

AMMB HOLDINGS BERHAD
(223035-V) (Incorporated in Malaysia)
and its subsidiary companies
AUDITED CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2010

	Note	The Group	
		31.3.10 RM'000	31.3.09 RM'000
ASSETS			
Cash and short-term funds		11,627,452	16,948,581
Securities purchased under resale agreements		16,992	16,807
Deposits and placements with banks and other financial institutions		1,831,505	46,026
Securities held-for-trading	A8	1,713,441	1,399,873
Securities available-for-sale	A9	9,093,856	6,626,054
Securities held-to-maturity	A10	562,743	780,209
Loans, advances and financing	A11	64,425,920	56,947,831
Derivative financial assets		343,643	482,933
Other assets	A12	1,988,973	1,728,366
Statutory deposits with Bank Negara Malaysia	A13	167,623	517,578
Investments in jointly controlled company		-	380
Investments in associate		1,301	1,301
Prepaid land lease payments		6,350	6,646
Property and equipment		229,549	228,399
Life fund assets		2,382,703	2,006,799
Deferred tax assets		262,760	346,997
Intangible assets		1,825,492	1,808,101
TOTAL ASSETS		96,480,303	89,892,881
LIABILITIES AND EQUITY			
Deposits from customers	A14	68,874,112	64,131,506
Deposits and placements of banks and other financial institutions	A15	4,315,276	6,135,409
Term funding	B9	1,902,107	351,859
Bills and acceptances payable		1,399,572	2,120,247
Recourse obligations on loans sold to Cagamas Berhad		135,689	155,037
Derivative financial liabilities		392,977	587,763
Other liabilities	A16	3,486,533	2,639,015
Debt capital	B9	3,747,347	3,853,691
Life fund liabilities		200,357	222,160
Life policyholder funds		2,182,346	1,784,639
Total Liabilities		86,636,316	81,981,326
Share capital		3,014,185	2,722,970
Reserves		6,623,528	5,013,123
Equity attributable to equity holders of the Company		9,637,713	7,736,093
Minority interests		206,274	175,462
Total Equity		9,843,987	7,911,555
TOTAL LIABILITIES AND EQUITY		96,480,303	89,892,881

AMMB HOLDINGS BERHAD
(223035-V) (Incorporated in Malaysia)
and its subsidiary companies
AUDITED CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2010 (CONTD.)

	Note	The Group	
		31.3.10 RM'000	31.3.09 RM'000
OFF-BALANCE SHEET EXPOSURES	A30(e)	62,260,673	49,911,642
CAPITAL ADEQUACY RATIO	A30		
Before deducting proposed dividends:			
Core capital ratio		10.32%	9.74%
Risk-weighted capital ratio		15.77%	15.16%
After deducting proposed dividends:			
Core capital ratio		9.78%	9.74%
Risk-weighted capital ratio		15.30%	15.16%
NET ASSETS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)		3.20	2.84

The Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 March 2010.

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

AUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2010

The Group	Note	Individual Quarter		Cumulative Quarter	
		31.3.10 RM'000	31.3.09 RM'000	31.3.10 RM'000	31.3.09 RM'000
Operating revenue		1,660,243	1,547,368	6,828,945	6,310,657
Interest income	A17	929,801	929,763	3,614,842	3,793,368
Interest expense	A18	(418,828)	(484,332)	(1,728,239)	(2,017,054)
Net interest income		510,973	445,431	1,886,603	1,776,314
Net income from Islamic banking business		194,036	156,767	775,509	572,619
Net income from insurance business	A19	30,811	36,672	123,687	121,340
Income from insurance business	A19a	138,775	130,539	530,231	512,604
Insurance claims and commissions	A19b	(107,964)	(93,867)	(406,544)	(391,264)
Other operating income	A20	171,402	132,598	791,983	457,344
Share in results of jointly controlled company		(173)	(212)	(745)	(212)
Net income		907,049	771,256	3,577,037	2,927,405
Other operating expenses	A21	(411,415)	(324,848)	(1,501,356)	(1,268,787)
Operating profit		495,634	446,408	2,075,681	1,658,618
Allowance for losses on loans and financing	A22	(148,463)	(122,846)	(568,893)	(344,187)
Impairment (loss)/writeback on:					
Securities		(6,421)	(28,990)	(103,770)	(76,524)
Amount recoverable under asset-backed securitisation transaction		-	-	-	17,000
Fixed assets		-	(2)	-	(2,490)
Transfer from/(to) profit equalisation reserve		6,432	(23,031)	12,858	(24,518)
(Allowance)/writeback for doubtful sundry receivables - net		(4,694)	2,163	(7,894)	3,653
Provision for foreclosed properties		(21,816)	(1,942)	(22,457)	(1,942)
(Provision)/writeback for commitments and contingencies		(11,865)	1,596	(8,866)	(11,974)
Profit before taxation and zakat		308,807	273,356	1,376,659	1,217,636
Taxation and zakat	B5	(57,669)	(87,626)	(334,051)	(339,382)
Profit for the period		251,138	185,730	1,042,608	878,254
Attributable to:					
Equity holders of the Company		241,749	179,818	1,008,618	860,824
Minority interests		9,389	5,912	33,990	17,430
Profit for the period		251,138	185,730	1,042,608	878,254
Earnings Per Share (sen)	B13				
Basic		8.03	6.60	34.71	31.61

The Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2010.

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 2010

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	Exchange fluctuation reserve RM'000	Cash flow hedge reserve RM'000	Shares held in trust for ESS 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)
Net unrealised loss on cash flow 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 income/(expense) recognised directly in equity	-	(21)	78,334	(84,644)	11,425	(91,486)	-	(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 period	-	(21)	78,334	(84,644)	11,425	(91,486)	-	782,490	696,098	17,430	713,528
Purchase of shares pursuant to Executives' Share Scheme ("ESS") [^]	-	-	-	-	-	-	(7,064)	-	(7,064)	-	(7,064)
Arising from subscription for shares in AmPrivate Equity Sdn Bhd	-	-	-	-	-	-	-	-	-	400	400
Arising from subscription for shares in 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)	19,591	(91,486)	(7,064)	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.

AMMB HOLDINGS BERHAD
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and its subsidiary companies

AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2010

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	Exchange fluctuation reserve RM'000	Cash flow hedging reserve RM'000	Shares held in trust for ESS RM'000	Employees' Share Scheme Reserve RM'000	Unappropriated profits RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
At 1 April 2009	2,722,970	1,986,836	1,323,767	(41,744)	19,591	(91,486)	(7,064)	-	1,823,223	7,736,093	175,462	7,911,555
Effect of first time adoption of RBC framework	-	-	-	-	-	-	-	-	(3,502)	(3,502)	(3,365)	(6,867)
At 1 April 2009 (restated)	2,722,970	1,986,836	1,323,767	(41,744)	19,591	(91,486)	(7,064)	-	1,819,721	7,732,591	172,097	7,904,688
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	138,813	-	-	-	-	-	138,813	-	138,813
Unrealised net gain on cashflow hedge	-	-	-	-	-	95,387	-	-	-	95,387	-	95,387
Transfer from unappropriated profits	-	-	96,396	-	-	-	-	-	(96,396)	-	-	-
Exchange fluctuation adjustments	-	-	-	-	(8,783)	-	-	-	-	(8,783)	-	(8,783)
Net income/(expense) recognised directly in equity	-	-	96,396	138,813	(8,783)	95,387	-	-	(96,396)	225,417	-	225,417
Profit for the period	-	-	-	-	-	-	-	-	1,008,618	1,008,618	33,990	1,042,608
Total recognised net income/(expense) for the period	-	-	96,396	138,813	(8,783)	95,387	-	-	912,222	1,234,035	33,990	1,268,025
Issue of ordinary share capital pursuant to:-												
conversion of unsecured exchangeable bonds	194,915	380,085	-	-	-	-	-	-	-	575,000	-	575,000
special issue shares to eligible Bumiputera	96,300	170,451	-	-	-	-	-	-	-	266,751	-	266,751
Purchased of shares pursuant to Executives' Share Scheme ("ESS") ^{^^}	-	-	-	-	-	-	(10,477)	-	-	(10,477)	-	(10,477)
Share-based payment under ESS	-	-	-	-	-	-	-	14,860	-	14,860	-	14,860
ESS shares vested to employee of subsidiary	-	-	-	-	-	-	26	-	-	26	-	26
Arising from acquisition and redemption of shares in AmPrivate Equity Sdn Bhd	-	-	-	-	-	-	-	-	-	-	187	187
Dividend paid	-	-	-	-	-	-	-	-	(175,073)	(175,073)	-	(175,073)
At 31 March 2010	3,014,185	2,537,372	1,420,163	97,069	10,808	3,901	(17,515)	14,860	2,556,870	9,637,713	206,274	9,843,987

^{^^} Represent the purchase of 2,574,800 of the Company's issued ordinary shares from the open market by a trustee appointed by the ESS committee at an average price of RM4.07 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 2010.

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 2010

The Group	31.3.10	31.3.09
	RM'000	RM'000
Profit before taxation	1,376,659	1,217,636
Adjustments for non-operating and non-cash items	668,038	671,132
Operating profit before working capital changes	2,044,697	1,888,768
(Increase)/decrease in operating assets	(9,799,143)	2,416,397
Increase in operating liabilities	4,274,869	6,036,676
Cash (used in)/generated from operations	(3,479,577)	10,341,841
Taxation paid	(249,617)	(40,383)
Net cash (used in)/generated from operating activities	(3,729,194)	10,301,458
Net cash used in investing activities	(2,262,111)	(3,744,540)
Net cash generated from/(used in) financing activities	664,214	(575,918)
Net (decrease)/increase in cash and cash equivalents	(5,327,091)	5,981,000
Cash and cash equivalents at beginning of period	16,727,526	10,746,526
Cash and cash equivalents at end of period	11,400,435	16,727,526

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	31.3.10	31.3.09
	RM'000	RM'000
Cash and short-term funds	11,627,452	16,948,581
Bank overdrafts	-	(786)
	11,627,452	16,947,795
Less: Cash and bank balances and deposits held in trust	(226,920)	(219,432)
	11,400,532	16,728,363
Effect of exchange rates changes	(97)	(837)
Cash and cash equivalents	11,400,435	16,727,526

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2010.

EXPLANATORY NOTES :

A1. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with Financial Reporting Standard ("FRS") 134 Interim Financial Reporting issued by Malaysian Accounting Standards Board ("MASB") and should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2010.

The accounting policies and methods of computation applied in the audited condensed interim financial statements are consistent with those adopted in the previous audited annual financial statements.

At the date of authorisation of these financial statements, the following new FRSs and Interpretations, and amendments to certain Standards and Interpretations were issued but not yet effective and have not been applied by the Group and the Company, which are:

Effective for financial periods beginning on or after 1 January 2010

- FRS 4: Insurance Contracts
- FRS 7: Financial Instruments: Disclosures
- FRS 101: Presentation of Financial Statements (revised)
- FRS 123: Borrowing Costs
- FRS 139: Financial Instruments: Recognition and Measurement
- Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations
- Amendments to FRS 132: Financial Instruments: Presentation
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
- Amendments to FRSs 'Improvements to FRSs (2009)'
- IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 10: Interim Financial Reporting and Impairment
- IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions
- IC Interpretation 13: Customer Loyalty Programmes
- IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- TR i - 3: Presentation of Financial Statements of Islamic Financial Institutions

Effective for financial periods beginning on or after 1 July 2010

- FRS 1: First-time Adoption of Financial Reporting Standards
- FRS 3: Business Combinations (revised)
- FRS 127: Consolidated and Separate Financial Statements (amended)
- Amendments to FRS 2: Share-based Payment
- Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 138: Intangible Assets
- Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- IC Interpretation 12: Service Concession Arrangements
- IC Interpretation 15: Agreements for the Construction of Real Estate
- IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17: Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011

- Limited Exemption from Comparative FRS 7 Disclosures for First Time Adopters (Amendments to FRS 7)
- Improving Disclosures about Financial Instruments (Amendments to FRS 7)
- Amendments to FRS 132 Financial Instruments: Presentation

The Group and the Company have not early adopted the above pronouncements which are effective from 1 January 2010 and 1 July 2010 respectively.

