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

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	Group 31.12.11 RM'000	31.03.11 RM'000
ASSETS			
Cash and short-term funds		9,260,252	13,502,567
Securities purchased under resale agreements		-	289,731
Deposits and placements with banks and other financial institutions		559,263	3,613,482
Derivative financial assets	A28	530,627	398,797
Financial assets held-for-trading	A8	9,150,128	5,173,737
Financial investments available-for-sale	A9	4,902,604	8,073,935
Financial investments held-to-maturity	A10	140,320	175,431
Loans, advances and financing	A11	72,698,315	69,378,824
Other assets	A12	2,055,727	2,206,656
Statutory deposits with Bank Negara Malaysia	A13	2,466,437	145,842
Deferred tax assets		685,627	559,964
Investment in associate		1,101	1,101
Property and equipment		225,385	248,090
Life fund assets		2,705,519	2,634,838
Intangible assets		1,848,550	1,833,210
TOTAL ASSETS		107,229,855	108,236,205
LIABILITIES AND EQUITY			
Deposits and placements of banks and other financial institutions	A14	2,246,585	4,271,656
Securities sold under repurchase agreements		9,925	30,465
Recourse obligation on loans sold to Cagamas Berhad		1,178,474	1,018,043
Derivative financial liabilities	A28	656,616	435,108
Deposits from customers	A15	75,166,028	74,566,962
Term funding		5,244,564	4,746,878
Bills and acceptances payable		730,672	1,867,911
Debt capital		3,849,882	3,598,394
Deferred tax liabilities		9,957	35,323
Other liabilities	A16	4,319,696	4,463,581
Life fund liabilities		284,435	174,393
Life policyholder funds		2,421,084	2,460,445
Total Liabilities		96,117,918	97,669,159
Share capital		3,014,185	3,014,185
Reserves		7,764,548	7,294,739
Equity attributable to equity holders of the Company		10,778,733	10,308,924
Non-controlling interests		333,204	258,122
Total Equity		11,111,937	10,567,046
TOTAL LIABILITIES AND EQUITY		107,229,855	108,236,205
COMMITMENTS AND CONTINGENCIES	A27	103,590,137	100,176,794

AMMB HOLDINGS BERHAD
(223035-V) (Incorporated in Malaysia)
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UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011 (CONTD.)

	Note	Group 31.12.11 RM'000	Group 31.03.11 RM'000
CAPITAL ADEQUACY RATIO	A29		
Before deducting proposed dividends:			
Core capital ratio		10.3%	10.2%
Risk-weighted capital ratio		14.7%	14.4%
After deducting proposed dividends:			
Core capital ratio		10.3%	9.8%
Risk-weighted capital ratio		14.7%	14.0%
NET ASSETS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)		3.58	3.42

The unaudited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2011

AMMB HOLDINGS BERHAD
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and its subsidiaries

UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011

		Individual Quarter		Cumulative Quarter	
Group	**Note**	**31.12.11 RM'000**	**31.12.10 RM'000**	**31.12.11 RM'000**	**31.12.10 RM'000**
Operating revenue	A23	1,955,767	1,824,331	6,047,741	5,302,181
Interest income	A17	1,070,891	1,018,644	3,208,767	3,007,339
Interest expense	A18	(542,790)	(512,275)	(1,647,836)	(1,466,895)
Net interest income		528,101	506,369	1,560,931	1,540,444
Net income from Islamic banking business		193,607	205,926	595,960	585,028
Net income from insurance business	A19	55,250	40,701	158,829	136,057
Other operating income	A20	246,945	217,835	878,588	690,051
Share in result of associate		-	-	-	(200)
Net income		1,023,903	970,831	3,194,308	2,951,380
Other operating expenses	A21	(428,032)	(400,142)	(1,282,469)	(1,165,889)
Operating profit		595,871	570,689	1,911,839	1,785,491
Allowances for impairment on loans and financing	A22	(98,908)	(165,329)	(292,374)	(361,260)
Impairment (loss)/writeback on:					
Financial investment		1,227	38,250	19,526	3,504
Doubtful sundry receivables - net		1,000	2,285	(198)	2,325
Foreclosed properties		(19)	2,977	(28,293)	(16,091)
Provision for commitments and contingencies		(5,930)	(3,785)	(7,261)	(5,276)
Transfer (to)/from profit equalisation reserve		(3,332)	13,078	(4,756)	30,897
Profit before taxation and zakat		489,909	458,165	1,598,483	1,439,590
Taxation and zakat	B5	(117,216)	(119,748)	(388,154)	(374,844)
Profit for the period		**372,693**	**338,417**	**1,210,329**	**1,064,746**
Attributable to:					
Equity holders of the Company		357,181	325,311	1,168,179	1,026,466
Non-controlling interests		15,512	13,106	42,150	38,280
Profit for the period		372,693	338,417	1,210,329	1,064,746
EARNINGS PER SHARE (SEN)	B14				
Basic		11.95	10.83	39.06	34.16
Fully diluted		11.95	10.83	39.01	34.16

