11,832,476
<i>Interbank borrowings</i>	(93,435)	(37,001)
<i>Net interbank lendings</i>	<u>16,443,418</u>	<u>11,795,475</u>
(iii) Term loans		
Due within one year		
Secured	351,859	1,790,844
(vi) Subordinated term loan		
More than one year	-	460,000
(v) Unsecured bonds		
More than one year	1,090,000	1,750,000
(vi) Hybrid capital		
More than one year	1,303,691	673,830
The above hybrid capital includes amounts denominated in USD. Principal amount - USD200.0 million.		
(vii) Medium Term Notes		
More than one year	1,460,000	860,000

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.

B10. DERIVATIVE FINANCIAL INSTRUMENTS

Please refer to note A27

B11. MATERIAL LITIGATION

The Group and the Company do not have any material litigation which would materially affect the financial position of the Group and the Company. For other litigations, please refer to Note A25(f).

B12. DIVIDENDS

- (i) A proposed first and final ordinary dividend of 8%, less 25% taxation for the financial year ended 31 March 2009 has been recommended by the directors;
- (ii) Amount per share: 8 Sen less 25.0% taxation;
- (iii) Previous corresponding year: 6 Sen less 25.0% taxation;
- (iv) Payment date: To be determined and announced at a later date; and
- (v) In respect of deposited securities, entitlement to the proposed dividend will be determined on the basis of the Record of Depositors as at the close of business on the date to be determined and announced at a later date.

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.

B13. EARNINGS PER SHARE (SEN)

a. Basic earnings per share

Basic earnings 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 quarter.

	Individual Quarter		Cumulative Quarter	
	31.3.09 RM'000	31.3.08 RM'000	31.3.09 RM'000	31.3.08 RM'000
Net profit attributable to equity holders of the Company	179,818	217,493	860,824	668,542
Number of ordinary shares at beginning of period	2,722,970	2,203,849	2,722,970	2,130,565
Effect of ordinary shares issued pursuant to:				
- exercise of Warrants 2003/2008	-	7,632	-	27,984
- conversion of CPS	-	163,934	-	142,435
- Rights Issue	-	266,701	-	66,311
Weighted average number of ordinary shares in issue	2,722,970	2,642,116	2,722,970	2,367,295
Basic earnings per share (Sen)	6.60	8.23	31.61	28.24

B13. EARNINGS PER SHARE (SEN)(CONTD.)

b. Fully diluted earnings per share

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

The Company has two categories of dilutive potential ordinary shares:

- (i) Warrants 2003/2008 (expired on 20 March 2008)
- (ii) Unsecured exchangeable bonds

	Individual Quarter		Cumulative Quarter	
	31.3.09 RM'000	31.3.08 RM'000	31.3.09 RM'000	31.3.08 RM'000
Net profit attributable to equity holders of the Company	179,818	217,493	860,824	668,542
Weighted average number of ordinary shares in issue (as in (a) above)	2,722,970	2,642,116	2,722,970	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	2,669,880	2,722,970	2,395,059
Fully diluted earnings per share (Sen)	6.60	8.15	31.61	27.91

For the financial quarter and period 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's adjusted weighted average number of ordinary shares in issue and issuable for the quarter and financial period ended 31 March 2008 have been arrived at based on the assumption that share warrants 2003/2008 is exercised and the bonds is exchanged at beginning of period.

BY ORDER OF THE BOARD
RAVINDRA KUMAR THAMBIMUTHU
GROUP COMPANY SECRETARY
Kuala Lumpur

Date : 15 May 2009