The specific and general allowances for loans, advances and financing of the Group are computed based on revised BNM/GP3, BNM's guidelines on the "Classification of Non-Performing Loans and Provisions for Substandard, Bad and Doubtful Debts" ("BNM/GP3") requirements. However, the Group has adopted a more stringent classification policy on non-performing loans, whereby loans are classified as non-performing and sub-standard when repayments are in arrears for more than three (3) months from the first day of default or after maturity date.

A1. BASIS OF PREPARATION (CONTD.)

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

- (i) Values assigned to collateral held for non-performing loans secured by properties is determined based on the realisable values of the properties on the following basis:
 - (a) assigning only fifty percent (50%) of the realisable value of the properties held as collateral for non-performing loans which are in arrears for more than five (5) years but less than seven (7) years; and
 - (b) no value assigned to the realisable value of the properties held as collateral for non-performing loans which are in arrears for more than seven (7) years.
- (ii) Specific allowance of 20% is provided on non-performing loans which are three (3) to less than six (6) months-in-arrears.

A2. AUDIT QUALIFICATION

There were no audit qualification in the annual financial statements for the year ended 31 March 2009.

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 period ended 31 March 2010.

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 period except for the following:

- (i) issuance of 96,300,000 new ordinary shares of RM1.00 each pursuant to the Special Issue to eligible Bumiputera shareholders; and
- (ii) issuance of 194,915,254 new ordinary shares of RM1.00 each pursuant to exchange of RM575.0 million nominal value of 10-year unsecured subordinated exchangeable bonds by ANZ Funds Pty Ltd.

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

During the financial period ended 31 March 2010, a first and final dividend of 8.0%, less 25.0% tax, amounting to RM175,073,091 for the financial year ended 31 March 2009 was paid on 4 September 2009 to shareholders whose names appear in the Record of Depositors on 21 August 2009.

A8. SECURITIES HELD-FOR-TRADING

	The Group	
	31.3.10	31.3.09
	RM'000	RM'000
At Fair Value		
Money Market Securities		
Treasury Bills	19,551	-
Islamic Treasury Bills	39,141	-
Malaysian Government Securities	154,746	999,652
Malaysian Government Investment Certificates	452,188	4,065
Bank Negara Malaysia Monetary Notes	306,008	-
Sukuk Bank Negara Malaysia	14,990	
Islamic Khazanah bonds	-	991
	<u>986,624</u>	<u>1,004,708</u>
Quoted Securities		
In Malaysia:		
Shares	86,852	28,164
Warrants	1,934	-
Trust units	5,303	2,923
Outside Malaysia:		
Shares	4,239	1,668
	<u>98,328</u>	<u>32,755</u>
Unquoted Private Debt Securities		
In Malaysia:		
Corporate notes	191,407	98,438
Islamic corporate bonds	100,441	-
Islamic corporate notes	322,009	248,567
Outside Malaysia:		
Corporate bonds	14,632	15,405
	<u>628,489</u>	<u>362,410</u>
Total	<u>1,713,441</u>	<u>1,399,873</u>

A9. SECURITIES AVAILABLE-FOR-SALE

	The Group	
	31.3.10	31.3.09
	RM'000	RM'000
At Fair Value		
Money Market Securities		
Malaysian Government Securities	427,258	32,948
Malaysian Government investment certificates	76,005	36,025
Negotiable instruments of deposits	2,579,057	150,171
Negotiable Islamic debt certificates	577,330	29,190
Islamic Khazanah Bonds	37,890	36,945
	3,697,540	285,279
Quoted Securities		
In Malaysia:		
Shares	136,378	163,175
Trust units	1,149,180	329,472
Outside Malaysia:		
Shares	21,847	25,857
Trust units	1,754	1,811
	1,309,159	520,315
Unquoted Securities		
In Malaysia:		
Shares	21,476	22,871
Outside Malaysia:		
Shares	17,848	17,848
	39,324	40,719
Quoted Debt Equity Converted Securities		
In Malaysia:		
Shares	14,380	25,751
Loan stocks	2,326	3,096
Corporate bonds	332	332
Outside Malaysia:		
Shares	104	40
	17,142	29,219

A9. SECURITIES AVAILABLE-FOR-SALE (CONTD.)

	The Group	
	31.3.10	31.3.09
	RM'000	RM'000
Unquoted Private Debt Securities		
In Malaysia:		
Corporate bonds	1,045,019	630,303
Islamic corporate bonds	676,831	1,064,297
Corporate notes	338,435	1,408,277
Islamic corporate notes	1,557,236	2,055,719
Outside Malaysia:		
Corporate bonds	7,941	95,578
Islamic corporate bonds	39,333	43,753
	<u>3,664,795</u>	<u>5,297,927</u>
Unquoted Guaranteed Private Debt Securities		
In Malaysia:		
Corporate bonds	342,452	367,780
Islamic corporate bonds	82,726	85,176
	<u>425,178</u>	<u>452,956</u>
Accumulated impairment losses	(59,282)	(361)
Total	<u>9,093,856</u>	<u>6,626,054</u>

AmBank (M) Berhad and AmIslamic Bank Berhad, the wholly owned subsidiaries of the Company, were appointed Principal Dealer ("PD") and Islamic Principal Dealer ("i-PD") respectively by Bank Negara Malaysia ("BNM") for Government/Islamic Government, BNM and BNM Sukuk Berhad issuances with effect from 1 July 2009 until 31 December 2012.

As PD and i-PD, the Group are required to undertake certain obligations as well as accorded certain incentives in the appointment period. One of the incentives accorded is the eligibility to maintain 1% Statutory Reserve Requirement ("SRR") in the form of Malaysian Government Securities ("MGS") and/or Government Investment Issues ("GII") holdings instead of cash. As at 31 March 2010, the nominal values of MGS and GII holdings maintained for SRR purpose amounting to RM425,260,000 for the Group.

A10. SECURITIES HELD-TO-MATURITY

	The Group	
	31.3.10	31.3.09
	RM'000	RM'000
Quoted Securities		
In Malaysia:		
Shares	2	2
Trust units	-	1,000
	<u>2</u>	<u>1,002</u>

A10. SECURITIES HELD-TO-MATURITY (CONTD.)

	The Group	
	31.3.10	31.3.09
	RM'000	RM'000
Unquoted Securities		
In Malaysia:		
Shares	103,118	102,958
Corporate bonds	100	959
Islamic corporate bonds	-	29,164
Unit trust	-	-
Outside Malaysia:		
Shares	2,247	4,330
Islamic corporate bonds	-	7,291
	<u>105,465</u>	<u>144,702</u>
Quoted Debt Equity Converted Securities		
In Malaysia:		
Shares	40	40
Loan stocks - collateralised	41,915	127,675
Loan stocks - with options	-	1,825
Corporate bonds - collateralised	33,172	33,172
	<u>75,127</u>	<u>162,712</u>
Unquoted Debt Equity Converted Securities		
In Malaysia:		
Shares	3,027	3,027
Loan stocks	41,419	58,104
Loan stocks - collateralised	314,279	334,036
Corporate bonds - collateralised	149,200	159,083
Corporate bonds	45,300	81,926
	<u>553,225</u>	<u>636,176</u>
Unquoted Private Debt Securities		
In Malaysia:		
Corporate bonds and notes	4,961	-
Corporate notes	30,370	32,700
Islamic corporate bonds	139,435	177,096
	<u>174,766</u>	<u>209,796</u>
Unquoted Guaranteed Private Debt Securities		
In Malaysia:		
Corporate bonds	10,000	10,000
	<u>918,585</u>	<u>1,164,388</u>
Accumulated impairment losses	<u>(355,842)</u>	<u>(384,179)</u>
Total	<u><u>562,743</u></u>	<u><u>780,209</u></u>

A11. LOANS, ADVANCES AND FINANCING

	The Group	
	31.3.10	31.3.09
	RM'000	RM'000
Loans and financing:		
Term loans and revolving credit *	23,874,032	18,059,567
Housing loans	11,750,125	11,485,193
Staff loans	167,526	175,518
Hire-purchase receivables	30,529,711	29,503,323
Credit card receivables	1,782,020	1,867,505
Lease receivables	1,142	1,236
Overdrafts	1,934,446	1,735,296
Claims on customers under acceptance credits	2,788,014	2,368,892
Trust receipts	387,309	373,871
Block discount receivables	57,928	60,556
Factoring receivables	57,143	51,906
Bills receivable	115,140	47,442
	<u>73,444,536</u>	<u>65,730,305</u>
Less: Unearned interest and income	7,161,411	6,961,346
Total	<u>66,283,125</u>	<u>58,768,959</u>
Less:		
Allowance for bad and doubtful debts and financing:		
General	1,003,472	899,517
Specific	853,733	921,611
	<u>1,857,205</u>	<u>1,821,128</u>
Net loans, advances and financing	<u>64,425,920</u>	<u>56,947,831</u>

* Included in term loans and revolving credit of the Group as at 31 March 2010 is financing amounting to RM210,618,521 (31 March 2009: RM NIL) which are exempted from general allowance by Bank Negara Malaysia.

A11. LOANS, ADVANCES AND FINANCING (CONTD.)

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

	The Group				Annualised Loans Growth (%)
	31.3.10		31.3.09		
	RM'000	%	RM'000	%	
Purchase of transport vehicles	25,570,990	38.4	24,349,948	40.8	
Purchase of landed properties:					
- Residential	11,240,667	16.9	11,316,431	19.0	
- Non-residential	3,793,077	5.7	2,878,021	4.8	
Working capital	11,286,987	16.9	9,437,443	15.8	
Personal use	2,336,028	3.5	2,324,241	3.9	
Fixed assets	1,347,210	2.0	1,815,104	3.0	
Purchase of securities	2,565,713	3.9	1,882,498	3.2	
Credit cards	1,724,492	2.6	1,844,448	3.1	
Construction	1,562,623	2.3	1,127,824	1.9	
Mergers and acquisitions	1,350,421	2.0	346,203	0.6	
Consumer durables	2,959	0.0	933	0.0	
Other purpose	3,847,696	5.8	2,351,668	3.9	
	<u>66,628,863</u>	<u>100.0</u>	<u>59,674,762</u>	<u>100.0</u>	
Less: Islamic financing sold to					
Cagamas Berhad	345,738		905,803		
Gross loans, advances and financing	<u>66,283,125</u>		<u>58,768,959</u>		<u>12.8</u>

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

	The Group	
	31.3.10 RM'000	31.3.09 RM'000
Domestic :		
Other non-bank financial institutions	313,228	292,678
Business enterprises:		
Small medium enterprises	7,221,486	6,693,845
Others	17,547,805	12,461,841
Government and statutory bodies	253,528	69,506
Individuals	40,402,428	38,701,457
Other domestic entities	3,021	20,037
Foreign entities	541,629	529,595
	<u>66,283,125</u>	<u>58,768,959</u>

A11. LOANS, ADVANCES AND FINANCING (CONTD.)

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

	The Group	
	31.3.10	31.3.09
	RM'000	RM'000
Variable rate		
BLR-plus	17,433,703	15,164,753
Cost-plus	9,706,769	7,449,634
Other variable rates	1,323,736	1,047,344
	<u>28,464,208</u>	<u>23,661,731</u>
Fixed rate		
Housing loans	2,019,245	2,256,505
Hire purchase receivables	25,478,064	24,488,938
Other fixed rates	10,321,608	8,361,785
	<u>37,818,917</u>	<u>35,107,228</u>
	<u>66,283,125</u>	<u>58,768,959</u>

Movements in non-performing loans, advances and financing ("NPLs") are as

	The Group	
	31.3.10	31.3.09
	RM'000	RM'000
Gross		
Balance at beginning of year	2,426,458	3,602,479
Non-performing during the period/year	1,030,338	1,165,774
Reclassification to performing loans and financing	(452,389)	(578,161)
Recoveries	(198,611)	(386,347)
Amount written-off	(940,038)	(1,395,908)
Repurchase of loans	-	19,554
Debt equity conversion	-	(933)
Balance at end of period/year	<u>1,865,758</u>	<u>2,426,458</u>
Less: Specific allowance	<u>(853,733)</u>	<u>(921,611)</u>
Non-performing loans, advances and financing - net	<u>1,012,025</u>	<u>1,504,847</u>
Ratios of non-performing loans, advances and financing to total loans, advances and financing (including Islamic financing sold to Cagamas Berhad) - net	<u>1.5%</u>	<u>2.6%</u>
Loan loss coverage excluding collateral values	<u>99.5%</u>	<u>75.1%</u>

A11. LOANS, ADVANCES AND FINANCING (CONTD.)