The unaudited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2011

AMMB HOLDINGS BERHAD
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UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011

		Individual Quarter		**Cumulative Quarter**	
Group	**Note**	**31.12.11 RM'000**	**31.12.10 RM'000**	**31.12.11 RM'000**	**31.12.10 RM'000**
Profit for the period		372,693	338,417	1,210,329	1,064,746
Other comprehensive income/(loss):					
Exchange differences on translation of foreign operations		(2,987)	229	8,630	(9,631)
Net movement on cash flow hedges		(26,463)	28,429	(81,726)	11,085
Net movement on financial investments available-for-sale		2,722	(59,484)	4,458	(6,754)
Income tax relating to the components of other comprehensive income		23,531	5,474	28,478	(9,945)
Other comprehensive loss for the period, net of tax		(3,197)	(25,352)	(40,161)	(15,245)
Total comprehensive income for the period		369,496	313,065	1,170,168	1,049,501
Total comprehensive income for the period attributable to:					
Equity holders of the Company		349,374	299,710	1,123,601	1,008,558
Non-controlling interests		20,122	13,355	46,567	40,943
		369,496	313,065	1,170,168	1,049,501

The unaudited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2011

AMMB HOLDINGS BERHAD
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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011

	Attributable to Equity Holders of the Company							
		Non-Distributable			Distributable			
Group	**Ordinary Share Capital RM'000**	**Share Premium RM'000**	**Other Reserves RM'000**	**Shares Held In Trust for ESS RM'000**	**Retained Earnings RM'000**	**Total RM'000**	**Non-controlling Interests RM'000**	**Total Equity RM'000**
At 1 April 2010	3,014,185	2,537,372	1,500,498	(17,515)	2,388,909	9,423,449	212,150	9,635,599
Profit for the period	-	-	-	-	1,026,466	1,026,466	38,280	1,064,746
Other comprehensive income/(loss), net	-	-	(17,908)	-	-	(17,908)	2,663	(15,245)
Total comprehensive income/(loss) for the period	-	-	(17,908)	-	1,026,466	1,008,558	40,943	1,049,501
Purchase of shares pursuant to Executives' Share Scheme ("ESS")^	-	-	-	(31,496)	-	(31,496)	-	(31,496)
Share-based payment under ESS	-	-	26,496	-	-	26,496	-	26,496
ESS shares vested to employee of subsidiary	-	-	(108)	113	-	5	-	5
Transfer of ESS shares recharged difference on purchase price for shares vested	-	-	-	-	(14)	(14)	-	(14)
Transfer from retained earnings	-	-	31,770	-	(31,770)	-	-	-
Subscription of shares in AmPrivate Equity Sdn Bhd	-	-	-	-	-	-	4,880	4,880
Dividend paid	-	-	-	-	(464,184)	(464,184)	(8,100)	(472,284)
At 31 DECEMBER 2010	3,014,185	2,537,372	1,540,748	(48,898)	2,919,407	9,962,814	249,873	10,212,687

AMMB HOLDINGS BERHAD
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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011