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

	The Group			
	31.3.10	%	31.3.09	%
	RM'000		RM'000	%
Purchase of landed properties:				
Residential	635,128	34.0	924,484	38.1
Non-residential	154,644	8.3	220,630	9.1
Working capital	303,063	16.3	450,015	18.6
Purchase of transport vehicles	437,477	23.4	453,501	18.7
Construction	132,835	7.1	148,954	6.1
Purchase of securities	51,643	2.8	66,818	2.8
Credit cards	56,343	3.0	70,209	2.9
Fixed assets	12,641	0.7	27,393	1.1
Personal use	46,545	2.5	19,163	0.8
Purchase of consumer durables	396	0.0	550	0.0
Other purpose	35,043	1.9	44,741	1.8
	<u>1,865,758</u>	<u>100.0</u>	<u>2,426,458</u>	<u>100.0</u>

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

	The Group	
	31.3.10	31.3.09
	RM'000	RM'000
General allowance		
Balance at beginning of year	899,517	845,225
Allowance during the period/year	104,924	53,561
Exchange fluctuation adjustments	(969)	731
Balance at end of period/year	<u>1,003,472</u>	<u>899,517</u>
As % of total loans, advances and financing including Islamic financing sold to Cagamas Berhad less financing exempted from general allowance by BNM and specific allowance	<u>1.53%</u>	<u>1.53%</u>
Specific allowance		
Balance at beginning of year	921,611	1,579,255
Allowance during the period/year	1,205,040	1,043,753
Amount written back in respect of recoveries and reversals	(336,980)	(383,672)
Net charge to income statements	868,060	660,081
Amount written off	(936,526)	(1,333,350)
Repurchase of loans	-	17,508
Debt equity conversion	-	(933)
Reclassification from sundry receivables	-	4
Exchange fluctuation adjustments	-	2
Adjustment to deferred asset account	588	(956)
Balance at end of period/year	<u>853,733</u>	<u>921,611</u>

A12. OTHER ASSETS

	The Group	
	31.3.10 RM'000	31.3.09 RM'000
Trade receivables, net of allowance for doubtful debts	864,046	399,788
Other receivables, deposits and prepayments, net of allowance for doubtful debts	571,737	891,530
Interest receivables on treasury assets, net of allowance for doubtful debts	278,917	117,778
Fee receivables, net of allowance for doubtful debts	40,261	39,832
Amount due from Originators	22,793	25,789
Amount due from agents, brokers and reinsurer, net of allowance	24,553	37,533
Foreclosed properties, net of allowance for impairment in value	151,922	181,372
Deferred assets	34,744	34,744
	<u>1,988,973</u>	<u>1,728,366</u>

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. STATUTORY DEPOSIT WITH BANK NEGARA MALAYSIA

The non-interest bearing statutory deposits pertaining to investment banking , commercial and Islamic banking subsidiaries are maintained with Bank Negara Malaysia in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act, 1958 (revised 1994), the amounts of which are determined as a set percentage of total eligible liabilities.

A14. DEPOSITS FROM CUSTOMERS

The type of deposits from customers are as follows:

	The Group	
	31.3.10 RM'000	31.3.09 RM'000
Term/Investment deposits	59,883,117	56,236,938
Savings deposits	3,985,055	3,581,219
Current deposits	4,386,833	3,173,901
Negotiable instruments of deposits	447,757	940,023
Other deposits	171,350	199,425
	<u>68,874,112</u>	<u>64,131,506</u>
The deposits are sourced from the following types of customers:		
Business enterprises	29,588,517	26,311,197
Individuals	26,828,735	25,510,224
Government	11,240,282	10,915,816
Others	1,216,578	1,394,269
	<u>68,874,112</u>	<u>64,131,506</u>

A15. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	31.3.10 RM'000	31.3.09 RM'000
Deposits from:		
Licensed banks	411,440	1,606,628
Licensed investment banks	512,060	670,675
Bank Negara Malaysia	902,577	908,666
Other financial institutions	2,489,199	2,949,440
	<u>4,315,276</u>	<u>6,135,409</u>

A16. OTHER LIABILITIES

	The Group	
	31.3.10 RM'000	31.3.09 RM'000
Trade payables	766,418	508,293
Other payables and accruals	1,706,879	1,316,297
Interest payable on deposits and borrowings	539,841	444,455
Lease deposits and advance rentals	64,720	62,259
General insurance funds	252,675	223,503
Provision for commitments and contingencies	21,916	-
Bank overdrafts	-	786
Profit equalization reserve	49,298	62,162
Deferred tax liabilities	8,582	13,087
Tax payable	76,204	8,173
	<u>3,486,533</u>	<u>2,639,015</u>

A17. INTEREST INCOME

The Group	Individual Quarter		Cumulative Quarter	
	31.3.10 RM'000	31.3.09 RM'000	31.3.10 RM'000	31.3.09 RM'000
Short-term funds and deposits with financial institutions	49,995	66,409	203,637	278,779
Securities held-for-trading	7,951	7,504	32,647	61,434
Securities available for sale	69,749	76,992	272,349	276,496
Securities held-to-maturity	3,434	5,240	21,155	31,538
Loans and advances				
- Interest income other than recoveries from NPLs	770,437	743,249	2,984,680	3,000,288
- Recoveries from NPLs	45,374	46,669	175,072	215,111
Others	696	369	2,294	1,786
Gross interest income	<u>947,636</u>	<u>946,432</u>	<u>3,691,834</u>	<u>3,865,432</u>
Accretion of discounts less amortisation of premium	1,986	6,719	13,467	23,422
Interest suspended	<u>(19,821)</u>	<u>(23,388)</u>	<u>(90,459)</u>	<u>(95,486)</u>
Total after net interest suspension	<u>929,801</u>	<u>929,763</u>	<u>3,614,842</u>	<u>3,793,368</u>

A18. INTEREST EXPENSE

The Group	Individual Quarter		Cumulative Quarter	
	31.3.10 RM'000	31.3.09 RM'000	31.3.10 RM'000	31.3.09 RM'000
Deposits from customers	293,603	385,457	1,256,819	1,554,032
Deposit of banks and other financial institutions ("FI")	33,521	32,756	119,061	191,217
Senior notes	3,289	-	3,289	-
Amount due to Cagamas Berhad	1,041	1,188	4,379	5,334
Bank borrowings:				
Term loans	2,795	3,438	10,835	31,564
Overdrafts	-	33	-	148
Subordinated deposits and term loans	11,096	3,551	50,401	19,321
Interest on bonds	2,213	8,983	17,049	52,600
Medium term notes	21,771	20,384	84,396	81,848
Interest rate swap-net	26,322	8,024	106,273	18,586
Hybrid securities	21,279	12,275	71,033	46,495
Others	1,898	8,243	4,704	15,909
	<u>418,828</u>	<u>484,332</u>	<u>1,728,239</u>	<u>2,017,054</u>

A19. NET INCOME FROM INSURANCE BUSINESS

The Group	Individual Quarter		Cumulative Quarter	
	31.3.10 RM'000	31.3.09 RM'000	31.3.10 RM'000	31.3.09 RM'000
(a) INCOME FROM INSURANCE BUSINESS				
Premium income from general insurance business	126,775	122,539	494,231	492,604
Surplus transfer from life insurance business	12,000	8,000	36,000	20,000
	<u>138,775</u>	<u>130,539</u>	<u>530,231</u>	<u>512,604</u>
(b) INSURANCE CLAIMS AND COMMISSIONS				
Insurance commission	10,857	11,822	47,782	48,335
General insurance claims	97,107	82,045	358,762	342,929
	<u>107,964</u>	<u>93,867</u>	<u>406,544</u>	<u>391,264</u>

A20. OTHER OPERATING INCOME

The Group	Individual Quarter		Cumulative Quarter	
	31.3.10 RM'000	31.3.09 RM'000	31.3.10 RM'000	31.3.09 RM'000
Fee income:				
Fees on loans and advances	38,476	34,768	175,516	150,954
Corporate advisory	3,351	3,760	21,158	27,017
Guarantee fees	7,286	8,062	36,463	29,445
Underwriting commissions	207	623	8,598	8,311
Portfolio management fees	3,739	3,300	14,050	13,043
Unit trust management fees	15,638	12,732	57,490	59,783
Brokerage rebates	63	12	257	87
Real estate investment trust management fees	1,315	1,127	5,205	4,531
Brokerage fees and commissions	27,902	15,171	118,889	80,642
Bancassurance commission	8,102	4,448	34,404	26,879
Profit from asset securitisation	375	486	1,004	893
Other fee income	13,947	17,479	68,576	55,384
	<u>120,401</u>	<u>101,968</u>	<u>541,610</u>	<u>456,969</u>
Investment and trading income:				
Net gain/(loss) from sale of securities held-for-trading	13,527	(1,248)	51,788	(77,092)
Net gain from sale of securities available-for-sale	16,539	3,714	47,215	3,944
Net gain on redemption of securities held-to-maturity	84	11,815	29,479	46,625
Gain/(loss) on revaluation for securities held for trading	(2,428)	6,272	5,484	(32,978)
Foreign exchange*	16,558	277	42,973	(2,289)
Gain/(loss) on redemption of structured product	7	(1)	3	4
Gain/(loss) on derivatives	(4,113)	18,848	18,406	(55,790)
Gain on disposal of equity interest in subsidiary	-	-	-	95,462
Gross dividend income from:				
Securities held-for-trading	677	654	3,276	7,320
Securities available-for-sale	2,810	3,136	24,622	18,422
Securities held-to-maturity	359	36	7,171	5,976
	<u>44,020</u>	<u>43,503</u>	<u>230,417</u>	<u>9,604</u>
Other income:				
Non-trading foreign exchange	728	(13,528)	3,685	(15,541)
Gain on disposal of property and equipment - net	6	38	527	1,100
Rental income	22	485	3,978	4,339
Other operating income/(charge)	6,225	132	11,766	873
	<u>6,981</u>	<u>(12,873)</u>	<u>19,956</u>	<u>(9,229)</u>
	<u>171,402</u>	<u>132,598</u>	<u>791,983</u>	<u>457,344</u>

* "Foreign exchange" income includes gains and losses from spot and forward contracts and other currency derivatives.

A21. OTHER OPERATING EXPENSES

The Group	Individual Quarter		Cumulative Quarter	
	31.3.10	31.3.09	31.3.10	31.3.09
	RM'000	RM'000	RM'000	RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	179,019	142,756	677,461	571,050
- Shares/options granted under Group Executives' Share Scheme	2,933	-	14,860	-
- Others	64,802	48,110	205,284	177,178
	<u>246,754</u>	<u>190,866</u>	<u>897,605</u>	<u>748,228</u>
Establishment costs				
- Depreciation	13,093	12,799	54,824	50,486
- Amortisation of computer software	8,285	7,423	30,790	27,411
- Computerisation costs	28,521	18,261	103,229	74,267
- Rental	20,360	18,883	81,034	73,290
- Cleaning and maintenance	6,621	4,341	22,351	20,537
- Others	7,821	5,819	31,499	24,581
	<u>84,701</u>	<u>67,526</u>	<u>323,727</u>	<u>270,572</u>
Marketing and communication expenses				
- Sales commission	4,437	5,627	22,225	17,134
- Advertising, promotional and other marketing activities	19,933	6,653	63,052	51,757
- Telephone charges	4,746	5,312	18,506	18,913
- Postage	2,667	1,880	8,525	12,263
- Travel and entertainment	3,845	3,862	14,645	17,015
- Others	5,912	3,388	22,595	20,464
	<u>41,540</u>	<u>26,722</u>	<u>149,548</u>	<u>137,546</u>
Administration and general				
- Professional services	24,296	23,873	86,335	60,533
- Donations	24	53	151	157
- Administration and management expenses	317	102	1,377	989
- Others	13,783	15,706	42,613	50,762
	<u>38,420</u>	<u>39,734</u>	<u>130,476</u>	<u>112,441</u>
	<u>411,415</u>	<u>324,848</u>	<u>1,501,356</u>	<u>1,268,787</u>

A22. ALLOWANCE FOR LOSSES ON LOANS AND FINANCING

The Group	Individual Quarter		Cumulative Quarter	
	31.3.10	31.3.09	31.3.10	31.3.09
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts and financing:				
Specific allowance - net	208,613	171,446	868,060	660,081
Allowance during the period	292,184	291,732	1,205,040	1,043,753
Amount written back in respect of recoveries and reversals	(83,571)	(120,286)	(336,980)	(383,672)
General allowance	14,715	8,492	104,924	53,561
Recoveries of value impairment on amount recoverable from Danaharta	-	-	(4,430)	-
Bad debts and financing recovered - net	(74,865)	(57,092)	(399,661)	(369,455)
Written off	-	-	-	1,504
Recovered	(74,865)	(57,092)	(399,661)	(370,959)
	148,463	122,846	568,893	344,187

A23. SEGMENTAL INFORMATION

BY BUSINESS SEGMENT

	Individual Quarter		Cumulative Quarter	
	31.3.10 RM'000	31.3.09 RM'000	31.3.10 RM'000	31.3.09 RM'000
Retail banking				
Revenue	726,585	722,350	2,871,751	2,842,560
Profit/(Loss) before taxation	211,207	185,244	905,276	837,879
Business banking				
Revenue	99,719	80,530	367,057	344,769
Profit before taxation	30,523	24,937	165,437	149,184
Investment banking				
Revenue	53,074	46,846	308,009	202,316
Profit/(Loss) before taxation	2,134	13,980	135,514	56,032
Corporate and institutional banking				
Revenue	91,928	56,154	323,127	249,425
Profit before taxation	51,799	22,727	132,620	106,440
Insurance				
Revenue	297,543	269,113	1,353,416	1,109,684
Profit before taxation	26,738	25,335	96,754	73,618
Treasury and markets				
Revenue	97,553	74,922	345,099	145,475
Profit before taxation	64,633	32,472	183,168	(9,809)
Group functions and others				
Revenue	293,841	297,453	1,260,486	1,416,428
Profit/(Loss) before taxation	(78,227)	(31,339)	(242,110)	4,292
Total				
Revenue	1,660,243	1,547,368	6,828,945	6,310,657
Profit before taxation	308,807	273,356	1,376,659	1,217,636

Included in the above is Islamic banking business profit before taxation of RM107.4 million for the quarter ended 31 March 2010 (RM53.1 million for the quarter ended 31 March 2009).

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.

A24. VALUATIONS OF PROPERTY AND EQUIPMENTS

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

A25. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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

A26. 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.

A27. COMMITMENTS AND CONTINGENCIES

As at 31 March 2010, other commitments and contingencies of the Group and of the Company are as follows:

- (a) The Company has given unsecured guarantee amounting to RM75,000,000 (RM50,000,000 as at 31 March 2009) on behalf of a subsidiary company for the payment and discharge of all moneys due on a trading account maintained by a customer with that subsidiary company. During the financial year, unsecured guarantee totalling RM259,600,000 issued by the Company to various financial institution in respect of credit facilities extended to certain subsidiaries have been fully discharged due to the full settlement of such credit facilities by the subsidiaries.
- (b) The Company has given a continuing undertaking totalling S\$40,000,000 (S\$40,000,000 in 2009) 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) The Company has given a guarantee to HSI Services Limited ("HSI") and Hang Seng Data Services Limited ("HSDS") on behalf of its subsidiary, AmLife Insurance Berhad (formerly known as AmAssurance 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.
- (e) A suit dated 12 December 2005 was filed by Meridian Asset Management Sdn Bhd ("Meridian") against AmTrustee Berhad ("AmTrustee") ("Meridian Suit"), a subsidiary of the Company in respect of a claim amounting to RM27,606,169.65 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 Suit"). 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 Suit 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 hearing date has been fixed as yet.

AmTrustee has also filed a stay of proceedings application of the Meridian's Suit 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 hearing date has been fixed as yet.

A27. COMMITMENTS AND CONTINGENCIES (CONTD.)

Parties have filed several interim applications in the Meridian suit amongst which was an application by Meridian to add another subsidiary of the Company, namely AmInvestment Bank Berhad as 2nd Defendant and also to increase the alleged loss and damage from RM27,606,169.65 to RM36,967,166.84 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 Berhad as a Party to the Meridian's suit and allowed Meridian's claim to increase its claim against AmTrustee from RM27,606,169.65 to RM36,967,166.84.

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 Berhad as a Party to its Suit. With the High Court decision dated 23 March 2009, in dismissing Meridian's application to add AmInvestment Bank as a party to its suit, and with no appeal lodged at the Court of Appeal, there is no litigation pending today against AmInvestment Bank Berhad by Meridian.

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.

AmTrustee has also been served on 2 September 2009 with a copy of a Third Party Notice dated 12 August 2009 by solicitors acting for Meridian.

The Third Party Notice is taken against AmTrustee by Meridian on a suit filed by Kumpulan Wang Persaraan (DiPerbadankan) ("KWAP") against Meridian in 2007, at the Kuala Lumpur High Court via suit number D5-22-1457-2007 ("KWAP Suit"). The facts of this case revolves around the same facts as that of the above Meridian Suit and MAA Suit. The High Court suit by KWAP is for an alleged breach by Meridian of an Investment Management Agreement executed between KWAP and Meridian in 2001 ("the Agreement") for a sum of RM7,254,050.42 general damages for breach of the Agreement and breach of trust together with interests and costs (KWAP's claim").

On the basis of KWAP's claim, Meridian is seeking against AmTrustee via the Third Party Notice for AmTrustee to indemnify Meridian in respect of KWAP's claim.

It is to be noted that both the Meridian's Suit 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 above these matters was fixed on 23rd March 2010. On the said date the court directed for parties to consider the process of resolving these matters via Mediation rather than a Trial. This is pursuant to the new Direction by the Chief Justice that parties consider resolving matters via Mediation.

At this point solicitors for Meridian mentioned that the KWAP Suit also revolves around the same facts of the other two matters.

As such the court fixed all three matters above for Mention on 23 April 2010 to update the court on Parties decision to proceed with Mediation or otherwise.

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.

A28. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 March 2010, derivative financial instruments outstanding are as follows:

The Group

Items	Principal 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 RM'000
Interest rate related contracts :								
Interest rate futures	160,000	-	-	30,000	30,000	100,000	-	2,660
Interest rate swaps	31,173,050	990,000	755,000	1,060,000	1,435,000	23,627,526	3,305,524	34,920
Foreign exchange related contracts :								
Forward exchange contracts	3,742,457	2,572,505	898,675	271,156	121	-	-	-
Cross currency swaps	531,127	-	-	-	49,631	481,496	-	3,135
Equity/Commodity related contracts :								
Options/Warrant	644,841	-	-	-	30,521	614,320	-	-
Futures	28,173	28,173	-	-	-	-	-	-
Total	36,279,648	3,590,678	1,653,675	1,361,156	1,545,273	24,823,342	3,305,524	40,715

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.

A28. DERIVATIVE FINANCIAL INSTRUMENTS (CONTD.)

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 specific period at a specific confidence level under normal market condition.

A28. DERIVATIVE FINANCIAL INSTRUMENTS (CONTD.)

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.

A29. INTEREST/PROFIT RATE RISK

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

Group 2010	-----Non Trading Book----->							Non- interest/profit sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest/profit 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	Over 5 years RM'000				
ASSETS											
Cash and short-term funds	11,023,222	-	-	-	-	-	604,230	-	11,627,452	1.89	
Securities purchased under resale agreements	16,992	-	-	-	-	-	-	-	16,992	1.20	
Deposits and placements with banks and other financial institutions	-	1,831,405	-	100	-	-	-	-	1,831,505	1.97	
Securities held-for-trading	-	-	-	-	-	-	-	1,713,441	1,713,441	3.98	
Securities available-for-sale	1,716,405	2,018,750	218,906	274,419	2,043,018	2,281,978	540,380	-	9,093,856	3.71	
Securities held-to-maturity	10,422	4,961	31,099	26,659	291,464	31,885	166,253	-	562,743	2.32	
Derivative financial assets	-	-	-	-	-	-	343,643	-	343,643	-	
Loans, advances and financing:											
- performing	28,361,589	2,341,944	1,289,404	69,699	11,043,922	21,310,925	-	-	64,417,483	6.45	
- non-performing *	-	-	-	-	-	-	8,437	-	8,437	-	
Amount due from Originators	-	-	-	1,965	20,828	-	-	-	22,793	5.74	
Other non-interest/profit sensitive balances	-	-	-	-	-	-	6,841,958	-	6,841,958	-	
TOTAL ASSETS	41,128,630	6,197,060	1,539,409	372,842	13,399,232	23,624,788	8,504,901	1,713,441	96,480,303		
LIABILITIES AND EQUITY											
Deposits from customers	32,131,921	13,658,424	7,572,554	7,116,697	3,822,416	-	4,572,100	-	68,874,112	2.28	
Deposits and placements of banks and other financial institutions	1,739,536	457,799	202,041	829,753	877,604	154,098	54,445	-	4,315,276	2.26	
Bills and acceptances payable	564,154	784,902	50,516	-	-	-	-	-	1,399,572	2.56	
Recourse obligation on loans sold to to Cagamas Berhad	-	112,896	-	1,965	20,828	-	-	-	135,689	3.98	

A29. INTEREST/PROFIT RATE RISK (CONTD.)

Group 2010	-----Non Trading Book----->						Non- interest/profit sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest/profit 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	-	-	-	-	-	-	392,977	-	392,977	-
Term funding	276,107	206,000	-	101,250	1,318,750	-	-	-	1,902,107	4.15
Debt capital	-	-	-	-	1,357,800	2,389,547	-	-	3,747,347	6.36
Other non-interest/profit sensitive balances	-	-	-	-	-	-	5,869,236	-	5,869,236	-
Total liabilities	34,711,718	15,220,021	7,825,111	8,049,665	7,397,398	2,543,645	10,888,758	-	86,636,316	
Share capital	-	-	-	-	-	-	3,014,185	-	3,014,185	
Reserves	-	-	-	-	-	-	6,623,528	-	6,623,528	
Equity attributable to equity holders of the Company	-	-	-	-	-	-	9,637,713	-	9,637,713	
Minority interests	-	-	-	-	-	-	206,274	-	206,274	
Total equity	-	-	-	-	-	-	9,843,987	-	9,843,987	
TOTAL LIABILITIES AND EQUITY	34,711,718	15,220,021	7,825,111	8,049,665	7,397,398	2,543,645	20,732,745	-	96,480,303	
On-balance sheet interest/profit rate gap sensitivity	6,416,912	(9,022,961)	(6,285,702)	(7,676,823)	6,001,834	21,081,143	(12,227,844)	1,713,441	-	
Off-balance sheet interest/profit rate gap sensitivity	873,526	9,273,000	(662,400)	(195,000)	(9,341,526)	112,400	-	-	60,000	
Total interest/profit rate gap sensitivity	7,290,438	250,039	(6,948,102)	(7,871,823)	(3,339,692)	21,193,543	(12,227,844)	1,713,441	60,000	
Cumulative interest/profit rate gap sensitivity	7,290,438	7,540,477	592,375	(7,279,448)	(10,619,140)	10,574,403	(1,653,441)	60,000		

* This is arrived at after deducting the general allowance and specific allowance from gross non-performing loans outstanding.

A29. INTEREST/PROFIT RATE RISK (CONTD.)

Group 2009	-----Non Trading Book-----						Non- interest/profit sensitive RM'000	Trading Book RM'000	Total RM'000	Effective interest/profit 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	16,373,381	-	-	-	-	-	575,200	-	16,948,581	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	22,047,386	2,781,357	539,239	540,082	8,396,915	22,051,969	-	-	56,356,948	6.70
- non-performing *	-	-	-	-	-	-	590,883	-	590,883	-
Amount due from Originators	-	-	-	-	25,789	-	-	-	25,789	5.74
Other non-interest/profit sensitive balances	-	-	-	-	-	-	6,618,778	-	6,618,778	-
TOTAL ASSETS	38,484,742	2,987,585	614,960	780,885	10,827,756	25,277,092	9,519,988	1,399,873	89,892,881	
LIABILITIES AND EQUITY										
Deposits from customers	28,017,430	12,101,809	7,432,352	10,412,788	2,864,791	-	3,302,336	-	64,131,506	2.71
Deposits and placements of banks and other financial institutions	1,695,943	825,474	1,047,873	325,731	966,019	781,369	493,000	-	6,135,409	2.74
Bills and acceptances payable	703,905	1,053,556	355,597	7,189	-	-	-	-	2,120,247	2.05
Recourse obligation on loans sold to to Cagamas Berhad	-	-	-	-	155,037	-	-	-	155,037	3.98

A29. INTEREST/PROFIT RATE RISK (CONTD.)