	Attributable to Equity Holders of the Company							
		Non-Distributable			Distributable			
Group	**Ordinary Share Capital RM'000**	**Share Premium RM'000**	**Other Reserves RM'000**	**Shares Held In Trust for ESS RM'000**	**Retained Earnings RM'000**	**Total RM'000**	**Non-controlling Interests RM'000**	**Total Equity RM'000**
At 1 April 2011	3,014,185	2,537,372	1,577,712	(48,687)	3,228,342	10,308,924	258,122	10,567,046
Profit for the period	-	-	-	-	1,168,179	1,168,179	42,150	1,210,329
Other comprehensive income/(loss), net	-	-	(44,578)	-	-	(44,578)	4,417	(40,161)
Total comprehensive income/(loss) for the period	-	-	(44,578)	-	1,168,179	1,123,601	46,567	1,170,168
Purchase of shares pursuant to Executives' Share Scheme ("ESS")^^	-	-	-	(132,368)	-	(132,368)	-	(132,368)
Share-based payment under ESS, net	-	-	28,912	-	-	28,912	-	28,912
ESS shares vested to employees of subsidiaries	-	-	(8,728)	25,114	-	16,386	-	16,386
Transfer of ESS shares recharged difference on purchase price for shares vested	-	-	-	-	(6,084)	(6,084)	(265)	(6,349)
Subscription of shares in AmPrivate Equity Sdn Bhd	-	-	-	-	-	-	100	100
Subscription of shares in AmFamily Takaful Berhad	-	-	-	-	-	-	30,000	30,000
Dividend paid	-	-	-	-	(560,638)	(560,638)	(1,320)	(561,958)
At 31 DECEMBER 2011	3,014,185	2,537,372	1,553,318	(155,941)	3,829,799	10,778,733	333,204	11,111,937

^ Represent the purchase of 6,234,700 of the Company's issued ordinary shares from the open market by a trustee appointed by the ESS committee at an avarage price of RM5.05 per share.

^^ Represent the purchase of 20,855,900 of the Company's issued ordinary shares from the open market by a trustee appointed by the ESS committee at an avarage price of RM6.35 per share.

The unaudited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2011

AMMB HOLDINGS BERHAD
(223035-V) (Incorporated in Malaysia)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011

Group	**31.12.11 RM'000**	**31.12.10 RM'000**
Profit before taxation	1,598,483	1,439,590
Add adjustments for non-operating and non-cash items	33,854	198,250
Operating profit before working capital changes	1,632,337	1,637,840
Decrease/(Increase) in operating assets:		
Securities purchased under resale agreements	289,731	-
Deposits and placements with banks and other financial institutions	3,054,219	(157,637)
Financial assets held-for-trading	(3,808,282)	(5,317,009)
Loans, advances and financing	(3,611,865)	(4,048,434)
Other assets	347,534	143,435
Statutory deposits with Bank Negara Malaysia	(2,320,595)	(2,817)
Deposits and monies held in trust with financial institutions	(28,648)	(17,625)
Increase/(Decrease) in operating liabilities:		
Deposits and placements of banks and other financial institutions	(2,025,071)	1,766,741
Securities sold under repurchase agreements	(20,540)	-
Recourse obligation on loans sold to Cagamas Berhad	160,431	884,837
Deposits from customers	599,161	1,814,863
Term funding	497,686	2,204,002
Bills and acceptances payable	(1,137,239)	734,646
Other liabilities	(401,967)	165,767
Cash used in operations	(6,773,108)	(191,391)
Taxation paid	(414,265)	(149,301)
Net cash used in operating activities	(7,187,373)	(340,692)
Cash flows from investing activities		
Disposal of financial investments - net	3,388,538	2,428,623
Dividends received from other investments	36,544	26,829
Proceeds from disposal of property and equipment	947	700
Purchase of property and equipment	(49,449)	(69,482)
Purchase of computer software	(12,828)	(6,054)
Net cash generated from investing activities	3,363,752	2,380,616
Cash flows from financing activities		
Proceeds from issue of shares by subsidiaries to minority shareholders	30,100	4,880
Proceeds from /(Redemption of) unsecured bonds	200,000	(115,000)
Dividends paid by Company to its shareholders	(560,638)	(464,184)
Arising from purchase/vesting of shares for ESS by the appointed trustee	(132,368)	(31,496)
ESS shares vested to eligible employees	25,114	113
Transfer of ESS shares recharged difference on purchase price for shares vested	(6,084)	(14)
Dividends paid to minority interests by subsidiaries	(1,320)	(8,100)
Net cash used in financing activities	(445,196)	(613,801)
Net increase/(decrease) in cash and cash equivalents	(4,268,817)	1,426,123
Cash and cash equivalents at beginning of period	13,234,797	11,400,435
Cash and cash equivalents at end of period	8,965,980	12,826,558