Group	-----Non Trading Book-----						Non- interest/profit sensitive	Trading Book	Total	Effective interest/profit rate %
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years				
2009	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Derivative financial liabilities	-	-	-	-	-	-	587,763	-	587,763	-
Term funding	145,859	206,000	-	-	-	-	-	-	351,859	3.11
Debt capital	-	-	-	-	1,110,000	2,743,691	-	-	3,853,691	6.69
Other non-interest/profit sensitive balances	-	-	-	-	-	-	4,645,814	-	4,645,814	-
Total Liabilities	30,563,137	14,186,839	8,835,822	10,745,708	5,095,847	3,525,060	9,028,913	-	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	30,563,137	14,186,839	8,835,822	10,745,708	5,095,847	3,525,060	16,940,468	-	89,892,881	
On-balance sheet interest/profit rate gap sensitivity	7,921,605	(11,199,254)	(8,220,862)	(9,964,823)	5,731,909	21,752,032	(7,420,480)	1,399,873	-	
Off-balance sheet interest/profit rate gap sensitivity	798,353	3,115,000	(1,757,088)	30,000	(2,881,853)	755,588	-	-	60,000	
Total interest/profit rate gap sensitivity	8,719,958	(8,084,254)	(9,977,950)	(9,934,823)	2,850,056	22,507,620	(7,420,480)	1,399,873	60,000	
Cumulative interest/profit rate gap sensitivity	8,719,958	635,704	(9,342,246)	(19,277,069)	(16,427,013)	6,080,607	(1,339,873)	60,000		

* This is arrived at after deducting the general allowance and specific allowance from gross non-performing loans outstanding.

A30. CAPITAL ADEQUACY RATIO

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

	31.3.10					
	AmBank	AmIslamic	AmBank Group	AmIB	AmIB Group	The Group*
Before deducting proposed dividends:						
Core capital ratio	10.98%	10.53%	9.88%	28.29%	23.98%	10.32%
Risk-weighted capital ratio	15.34%	15.29%	15.33%	30.07%	29.37%	15.77%
After deducting proposed dividends:						
Core capital ratio	10.38%	10.53%	9.39%	25.51%	21.73%	9.78%
Risk-weighted capital ratio	14.83%	15.29%	14.91%	27.30%	27.13%	15.30%
	31.3.09					
	AmBank	AmIslamic	AmBank Group	AmIB	AmIB Group	The Group*
Before deducting proposed dividends:						
Core capital ratio	10.39%	11.22%	9.25%	28.13%	27.14%	9.74%
Risk-weighted capital ratio	14.20%	16.65%	14.62%	28.13%	34.16%	15.16%
After deducting proposed dividends:						
Core capital ratio	10.39%	11.22%	9.25%	28.13%	27.14%	9.74%
Risk-weighted capital ratio	14.20%	16.65%	14.62%	28.13%	34.16%	15.16%

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 aggregated components of the Group Tier I and Tier II capital are that of the banking subsidiaries, namely AmBank(M) Berhad ("AmBank"), AmIslamic Bank Berhad ("AmIslamic"), AmInvestment Bank Berhad ("AmIB") and AmInternational (L) Ltd ("AmIL").

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").

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.

A30. CAPITAL ADEQUACY RATIO (CONTD.)

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

	31.3.10					
	AmBank	AmIslamic	AmBank Group	AmIB	AmIB Group	The Group*
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Tier 1 capital						
Paid-up ordinary share capital	670,364	403,038	670,364	200,000	200,000	870,364
Share premium	942,844	534,068	942,844	-	-	942,844
Statutory reserve	680,459	265,169	945,628	200,000	200,000	1,145,628
Capital reserve	-	-	377,492	-	2,815	380,307
Merger reserve	-	-	397,566	-	7,656	405,222
Exchange fluctuation reserve	9,470	-	60	-	24,172	24,232
Irredeemable non-cumulative convertible preference shares	150,000	-	150,000	-	-	150,000
Innovative tier 1 capital	921,431	-	1,011,446	-	-	1,011,446
Non-innovative tier 1 capital	500,000	-	500,000	-	-	500,000
Unappropriated profit at end of year	2,498,526	133,719	2,019,923	113,874	116,133	2,136,056
Total	<u>6,373,094</u>	<u>1,335,994</u>	<u>7,015,323</u>	<u>513,874</u>	<u>550,776</u>	<u>7,566,099</u>
Less: Goodwill	-	-	-	-	(11,243)	(11,243)
Deferred tax (assets)/liabilities - net	(231,088)	(42,218)	(273,306)	(4,556)	(4,870)	(278,176)
Total tier 1 capital	<u>6,142,006</u>	<u>1,293,776</u>	<u>6,742,017</u>	<u>509,318</u>	<u>534,663</u>	<u>7,276,680</u>
Tier 2 capital						
Medium term notes	1,557,800	-	1,557,800	-	-	1,557,800
Subordinated bonds	-	400,000	400,000	135,000	135,000	535,000
Exchangeable bonds	575,000	-	575,000	-	-	575,000
Redeemable unsecured bonds	-	-	-	-	-	-
Innovative Tier 1 capital	313,669	-	223,654	-	-	223,654
General allowance for bad and doubtful debts	808,631	184,803	997,741	9,768	9,768	1,007,509
Total tier 2 capital	<u>3,255,100</u>	<u>584,803</u>	<u>3,754,195</u>	<u>144,768</u>	<u>144,768</u>	<u>3,898,963</u>
Total capital funds	9,397,106	1,878,579	10,496,212	654,086	679,431	11,175,643
Less: Investment in subsidiaries	(816,850)	-	(32,779)	(88,231)	-	(32,779)
Investment in capital of related financial institutions	-	-	-	(24,448)	(24,448)	(24,448)
Other deduction	(50)	-	(50)	-	-	(50)
Capital base	<u>8,580,206</u>	<u>1,878,579</u>	<u>10,463,383</u>	<u>541,407</u>	<u>654,983</u>	<u>11,118,366</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:

Credit risk	50,564,550	10,740,202	61,340,190	1,287,199	1,652,878	62,993,068
Market risk	1,584,871	456,330	2,041,201	148,564	148,712	2,189,913
Operational risk	3,783,839	1,090,009	4,877,266	364,560	428,455	5,305,721
Large exposure risk requirements for equity holdings	5,203	-	5,203	-	-	5,203
Total risk-weighted assets	<u>55,938,463</u>	<u>12,286,541</u>	<u>68,263,860</u>	<u>1,800,323</u>	<u>2,230,045</u>	<u>70,493,905</u>

A30. CAPITAL ADEQUACY RATIO (CONTD.)

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

	31.3.09					
	AmBank	AmIslamic	AmBank Group	AmIB	AmIB Group	The Group*
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Tier 1 capital						
Paid-up ordinary share capital	670,364	403,038	670,364	200,000	200,000	870,364
Share premium	942,844	534,068	942,844	-	-	942,844
Statutory reserve	680,459	168,773	849,232	200,000	200,000	1,049,232
Capital reserve	-	-	377,492	-	2,815	380,307
Merger reserve	-	-	397,566	-	-	397,566
Exchange fluctuation reserve	21,367	-	11,904	6,840	24,899	36,803
Irredeemable non-cumulative convertible preference shares	150,000	-	150,000	-	-	150,000
Innovative tier 1 capital	750,100	-	750,100	-	-	750,100
Non-innovative tier 1 capital	500,000	-	500,000	-	-	500,000
Unappropriated profit at end of year	1,766,189	168,770	1,322,399	31,391	80,240	1,402,639
Total	<u>5,481,323</u>	<u>1,274,649</u>	<u>5,971,901</u>	<u>438,231</u>	<u>507,954</u>	<u>6,479,855</u>
Less: Goodwill	-	-	-	-	(47,686)	(47,686)
Deferred tax (assets)/liabilities - net	(204,174)	(102,161)	(306,334)	8,507	8,601	(297,733)
Total tier 1 capital	<u>5,277,149</u>	<u>1,172,488</u>	<u>5,665,567</u>	<u>446,738</u>	<u>468,869</u>	<u>6,134,436</u>
Tier 2 capital						
Medium term notes	1,460,000	-	1,460,000	-	-	1,460,000
Subordinated bonds	-	400,000	400,000	-	-	400,000
Exchangeable bonds	575,000	-	575,000	-	-	575,000
Redeemable unsecured bonds	-	-	-	135,000	135,000	135,000
General allowance for bad and doubtful debts	729,148	166,507	895,655	4,330	4,330	899,985
Total tier 2 capital	<u>2,764,148</u>	<u>566,507</u>	<u>3,330,655</u>	<u>139,330</u>	<u>139,330</u>	<u>3,469,985</u>
Total capital funds	8,041,297	1,738,995	8,996,222	586,068	608,199	9,604,421
Less: Investment in subsidiaries	(816,850)	-	(32,780)	(122,671)	-	(32,780)
Investment in capital of related financial institutions	-	-	-	(18,105)	(18,105)	(18,105)
Other deduction	(10,219)	-	(10,219)	-	-	(10,219)
Capital base	<u>7,214,228</u>	<u>1,738,995</u>	<u>8,953,223</u>	<u>445,292</u>	<u>590,094</u>	<u>9,543,317</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:

Credit risk	45,568,372	9,279,536	54,833,233	1,270,849	1,373,712	56,206,945
Market risk	1,654,717	237,786	1,892,502	127,467	127,467	2,019,969
Operational risk	3,560,356	929,719	4,487,810	184,082	226,052	4,713,862
Large exposure risk requirements for equity holdings	12,986	-	12,986	405	405	13,391
Total risk-weighted assets	<u>50,796,431</u>	<u>10,447,041</u>	<u>61,226,531</u>	<u>1,582,803</u>	<u>1,727,636</u>	<u>62,954,167</u>

A30 CAPITAL ADEQUACY RATIO (CONTD.)

- (c) The aggregated breakdown of risk-weighted assets ("RWA") by exposures in each major risk category of the Group for the current financial period are as follows:

31.03.2010
Group*

Exposure Class

		Gross Exposures		Net Exposures	Risk Weighted Assets	Capital Requirements
		RM'000		RM'000	RM'000	RM'000
1.	<u>Credit Risk</u>					
	<i>On-Balance Sheet Exposures</i>					
	Sovereigns/Central Banks	11,956,160		11,956,160	-	-
	Public Sector Entities ("PSEs")	79,464		79,464	15,893	1,272
	Banks, Development Financial Institutions ("DFI") & Multilateral Development Banks ("MDBs"), Insurance Companies, Securities Firms & Fund Managers	6,813,793		6,813,793	2,072,109	165,769
	Corporates	23,252,974		21,776,056	19,544,419	1,563,554
	Regulatory Retail	33,520,188		33,358,800	24,946,606	1,995,729
	Residential Mortgages	6,879,999		6,870,606	2,909,190	232,736
	Higher Risk Assets	225,754		225,754	338,631	27,090
	Other Assets	2,452,746		2,452,746	2,106,934	168,555
	Equity Exposure	70,620		70,620	70,620	5,650
	Securitisation Exposures	326,731		326,730	95,256	7,620
	Defaulted Exposures	5,100,676		4,182,241	5,970,715	477,657
	Total for On-Balance Sheet Exposures	90,679,105		88,112,970	58,070,373	4,645,632
	<i>Off-Balance Sheet Exposures</i>					
	Over the counter ("OTC") derivatives	1,176,143		1,176,143	523,626	41,890
	Off balance sheet exposures other than OTC derivatives or credit derivatives	5,053,745		4,724,286	4,399,069	351,926
	Total for Off-Balance Sheet Exposures	6,229,888		5,900,429	4,922,695	393,816
	Total On and Off-Balance Sheet Exposures	96,908,993		94,013,399	62,993,068	5,039,448
2.	Large Exposures Risk Requirement				5,203	416
3.	<u>Market Risk</u>	Long Position	Short Position			
	Interest Rate Risk					
	- General interest rate risk	29,457,508	27,208,078		1,037,283	82,983
	- Specific interest rate risk	3,230,626	1,011,669		230,851	18,468
	Foreign Currency Risk	729,299	276		729,299	58,344
	Equity Risk					
	- General risk	94,965	-		94,965	7,597
	- Specific risk	94,965	-		83,717	6,697
	Option Risk	290,074	220,852		13,798	1,104
	Total	33,897,437	28,440,875		2,189,913	175,193
4.	Operational Risk				5,305,721	424,457
5.	Total RWA and Capital Requirements				70,493,905	5,639,514

The Group does not have any issuances of Profit-Sharing Investment Account ("PSIA") used as a risk absorbent.

A30 CAPITAL ADEQUACY RATIO (CONTD.)

(c) The aggregated breakdown of risk-weighted assets ("RWA") by exposures in each major risk category of the Group for the previous financial year are as follows:

**31.3.09
Group***

Exposure Class

		Gross Exposures RM'000	Net Exposures RM'000	Risk Weighted Assets RM'000	Capital Requirements RM'000
1.	<u>Credit Risk</u>				
	<i>On-Balance Sheet Exposures</i>				
	Sovereigns/Central Banks	16,196,838	16,196,838	-	-
	Public Sector Entities ("PSEs")	70,928	70,928	14,186	1,135
	Banks, Development Financial Institutions ("DFI") & Multilateral Development Banks ("MDBs"), Insurance Companies, Securities Firms & Fund Managers	2,821,137	2,821,137	900,727	72,058
	Corporates	21,220,171	19,859,870	16,501,287	1,320,103
	Regulatory Retail	32,200,659	32,036,417	23,996,353	1,919,708
	Residential Mortgages	6,402,124	6,394,984	2,721,869	217,750
	Higher Risk Assets	180,954	180,954	271,432	21,714
	Other Assets	2,546,519	2,546,519	1,841,162	147,293
	Equity Exposure	294,336	294,336	294,336	23,547
	Securitisation Exposures	215,864	215,864	73,955	5,916
	Defaulted Exposures	3,167,345	3,094,368	4,230,420	338,434
	Total for On-Balance Sheet Exposures	85,316,875	83,712,215	50,845,727	4,067,658
	<i>Off-Balance Sheet Exposures</i>				
	Over the counter ("OTC") derivatives	1,304,464	1,304,464	578,234	46,259
	Off balance sheet exposures other than OTC derivatives or credit derivatives	5,617,333	5,400,877	4,782,984	382,639
	Total for Off-Balance Sheet Exposures	6,921,797	6,705,341	5,361,218	428,898
	Total On and Off-Balance Sheet Exposures	92,238,672	90,417,556	56,206,945	4,496,556
2.	Large Exposures Risk Requirement	202	202	13,391	1,071
3.	<u>Market Risk</u>	Long Position	Short Position		
	Interest Rate Risk				
	- General interest rate risk	30,636,665	28,307,712	1,379,902	110,392
	- Specific interest rate risk	1,717,431	6,099	40,076	3,206
	Foreign Currency Risk	221,009	379,640	380,934	30,475
	Equity Risk				
	- General risk	31,045	-	31,045	2,483
	- Specific risk	161,843	-	109,012	8,721
	Option Risk	592,000	-	79,000	6,320
	Total	33,359,993	28,693,451	2,019,969	161,597
4.	<u>Operational Risk</u>			4,713,862	377,109
5.	Total RWA and Capital Requirements			62,954,167	5,036,333

The Group does not have any issuances of Profit-Sharing Investment Account ("PSIA") used as a risk absorbent.

A30 CAPITAL ADEQUACY RATIO (CONTD.)

(d) The aggregated breakdown of credit risk exposures by risk weights of the Group for the current financial period are as follows:

**31.3.10
Group***

Risk Weights	Exposures after Netting and Credit Risk Mitigation												Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	PSEs	Banks, MDBs and DFIs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Specialised Financing /Investment	Securitisation	Equity		
0%	12,093,492	-	-	-	-	-	-	-	323,188	-	50	-	12,416,730	-
10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20%	-	83,064	5,860,158	-	2,355,901	16,710	-	-	28,280	-	292,072	-	8,636,185	1,727,237
35%	-	-	-	-	-	-	3,508,930	-	-	-	-	-	3,508,930	1,228,126
50%	-	-	1,158,746	-	685,864	232,118	3,362,006	-	-	-	15,073	-	5,453,807	2,726,904
75%	-	-	-	-	-	34,611,982	444	-	-	-	-	-	34,612,427	25,959,320
100%	-	-	3,254	800,826	22,222,886	53,043	201,092	-	2,101,278	-	-	70,620	25,452,999	25,452,999
150%	-	-	-	-	2,922,607	760,098	-	230,080	-	-	19,536	-	3,932,321	5,898,482
Average Risk Weight														
Total	12,093,492	83,064	7,022,158	800,826	28,187,258	35,673,951	7,072,472	230,080	2,452,746	-	326,731	70,620	94,013,399	62,993,068
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	50	-	50	

A30 CAPITAL ADEQUACY RATIO (CONTD.)

(d) The aggregated breakdown of credit risk exposures by risk weights of the Group for the previous financial year are as follows:

**31.3.09
Group***

Risk Weights	Exposures after Netting and Credit Risk Mitigation												Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	PSEs	Banks, MDBs and DFIs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Specialised Financing /Investment	Securitisation	Equity		
0%	16,198,999	-	-	-	-	-	-	-	292,252	-	-	-	16,491,251	-
10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20%	-	70,959	2,382,174	-	3,771,700	10,378	-	-	502,400	-	168,088	-	6,905,700	1,381,140
35%	-	-	-	-	-	-	3,171,497	-	-	-	-	-	3,171,497	1,110,024
50%	-	-	1,462,578	-	990,114	157,586	3,244,358	-	-	-	14,876	-	5,869,511	2,934,756
75%	-	-	-	-	-	33,915,078	493	-	-	-	-	-	33,915,571	25,436,677
100%	-	-	258,039	4,486	18,802,051	118,975	218,361	-	1,774,238	-	32,900	294,336	21,503,386	21,503,386
150%	-	-	-	-	1,516,129	880,116	-	186,768	(22,372)	-	-	-	2,560,640	3,840,962
Average Risk Weight														
Total	16,198,999	70,959	4,102,791	4,486	25,079,994	35,082,133	6,634,709	186,768	2,546,518	-	215,864	294,336	90,417,556	56,206,945
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	40	-	40	

A30. CAPITAL ADEQUACY RATIO (CONTD.)

(e) The aggregated Off-Balance Sheet exposures and their related counterparty credit risk of the Group are as follows:

**31.3.10
Group***

	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
Credit-Related Exposures				
Guarantees given on behalf of customers	2,455,921		2,396,791	2,181,702
Certain transaction-related contingent items	1,812,955		936,042	879,324
Obligations under underwriting agreements	696,115		-	-
Short term self liquidating trade-related contingencies	473,429		94,686	95,417
Islamic financing sold to Cagamas	335,852		335,852	253,809
Irrevocable commitments to extend credit maturing:				
- within one year	13,408,721		-	-
- more than one year	1,954,602		422,678	346,698
Unutilised credit card line	4,192,748		838,550	627,089
Others	39,798		150	150
	<u>25,370,141</u>		<u>5,024,749</u>	<u>4,384,189</u>
Derivative Financial Instruments				
Foreign exchange related contracts:				
Forward exchange contracts				
- One year or less	3,742,457	39,351	55,880	30,701
Cross currency swaps				
- One year or less	49,631	1,031	1,854	927
- Over one year to five years	481,496	6,726	48,830	31,328
- Over five years	-	-	-	-
Interest rate related contracts:				
Interest rate futures				
- One year or less	60,000	1,325	-	-
- Over one year to five years	100,000	1,262	-	-
Interest rate swaps				
- One year or less	4,240,000	4,858	15,660	7,722
- Over one year to five years	23,627,526	170,554	669,377	259,890
- Over five years	3,305,524	105,727	353,144	177,025
Equity related contracts:				
Options				
- One year or less	30,521	-	-	-
- Over one year to five years	237,162	9,348	21,897	14,133
Futures				
- One year or less	28,173	-	-	-
- Over one year to five years	-	-	-	-
- Over five years	-	-	-	-
Commodity related contracts:				
- Over one year to five years	75,500	3,461	9,501	1,900
	<u>35,977,990</u>	<u>343,643</u>	<u>1,176,143</u>	<u>523,626</u>
Other Treasury-Related Exposures				
Forward purchase commitments	912,542		28,996	14,880
Total	<u>62,260,673</u>	<u>343,643</u>	<u>6,229,888</u>	<u>4,922,695</u>

A30. CAPITAL ADEQUACY RATIO (CONTD.)

(e) The aggregated Off-Balance Sheet exposures and their related counterparty credit risk of the Group are as follows:

31.3.09

Group*

	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	Risk Weighted Assets
Credit-Related Exposures				
Guarantees given on behalf of customers	2,723,184		2,723,184	2,378,082
Certain transaction-related contingent items	1,496,866		748,433	740,965
Obligations under underwriting agreements	592,000		-	-
Short term self liquidating trade-related contingencies	493,284		98,657	98,716
Islamic financing sold to Cagamas	879,088		879,088	663,997
Irrevocable commitments to extend credit maturing:				
- within one year	10,490,292		-	-
- more than one year	1,905,373		280,705	241,501
Unutilised credit card line	4,383,472		876,694	655,346
Others	149,120		150	150
	23,112,679		5,606,911	4,778,757
Derivative Financial Instruments				
Foreign exchange related contracts:				
Forward exchange contracts				
- One year or less	824,899	29,552	30,173	14,435
Cross currency swaps				
- One year or less	298,931	607	10,068	5,034
- Over one year to five years	311,282	-	26,721	13,360
Interest rate related contracts:				
Interest rate futures				
- Over one year to five years	60,000	1,507	-	-
Interest rate swaps				
- One year or less	4,215,000	12,904	21,022	9,005
- Over one year to five years	17,641,853	291,170	765,528	351,903
- Over five years	2,755,588	137,697	450,952	184,496
Equity related contracts:				
Options				
- One year or less	157,290	6,190	-	-
- Over one year to five years	119,660	1,421	-	-
Futures				
- One year or less	8,262	-	-	-
- Over one year to five years	-	-	-	-
- Over five years	-	-	-	-
Commodity related contracts:				
- Over one year to five years	44,494	1,885	-	-
	26,437,259	482,933	1,304,464	578,233
Other Treasury-Related Exposures				
Forward purchase commitments	361,704		10,422	4,228
Total	49,911,642	482,933	6,921,797	5,361,218

A31. CREDIT EXPOSURE ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

	The Group	
	31.3.10	31.3.09
	RM'000	RM'000
Outstanding credit exposures with connected parties	904,790	762,691
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	1.25	1.13
- which is non-performing or in default	0.02	0.26

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

A32. ISLAMIC BANKING BUSINESS

The state of affairs as at 31 March 2010 and the results for the period ended 31 March 2010 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 2010

	The Group	
	31.3.10	31.3.09
	RM'000	RM'000
ASSETS		
Cash and short-term funds	3,926,360	3,218,641
Deposit and placements with banks and other financial institutions	150,000	-
Securities held-for-trading	350,934	203,863
Securities available-for-sale	907,930	569,295
Securities held-to-maturity	-	36,710
Derivative financial assets	3,461	1,885
Financing and advances	11,758,678	9,810,477
Statutory deposits with Bank Negara Malaysia	32,079	86,079
Other receivables, deposits and prepayments	92,584	109,803
Property and equipment	408	489
Deferred tax assets	41,500	99,191
Intangible assets	452	565
TOTAL ASSETS	17,264,386	14,136,998
LIABILITIES AND ISLAMIC BANKING FUNDS		
Deposits from customers	13,395,919	10,155,389
Deposits and placements of banks and other financial institutions	1,398,521	1,425,410
Derivative financial liabilities	3,458	1,884
Converted fund	-	7,240
Acceptances payable	394,986	612,567
Other liabilities	229,174	208,235
Subordinated Sukuk Musyarakah	400,000	400,000
Total Liabilities	15,822,058	12,810,725
ISLAMIC BANKING FUNDS		
Share capital/Capital funds	435,877	435,877
Reserves	1,006,451	890,396
Islamic Banking Funds	1,442,328	1,326,273
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	17,264,386	14,136,998
OFF-BALANCE SHEET EXPOSURES	4,255,836	4,345,793