For the purpose of statements of cash flows, 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 financial position amounts:

Group	**31.12.11 RM'000**	**31.12.10 RM'000**
Cash and short-term funds	9,260,252	13,090,279
Less: Cash and bank balances and deposits held in trust	(294,670)	(261,537)
	8,965,582	12,828,742
Effect of exchange rates changes	398	(2,184)
Cash and cash equivalents	8,965,980	12,826,558

The unaudited condensed financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2011

AMMB HOLDINGS BERHAD
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and its subsidiaries

EXPLANATORY NOTES :

A1. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and Financial Reporting Standard ("FRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"). The financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Group as at and for the year ended 31 March 2011.

These condensed consolidated interim financial statements incorporate those activities relating to Islamic banking which have been undertaken by the Group. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under Shariah principles.

The accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 March 2011 except for the adoption of the following FRSs and Technical Releases:

- FRS 1, First-time Adoption of Financial Reporting Standards
- Amendments to FRS 1, Limited Exemption from Comparative FRS 7, Disclosures for First-time Adopters and Additional Exemptions for First-time Adopters
- Amendments to FRS 2, Share-based Payment and Group Cash-settled Share-based Payment Transactions
- FRS 3, Business Combinations
- Amendments to FRS 5, Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 7, Improving Disclosures about Financial Instruments
- FRS 127, Consolidated and Separate Financial Statements
- Amendments to FRS 138, Intangible Assets
- IC Interpretation 4, Determining Whether an Arrangement contains a Lease
- Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives
- IC Interpretation 12, Service Concession Arrangements
- IC Interpretation 16, Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17, Distributions of Non-cash Assets to Owners
- IC Interpretation 18, Transfers of Assets from Customers
- Amendments to FRSs contained in Improvements to FRSs (2010)
- TR i-4, Shariah Compliant Sale Contract

The adoption of FRS 3 (revised) will potentially have a financial impact on the Group as it will result in changes in accounting for business combinations. FRS 3 (revised) is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2010. The changes in FRS 3 (revised) is summarised as follows:

- FRS 3 (revised) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as "minority" interests) either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree. Consequently, the goodwill arising from the acquisition reflects the impact of the difference between the fair value of the non-controlling interests and their share of the fair value of the identifiable net assets of the acquiree;

A1. BASIS OF PREPARATION (CONTD.)

- FRS 3 (revised) changes the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognised against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from better information about the fair value at the acquisition date, and they occur within the "measurement period" (a maximum of 12 months from the acquisition date). All other subsequent adjustments are recognised in profit or loss;

- FRS 3 (revised) requires that a settlement gain or loss be recognised where a business combination in effect settles a pre-existing relationship between the Group and the acquire; and

- FRS 3 (revised) requires that acquisition-related costs be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

The adoption of the revised FRS 127 is likely to affect the Group's accounting policies regarding changes in ownership interests in its subsidiaries that do not result in a change in control. In prior years, in the absence of specific requirements in FRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss.

Under the amended FRS 127, all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the amended Standard requires that the Group derecognises all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost, with the gain or loss arising recognised in profit or loss.

There is no financial impact immediately upon adoption of FRS 3 and FRS 127 as they both only have prospective effect, and hence their adoption will only have impact on future acquisitions of the Group.

The adoption of the Amendments to FRS 7 which promotes enhanced disclosures on fair value measurement of financial instruments via the introduction of the concept of the fair value hierarchy will only affect disclosures and will not have any financial impact on the results of the Group.

The adoption of the other FRSs and Technical Releases did not have any material impact on the financial results of the Group as they mainly deal with accounting policies affecting transactions which do not form part of the Group's normal business operations or transactions where the Group only has minimal exposure.

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141, Agriculture ("MFRS 141") and IC Interpretation 15, Agreements for Construction of Real Estate ("IC 15"), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has established a project team to plan and manage the adoption of the MFRS Framework.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these interim financial statements could be different if prepared under the MFRS Framework.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2013.

A2. AUDIT QUALIFICATION

There were no audit qualification in the annual financial statements for the year ended 31 March 2011.

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 December 2011.