**AUDITED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2010**

The Group	Individual Quarter		Cumulative Quarter	
	31.3.10 RM'000	31.3.09 RM'000	31.3.10 RM'000	31.3.09 RM'000
Income derived from investment of depositors' funds and others	225,579	220,526	885,817	809,625
Allowance for losses on financing (Provision)/writeback for commitment and contingencies	(16,809)	(25,098)	(90,297)	(91,951)
Impairment loss for sundry debt	(288)	1,273	12,713	(11,978)
Transfer from/(to) profit equalization reserve	80	-	(4,218)	(18)
Total attributable income	6,432	(23,031)	12,858	(24,518)
Income attributable to the depositors	214,994	173,670	816,873	681,160
Profit attributable to the Group	(81,747)	(92,027)	(330,631)	(383,685)
Income derived from Islamic Banking Funds	133,247	81,643	486,242	297,475
Total net income	54,938	33,002	240,423	165,879
Operating expenditure	188,185	114,645	726,665	463,354
Finance cost	(76,005)	(56,789)	(267,291)	(221,808)
Profit before taxation	(4,734)	(4,734)	(20,100)	(19,200)
Taxation and zakat	107,446	53,122	439,274	222,346
Profit for the period	(27,241)	(13,458)	(115,828)	(58,001)
	80,205	39,664	323,446	164,345

A32a. Financing and Advances

	The Group	
	31.3.10	31.3.09
	RM'000	RM'000
Islamic hire purchase, net of unearned income	6,040,264	5,283,928
Term financing/Revolving credit facilities*	3,839,443	3,029,943
Claims on customer under acceptance credits	917,819	763,656
Credit card receivables	286,801	310,266
Trust receipts	69,009	31,828
Other financing	854,929	656,417
Gross financing and advances	<u>12,008,265</u>	<u>10,076,038</u>
Allowance for bad and doubtful debts and financing		
-general	(184,803)	(166,508)
-specific	(64,784)	(99,053)
	<u>(249,587)</u>	<u>(265,561)</u>
Net financing and advances	<u>11,758,678</u>	<u>9,810,477</u>

* Included in term financing and revolving credit facilities of the Islamic banking business as at 31 March 2010 is financing amounting to RM210,618,521 (31 March 2009: RM nil) which are exempted from general allowance by Bank Negara Malaysia.

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

	The Group	
	31.3.10	31.3.09
	RM'000	RM'000
Gross		
Balance at beginning of year	239,637	305,321
Non-performing during the period	155,135	186,216
Reclassification to performing financing	(54,810)	(62,432)
Recoveries	(21,151)	(27,618)
Amount written off	(136,579)	(161,850)
Balance at end of period	<u>182,232</u>	<u>239,637</u>
Specific allowance	(64,784)	(99,053)
Non-performing financing - net	<u>117,448</u>	<u>140,584</u>
Net NPF as % of gross financing and advances (including Islamic financing sold to Cagamas Berhad) less specific allowance	<u>0.96%</u>	<u>1.29%</u>

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

	The Group	
	31.3.10	31.3.09
	RM'000	RM'000
General Allowance		
Balance at beginning of year	166,508	154,954
Allowance made during the period	18,295	11,554
Balance at end of period	<u>184,803</u>	<u>166,508</u>
% of total financing and advances (including Islamic financing sold to Cagamas Berhad) less specific allowance	<u>1.53%</u>	<u>1.53%</u>
Specific Allowance		
Balance at beginning of year	<u>99,053</u>	<u>153,436</u>
Allowance made during the period	149,764	156,574
Amount written back in respect of recoveries	<u>(44,898)</u>	<u>(48,145)</u>
Net charge to income statement	104,866	108,429
Amount written off/Adjustment to Asset Deficiency Account	<u>(139,135)</u>	<u>(162,812)</u>
Balance at end of period	<u>64,784</u>	<u>99,053</u>

A32b. DEPOSITS FROM CUSTOMERS

	The Group	
	31.3.10	31.3.09
	RM'000	RM'000
Mudarabah Fund		
Special Investment deposits	78,570	44,850
General Investment deposits	<u>11,086,851</u>	<u>8,251,739</u>
	<u>11,165,421</u>	<u>8,296,589</u>
Non-Mudarabah Fund		
Demand deposits	910,759	645,865
Saving deposits	1,154,413	945,950
Negotiable Islamic debt certificates	155,782	266,985
Other deposits	<u>9,544</u>	<u>-</u>
	<u>2,230,498</u>	<u>1,858,800</u>
	<u>13,395,919</u>	<u>10,155,389</u>

A32c. OTHER LIABILITIES

	The Group	
	31.3.10	31.3.09
	RM'000	RM'000
Other payables and accruals	134,597	130,875
Taxation and zakat payable	35,537	7,930
Amount due (from)/to head office	(613)	401
Lease deposits and advance rentals	10,355	6,867
Profit equalisation reserve	<u>49,298</u>	<u>62,162</u>
	<u>229,174</u>	<u>208,235</u>

A33. 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	31.3.10		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	341,369	370,307	822,964	785,770

A33. RECLASSIFICATION (CONTD.)

(2) (a) Adoption of Risk-Based Capital Framework for the insurance business

During the reporting period, the insurance business of the Group adopted the Risk-Based Capital Framework pursuant to Section 23 of the Insurance Act 1996. The framework requires the insurer to maintain a capital adequacy level that is commensurate with the risk profiles that has been developed based on certain principles. The framework also sets out the statutory valuation bases for insurers' assets and liabilities and Bank Negara Malaysia's expectations on the investments and risk management policies. Changes arising from the adoption have been recognised as adjustments to the opening balance as at 1 April 2009 as below:

	As previously reported RM'000	Effect of reclassification RM'000	As restated RM'000
Effects on Balance Sheets as at 31.03.09			
Unappropriated profits	1,823,223	(3,502)	1,819,721

(b) Restatement of comparatives

During the reporting period, the Group had reviewed and changed the presentation of income and expenses arising from insurance business. These income and expenses which were previously taken up under other operating income and expenses are now presented as net income from insurance business, and certain balances.

The comparative amounts which have been reclassified to conform with the current period's presentation which better reflect the nature of the items are as follows:

	As previously reported RM'000	Effect of reclassification RM'000	As restated RM'000
Income Statement for fourth quarter ended 31 March 2009			
Operating revenue	1,473,841	73,527	1,547,368
Net income from insurance business	-	36,672	36,672
Other operating income	251,396	(118,798)	132,598
Other operating expenses	(406,973)	82,125	(324,848)
Income Statement for cumulative quarter ended 31 March 2009			
Operating revenue	5,860,729	449,928	6,310,657
Net income from insurance business	-	121,340	121,340
Other operating income	922,043	(464,699)	457,344
Other operating expenses	(1,612,146)	343,359	(1,268,787)
Balance Sheet as at 31 March 2009			
Cash and short-term funds	17,186,941	(238,360)	16,948,581
Other assets	1,490,006	238,360	1,728,366

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

The Group recorded a net profit attributable to Equity holders of RM241.7 million for the fourth quarter ended 31 March 2010, an improvement of RM61.9 million or 34.4% as compared to the previous corresponding period of RM179.8 million. The Group's pre-tax profit for the year ended 31 March 2010 improved to RM1,376.7 million as compared to RM1,217.6 million reported for the corresponding period last year.

The improvement in earnings for the reporting quarter was mainly attributed by increase in both net interest income and net income from Islamic banking business of RM65.5 million and RM37.3 million respectively. In addition, the other operating income has increased to RM171.4 million for the current reporting quarter as compared to preceding corresponding quarter of RM132.6 million. There was a transfer from profit equalisation reserve of RMRM6.4 million in current reporting quarter as compared to a transfer to profit equalisation reserve of RM23.0 million for the preceding corresponding quarter and this has contributed RM29.5 million to the improvement in earnings. Lower impairment loss on securities of RM6.4 million was reported as compared to RM29.0 million for the previous corresponding period. However, this was offset by higher other operating expenses of RM411.4 million for the current reporting quarter. Besides, there was higher allowance for losses on loans and financing and provision for foreclosed properties by RM25.6 million and RM19.9 million respectively. Further to that, It has reported a provision for commitments and contingencies and allowance for doubtful sundry receivables of RM11.9 million and RM4.7 million for the current quarter as compared to the writeback of RM1.6 million and RM2.2 million respectively for the previous corresponding quarter.

The Group's retail banking operations were the largest contributors to the Group pre-tax profit, reporting a pre-tax profit of RM211.2 million for the reporting quarter, followed by treasury and markets operations of RM64.6 million, while corporate and institutional banking operations contributed RM51.8 million for the quarter ended 31 March 2010.

Gross loans and advances expanded to RM66.3 billion to register an annual growth of 12.8%. The growth was mainly attributed to financing of transport vehicles, landed properties and working capital. Financing for purchase of transport vehicles have expanded by RM1,221.0 million and account for 38.4% of total loans, followed by loans for residential mortgages which accounted for 16.9% 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 1.5%, from 2.6% as at 31 March 2010, due to continuous loan recovery efforts.

As at 31 March 2010, the Group's total assets stood at RM96.5 billion. Meanwhile, the Group's banking subsidiaries risk-weighted capital ratio ("RWCR") stood at 15.77% as at 31 March 2010, compared with 15.16% as at 31 March 2009.

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 RM308.8 million for the fourth quarter ended 31 March 2010 as compared to RM376.6 million for the third quarter ended 31 December 2010. This was mainly due to reduction in other operating income by RM43.8 million, higher provision for foreclosed properties of RM21.8 million and other operating expenses of RM411.4 million. In addition, net income from insurance business was reduced by RM8.2 million while provision for commitments and contingencies and allowance for losses on loans and financing has increased by RM7.0 million and RM6.9 million respectively. This was cushioned by improvement in net income from Islamic banking business and net interest income of RM15.5 million and RM7.0 million respectively. Besides, lower impairment loss on securities of RM6.4 million as compared to RM19.2 million for the preceding quarter ended 31 December 2010.

B3. PROSPECTS FOR 31 MARCH 2011

Recent positive indicators around the world point to greater optimism and an emerging recovery on the economic front, with the chances for a double dip recession receding both globally and in particular regionally. BNM recently announced that the Malaysian gross domestic product ("GDP") for full-year 2009 has performed better compared to first half of 2009 with contraction of only 1.7%. For 2010, current consensus view projects a GDP expansion of circa +5.0%. The Group will keep abreast with the progress of economic developments to refine our business priorities for opportunistic strategies in light of the economic upturn.

Malaysian banks have displayed resilience during the 2009 financial downturn with minimal impact on profitability and have remained well capitalized. Asset quality remained intact, and in fact improved, during the economic downturn whilst lending growth has strengthened on the back of prudent monetary policies, fiscal stimulus, improving consumption and higher corporate investment. The investment banking business should benefit from the recovering capital and equity markets activities as corporate deal pipeline continues to improve in the short term.

The Group will stay focused on executing to its Medium Term Aspirations ("MTA") around de-risking, diversifying away from concentrations and differentiated growth via targeting profitable business segments and volume versus price trade-offs. The Group's aspirations centre on growing non-interest incomes and low-cost deposits, building new products and businesses, enhancing channels, and adopting best-in-class governance structure (risk and finance) with customer-centric operations.

Given this the Group is well positioned to exceed FY 2010 results and deliver a 4th successive year of record profits for the year ending 31 March 2011.

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	
	31.3.10 RM'000	31.3.09 RM'000	31.3.10 RM'000	31.3.09 RM'000
Estimated current tax payable	111,499	23,677	317,361	46,156
Transfer (to) / from deferred tax	(50,816)	76,499	18,764	305,908
	60,683	100,176	336,125	352,064
Overprovision of current taxation in respect of prior years	(3,068)	(13,208)	(3,344)	(13,714)
Taxation	57,615	86,968	332,781	338,350
Zakat	54	658	1,270	1,032
Taxation and zakat	57,669	87,626	334,051	339,382

The total tax charge of the Group for the financial quarter ended 31 March 2010 and 2009 reflect an effective tax rate which is lower and higher respectively than the statutory tax rate due mainly to non-taxable income and disallowances of certain expenses.