A6. ISSUANCE, CANCELLATION, REPURCHASE, RESALE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

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

A7. DIVIDENDS PAID

During the financial period ended 31 December 2011, a final single tier dividend of 12.0% for the financial year ended 31 March 2011 amounting to RM361,702,181 was paid on 8 September 2011 to shareholders whose names appear in the record of Depositors on 25 August 2011.

An interim single tier dividend of 6.6% for the financial year ending 31 March 2012 amounting to RM198,936,199 was paid on 15 December 2011 to shareholders whose names appear in the record of Depositors on 2 December 2011.

A8. FINANCIAL ASSETS HELD-FOR-TRADING

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
At Fair Value		
Money Market Securities:		
Treasury bills	34,136	49,046
Islamic Treasury bills	58,482	23,661
Malaysian Government Securities	811,341	160,285
Malaysian Government Investment Certificates	1,368,728	771,473
Bank Negara Malaysia Monetary Notes	3,679,052	2,449,627
Sukuk Bank Negara Malaysia	11,475	1,469
	5,963,214	3,455,561
Quoted Securities:		
In Malaysia:		
Shares	350,625	292,024
Warrants	2,749	2,835
Trust units	72,298	81,773
Outside Malaysia:		
Shares	15,565	7,331
Trust units	1,832	1,688
	443,069	385,651
Unquoted Guaranteed Private Debt Securities		
In Malaysia:		
Corporate bonds	56,147	-
Unquoted Private Debt Securities:		
In Malaysia:		
Corporate bonds	362,017	264,590
Corporate notes	772,116	355,478
Islamic corporate bonds	490,824	236,221
Islamic corporate notes	1,061,209	476,236
Outside Malaysia:		
Corporate bonds	1,532	-
	2,687,698	1,332,525
Total	9,150,128	5,173,737

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
At Fair Value, or cost less impairment losses for certain unquoted securities		
Money Market Securities:		
Malaysian Government Securities	20,874	266,267
Malaysian Government Investment Certificates	121,629	284,875
Negotiable instruments of deposits	1,064,508	1,748,816
Negotiable Islamic debt certificates	45,698	1,134,325
	1,252,709	3,434,283

A9. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE (CONTD.)

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
Quoted Securities:		
In Malaysia:		
Shares	215,389	44,307
Trust units	673,634	900,571
Outside Malaysia:		
Shares	46,421	26,356
	935,444	971,234
Unquoted Securities:		
In Malaysia:		
Shares	125,778	135,931
Outside Malaysia:		
Shares	18,264	23,960
	144,042	159,891
Quoted Debt Equity Converted Securities:		
In Malaysia:		
Shares	12,207	11,849
Loan stocks	8,856	15,469
Loan stocks - collateralised	-	6,801
Corporate bonds - collateralised	18,846	33,610
Outside Malaysia:		
Shares	60	53
	39,969	67,782
Unquoted Debt Equity Converted Securities:		
In Malaysia:		
Loan stocks	-	345
Loan stocks - collateralised	5,030	58,218
	5,030	58,563
Unquoted Private Debt Securities:		
In Malaysia:		
Corporate bonds	957,151	908,362
Islamic corporate bonds	424,803	596,725
Corporate notes	62,875	263,149
Islamic corporate notes	891,733	1,383,139
Outside Malaysia:		
Corporate bonds	24,255	25,296
Islamic corporate bonds	25,309	23,768
	2,386,126	3,200,439
Unquoted Guaranteed Private Debt Securities:		
In Malaysia:		
Corporate bonds	139,284	181,743
Total	4,902,604	8,073,935

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 is 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 Statutory Reserve Requirement ("SRR") in the form of Malaysian Government Securities ("MGS") and/or Government Investment Certificate ("GIC") holdings instead of cash. As at the reporting date, there were no MGS and GIC holdings maintained for SRR purpose for the Group (31 March 2011: RM540,260,000).

A10. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
Unquoted Securities:		
In Malaysia:		
Corporate bonds	959	959
Unquoted Debt Equity Converted Securities:		
In Malaysia:		
Corporate notes - collateralised	3,904	3,904
Loan stocks	18,557	26,761
Loan stocks - collateralised	127,336	131,743
Corporate bonds	45,083	48,961
Corporate bonds - collateralised	116,321	131,206
	311,201	342,575
Unquoted Private Debt Securities:		
In Malaysia:		
Corporate bonds	17,163	29,672
Unquoted Guaranteed Private Debt Securities:		
In Malaysia:		
Corporate bonds	10,000	10,000
	339,323	383,206
Accumulated impairment losses	(199,003)	(207,775)
Total	140,320	175,431

A11. LOANS, ADVANCES AND FINANCING

	Group	
	31.12.11	**31.03.11**
At amortised cost:	**RM'000**	**RM'000**
Loans and financing:		
Term loans	22,777,750	20,338,443
Revolving credit	5,765,391	6,957,615
Housing loans	12,368,771	12,013,166
Staff loans	160,837	163,776
Hire-purchase receivables	25,851,916	25,619,982
Credit card receivables	1,815,893	1,795,691
Lease receivables	481	1,594
Overdrafts	2,827,267	2,365,167
Claims on customers under acceptance credits	3,314,382	3,175,549
Trust receipts	966,549	658,831
Block discount receivables	53,224	55,121
Factoring receivables	76,283	51,018
Bills receivable	332,421	389,482
	76,311,165	73,585,435
Islamic financing sold to Cagamas Berhad	(1,450,041)	(1,700,034)
Gross loans, advances and financing	74,861,124	71,885,401
Allowance for impairment on loans and financing:		
Collective allowance	(2,056,086)	(2,135,148)
Individual allowance	(106,723)	(371,429)
	(2,162,809)	(2,506,577)
Net loans, advances and financing	72,698,315	69,378,824

* Included in term loans of the Group as at the reporting period are loans amounting to RM53,431,000 (31 March 2011: RM202,955,000) which are exempted from collective allowance by Bank Negara Malaysia.

A11. LOANS, ADVANCES AND FINANCING (CONTD.)

(a) The maturity structure of loans, advances and financing is as follows:

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
Maturing within one year	14,289,402	15,661,854
One to three years	11,296,888	8,240,649
Three to five years	10,577,098	11,174,708
Over five years	38,697,736	36,808,190
	74,861,124	71,885,401

(b) Loans, advances and financing analysed by sectors are as follows:

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
Agriculture	2,319,809	2,341,017
Mining and quarrying	1,484,456	1,897,773
Manufacturing	7,627,563	6,267,185
Electricity, gas and water	1,594,320	2,308,075
Construction	2,497,092	2,353,384
Wholesale, retail, restaurant and hotel	4,346,419	3,473,542
Transport, storage and communication	2,734,774	2,303,086
Finance, insurance, real estate and business activities	9,671,305	9,136,973
Education and health	1,598,792	1,012,764
Household	42,296,096	41,915,859
of which:		
Purchase of residential properties	12,411,985	11,979,856
Purchase of transport vehicles	23,641,649	23,571,034
Others	6,242,462	6,364,969
Others	140,539	575,777
	76,311,165	73,585,435
Islamic financing sold to Cagamas Berhad	(1,450,041)	(1,700,034)
	74,861,124	71,885,401

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

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
Domestic:		
Other non-bank financial institutions	2,789,033	2,594,135
Business enterprises:		
Small and medium enterprises	8,416,985	7,474,065
Others	22,144,618	20,775,251
Government and statutory bodies	107,110	333,174
Individuals	40,797,504	40,223,110
Other domestic entities	16,651	3,645
Foreign entities	589,223	482,021
	74,861,124	71,885,401

A11. LOANS, ADVANCES AND FINANCING (CONTD.)

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

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
Variable rate:		
Base lending rate plus	24,330,164	20,904,588
Cost plus	14,264,407	13,792,343
Other variable rates	2,332,506	2,022,274
	40,927,077	36,719,205
Fixed rate:		
Housing loans/financing	2,108,262	2,241,900
Hire purchase receivables	21,082,265	22,566,305
Other loans/financing	10,743,520	10,357,991
	33,934,047	35,166,196
	74,861,124	71,885,401

(e) Loans, advances and financing analysed by geographical distribution as follows:

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
In Malaysia	74,081,064	71,225,244
Outside Malaysia	780,060	660,157
	74,861,124	71,885,401

(f) Movements in impaired loans, advances and financing are as follows:

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
Gross		
Balance at beginning of period/year	2,449,585	2,538,773
Impaired during the period/year	1,469,461	1,311,149
Reclassification to non-impaired loans and financing	(296,080)	(384,996)
Recoveries	(550,797)	(337,124)
Amount written-off	(1,060,373)	(682,359)
Repurchase of loans	-	4,142
Balance at end of period/year	2,011,796	2,449,585
Ratios of impaired loans, advances and financing to total loans, advances and financing (including Islamic financing sold to Cagamas Berhad)	2.6%	3.3%
Loan loss coverage excluding collateral values	107.5%	102.3%

A11. LOANS, ADVANCES AND FINANCING (CONTD.)