B6. SALE OF INVESTMENTS AND/OR FORECLOSED PROPERTIES

The Group	Individual Quarter		Cumulative Quarter	
	31.3.10 RM'000	31.3.09 RM'000	31.3.10 RM'000	31.3.09 RM'000
Net gain/(loss) from sale of securities held-for-trading	13,527	(1,248)	51,788	(77,092)
Net gain from sale of securities available-for-sale	16,539	3,714	47,215	3,944
Net gain from redemption of securities held-to-maturity	84	11,815	29,479	46,625

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 (subject to adjustments) of RM274.8 million (subsequently revised to RM254.8 million), and
 - (ii) a 4.9% equity stake in MAA Takaful Berhad at a consideration of RM16.2 million, equivalent to RM3.30 per share.

On 17 November 2009, the Company announced the following in relation to the above proposed acquisitions:-

- (i) to proceed with the proposed acquisition of general insurance business of MAA on a standalone basis and the proposed acquisition of 4.9% equity stake in MAA Takaful Berhad will no longer pursued, and
- (ii) revision of headline price for the proposed acquisition of general insurance business of MAA to RM180.0 million (subject to adjustments).

The Bank Negara Malaysia has vide its letter of 5 January 2010 approved the acquisition of general insurance business of MAA.

2. 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 subject to obtaining the approval of Badan Pengawas Pasar Modal dan Lembaga Keuangan, the Indonesian securities regulatory authority.

Subsequent to the above exercises, AIGB has on 1 April 2010 performed an internal transfer of 100% equity interest in AmInvestment Bank to the Company for a cash consideration based on book value. This is to facilitate the formation of Capital Market Group and Asset Management Group which anchored by AmInvestment Bank and AIGB respectively.

3. 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.

B8. CORPORATE PROPOSALS (CONTD.)

3. The price of the Special Issue Shares was fixed at RM2.77 per share (as announced on 26 May 2009) and was arrived at based on a discount of 15% to the volume weighted average market price of the Company's shares for the five market days up to and including 25 May 2009 of RM3.26, being the market day immediately preceding the date of price fixing.

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 except that they will not be entitled to any dividend declared in respect of the financial year ended 31 March 2009, irrespective of the date on which such dividend is declared, made or paid, nor will they be entitled to any rights, allotments and/or other distributions, if the Special Issue Shares are allotted and issued after the entitlement date for such rights, allotments or other distributions.

The total proceeds to be raised under the Proposed Special Issue (based on the issue price of RM2.77 per share) is estimated at RM266.7 million. 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.

On 25 August 2009, the Company announced that the Proposed Special Issue was completed. The shares were subsequently listed on the Main Market of Bursa Malaysia Securities Berhad on 26 August 2009.

4. During the financial period, the Company offered the following scheme shares and options to the eligible executive of the Group pursuant to an executives' share scheme ("ESS").
 - (i) 5,462,100 scheme shares under the long-term incentive award;
 - (ii) 9,689,800 options under the long-term incentive award at option price of RM2.20 per share; and
 - (iii) 9,128,500 options under the long-term incentive award at option price of RM3.05 per share

Scheme shares will only vest on or options are only exercisable by scheme participants subject to the satisfaction of stipulated conditions. Such conditions are stipulated and determined to be satisfied by the ESS Committee.

The Company operates an equity-settled, share-based compensation plan pursuant to the ESS.

5. On 3 August 2009, the Company announced that, the RM575.0 million nominal value of 10-year unsecured subordinated exchangeable bonds ("EBs") issued by AmBank, a wholly owned subsidiary of the Company, on 18 May 2007 to ANZ Funds Pty Ltd, a wholly owned subsidiary of Australia and New Zealand Banking Group Limited ("ANZ") in relation to the equity participation by ANZ in the Company in May 2007 were exchanged into new ordinary shares of RM1.00 each at the exchange price of RM2.95 nominal value of EBs for one new ordinary share in the Company. The Company's additional 194,915,254 new ordinary shares of RM1.00 each arising from the exercise were subsequently listed on the Main Market of Bursa Malaysia Securities Berhad on 6 August 2009.
6. During the financial period, the trustee of the executives' share scheme ("ESS") had purchased 2,574,800 of the Company's issued ordinary shares from the open market at an average price of RM4.07 per share. The total consideration paid for the purchase including transaction costs amounted to RM10,476,907.

As at 31 March 2010, 8,000 shares have been vested and transferred from the trustee to the eligible employee of the subsidiary in accordance with the terms under the ESS. The trustee of the ESS held 5,462,800 ordinary shares representing 0.18% of the issued and paid-up capital of the Company. These shares are held at a carrying amount of RM17,514,936.

B8. CORPORATE PROPOSALS (CONTD.)

7. During the financial period, AmBank (M) Bhd (“AmBank”), a wholly owned subsidiary of the Company, implemented a Ringgit Malaysia Innovative Tier 1 Capital Securities Programme (“RMIT1 Programme”) of up to RM500 million.

A first tranche amounting to RM300 million was issued on 18 August 2009 and a second tranche amounting to RM185 million was issued on 30 September 2009. Arising from the above issuance, AmBank has issued a total of RM485 million RMIT1 under the RMIT1 Programme.

The RMIT1 is structured in accordance with the Risk-Weighted Capital Adequacy Framework issued by Bank Negara Malaysia (“BNM”). The RMIT1 is rated A3 by RAM Rating Services Berhad. The 2-notch differential between the rating of the RMIT1 Programme and AmBank’s long term financial institutional rating of A1 reflects the deeply subordinated nature and embedded interest-deferral option of the RMIT1.

Under the RMIT1 Programme, AmBank is given the flexibility to issue the RMIT1 during the availability of the RMIT1 Programme based on the funding requirements of AmBank. Each tranche of RMIT1 issue shall have a permanent tenure of 30 years from the issue date with AmBank having an option to call back on the 10th anniversary of the issue date or on any interest payment date thereafter. The proceeds raised from the RMIT1 Programme will be utilised for the general working capital of AmBank and to defray expenses in relation to the programme.

The RMIT1 Programme is not expected to have any material impact on the consolidated net assets and earnings of the Company and will not have any effect on its dividend policy, share capital and its substantial shareholders’ shareholding.

8. AmBank (M) Bhd (“AmBank”) has on 10 December 2009 issued the seventh tranche of the RM2.0 billion Subordinated Medium Term Notes for RM97.8 million for 10 years tenure. The proceeds from the issuance will be utilised for general working capital and refinancing Tier 2 subordinated bonds/loans of AmBank.
9. On 25 February 2010, the Company announced that its subsidiary AmBank (M) Berhad (“AmBank”) has obtained approval of the Securities Commission vide its letter dated 24 February 2010, for the issuance of up to RM7.0 billion senior notes under a senior notes issuance programme (“Senior Notes Programme”).

The Senior Notes Programme has a tenor of up to thirty years from the date of first issuance of the senior notes. Each tranche of senior notes to be issued will have a tenor of more than one (1) year and up to ten (10) years. The Senior Notes is a funding programme and a measure formulated to enhance liquidity risk management process of AmBank.

AmBank has issued the first tranche of the senior notes amounting to RM1.42 billion on 25 March 2010.

10. During the financial period, the Company announced the winding-up and deregistration of following subsidiaries:-
- (i) members’ voluntary winding-up of Arab-Malaysian Services Berhad (“AMSB”), a subsidiary of AmLife Insurance Berhad which in turn is a 70%-owned subsidiary of the Group. AMSB was incorporated on 13 December 1973 to carry out general insurance business and had ceased business operations in 1986.
- (ii) deregistered from the Registrar of Companies Commission of Malaysia (“CCM”) pursuant to Section 308 of the Companies Act, 1965 as follow:

<u>Subsidiaries</u>	<u>Dissolution Date</u>
MBf Nominees (Asing) Sdn Bhd	21 March 2010
Li & Ho Sdn Berhad	21 March 2010
Anning Sdn Bhd	21 March 2010
Crystal Land Sdn Bhd	21 March 2010
Lekir Development Sdn Bhd	21 March 2010
AmManagement Services Sdn Bhd	29 March 2010
AMMB Properties Sdn Bhd	29 March 2010
MBf Equity Partners Sdn Bhd	31 March 2010

B9. BORROWINGS

	The Group													
	31.3.10 RM'000	31.3.09 RM'000												
(i) Deposits from customers														
Due within six months	57,920,834	50,872,152												
Six months to one year	7,116,698	10,394,563												
One year to three years	2,213,203	2,235,751												
Three to five years	1,623,377	629,040												
	<u>68,874,112</u>	<u>64,131,506</u>												
(ii) Deposits and placements of banks and other financial institutions														
Due within six months	2,219,425	3,465,904												
Six months to one year	831,015	1,364,334												
One year to three years	194,996	402,859												
Three to five years	1,069,840	902,312												
	<u>4,315,276</u>	<u>6,135,409</u>												
<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="3"><i>Recap:</i></td> </tr> <tr> <td style="width: 60%;"><i>Interbank lendings</i></td> <td style="text-align: right;">12,644,562</td> <td style="text-align: right;">16,536,853</td> </tr> <tr> <td><i>Interbank borrowings</i></td> <td style="text-align: right;">(96,730)</td> <td style="text-align: right;">(93,435)</td> </tr> <tr> <td><i>Net interbank lendings</i></td> <td style="text-align: right; border-top: 1px solid black;"><u>12,547,832</u></td> <td style="text-align: right; border-top: 1px solid black;"><u>16,443,418</u></td> </tr> </table>			<i>Recap:</i>			<i>Interbank lendings</i>	12,644,562	16,536,853	<i>Interbank borrowings</i>	(96,730)	(93,435)	<i>Net interbank lendings</i>	<u>12,547,832</u>	<u>16,443,418</u>
<i>Recap:</i>														
<i>Interbank lendings</i>	12,644,562	16,536,853												
<i>Interbank borrowings</i>	(96,730)	(93,435)												
<i>Net interbank lendings</i>	<u>12,547,832</u>	<u>16,443,418</u>												
(iii) Term funding														
Unsecured senior notes														
More than one year	1,420,000	-												
Term loans														
Due within one year														
Secured	276,107	145,859												
Unsecured	206,000	206,000												
	<u>482,107</u>	<u>351,859</u>												
	<u>1,902,107</u>	<u>351,859</u>												
(iv) Debt capital														
Hybrid capital														
More than one year	689,547	803,691												
The above hybrid capital includes amounts denominated in USD. Principal amount - USD200.0 million.														
Medium term notes														
More than one year	1,557,800	1,460,000												
Unsecured bonds														
More than one year	515,000	1,090,000												
Capital securities														
More than one year	985,000	500,000												
	<u>3,747,347</u>	<u>3,853,691</u>												

B10. DERIVATIVE FINANCIAL INSTRUMENTS

Please refer to note A28

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 A27(e).

B12. DIVIDENDS

- (i) A proposed first and final ordinary dividend as shown below for the financial year ended 31 March 2010 has been recommended by the directors;
 - gross dividend of 4.40%, less 25.0% taxation (4.4 sen less 25.0% taxation per share)
 - single tier dividend of 6.10% (6.1 sen per share)
- (ii) Previous corresponding year: 8 Sen less 25.0% taxation;
- (iii) Payment date: To be determined and announced at a later date; and
- (iv) 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.

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	
	31.3.10	31.3.09	31.3.10	31.3.09
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to equity holders of the Company	241,749	179,818	1,008,618	860,824
Weighted average number of ordinary shares in issue ('000)	3,008,714	2,722,970	2,906,168	2,722,970
Basic earnings per share (Sen)	8.03	6.60	34.71	31.61

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 one category of dilutive potential ordinary shares:

- (i) Unsecured exchangeable bonds

	Individual Quarter		Cumulative Quarter	
	31.3.10	31.3.09	31.3.10	31.3.09
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to equity holders of the Company	241,749	179,818	1,008,618	860,824
Weighted average number of ordinary shares in issue (as in (a) above)	3,008,714	2,722,970	2,906,168	2,722,970
Fully diluted earnings per share (Sen)	8.03	6.60	34.71	31.61

For the financial period ended 31 March 2010, the unsecured exchangeable bonds were exchanged into new ordinary shares of RM1.00 each at the exchange price of RM2.95 nominal value of the unsecured exchangeable bonds for one new ordinary share in the Company.

For the financial period ended 31 March 2010, 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 be anti-dilutive in nature.