(g) Impaired loans, advances and financing analysed by sectors are as follows:

	Group	
	31.12.11 RM'000	**31.03.11 RM'000**
Agriculture	26,438	38,785
Mining and quarrying	257,409	461
Manufacturing	202,710	273,295
Electricity, gas and water	131,275	288,509
Construction	112,017	289,257
Wholesale, retail, restaurant and hotel	48,574	82,308
Transport, storage and communication	4,540	21,276
Finance, insurance, real estate and business activities	49,451	119,704
Education and health	56,951	43,171
Household	1,108,309	1,275,779
of which:		
Purchase of residential properties	581,172	649,725
Purchase of transport vehicles	378,843	380,876
Others	148,294	245,178
Others	14,122	17,040
	2,011,796	2,449,585

(h) Impaired loans, advances and financing analysed by geographical distribution

	Group	
	31.12.11 RM'000	**31.03.11 RM'000**
In Malaysia	2,011,796	2,449,585

(i) Movements in allowances for impaired loans, advances and financing are as follows:

	Group	
	31.12.11 RM'000	**31.03.11 RM'000**
Collective allowance		
Balance at beginning of period/year	2,135,148	1,803,552
Allowance made during the period/year, net	522,264	808,818
Amount written off	(601,587)	(480,862)
Repurchase of loans	-	4,142
Exchange fluctuation adjustments	261	(502)
Balance at end of period/year	2,056,086	2,135,148
% of total loans, advances and financing (including Islamic financing sold to Cagamas Berhad) less individual allowance and financing exempted from collective allowance by Bank Negara Malaysia	2.7%	2.9%
Individual allowance		
Balance at beginning of period/year	371,429	458,225
Allowance made during the period/year, net	187,073	103,855
Transfer from debt converted instrument	11,642	12,356
Amount written off	(463,421)	(203,007)
Balance at end of period/year	106,723	371,429

A12. OTHER ASSETS

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
Trade receivables, net of allowance for doubtful debts	485,058	1,034,909
Other receivables, deposits and prepayments, net of allowance for doubtful debts	917,111	525,122
Interest receivables on treasury assets, net of allowance for doubtful debts	311,587	362,023
Fee receivables, net of allowance for doubtful debts	57,883	41,496
Amount due from Originators	168,264	19,583
Amount due from agents, brokers and reinsurers, net of allowance	32,931	76,636
Foreclosed properties, net of allowance for impairment in value	82,893	112,143
Deferred assets	-	34,744
	2,055,727	2,206,656

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 AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
Deposits from:		
Licensed banks	85,693	288,018
Licensed investment banks	477,027	442,342
Bank Negara Malaysia	533,094	2,247,277
Other financial institutions	1,150,771	1,294,019
	2,246,585	4,271,656

A15. DEPOSITS FROM CUSTOMERS

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
Term/Investment deposits	62,628,566	63,955,874
Savings deposits	4,503,526	4,263,507
Demand deposits	7,499,155	6,097,301
Negotiable instruments of deposits	534,781	250,280
	75,166,028	74,566,962

The deposits are sourced from the following types of customers:

Business enterprises	32,532,318	27,358,336
Individuals	29,774,645	29,704,689
Government and statutory bodies	9,601,222	16,274,261
Others	3,257,843	1,229,676
	75,166,028	74,566,962

A16. OTHER LIABILITIES

	Group	
	31.12.11	31.03.11
	RM'000	RM'000
Trade payables	657,511	1,019,344
Other payables and accruals	1,564,398	1,422,538
Interest payable on deposits and borrowings	746,473	750,939
Lease deposits and advance rentals	46,624	58,634
General insurance funds	754,210	746,120
Provision for commitments and contingencies	164,752	157,627
Profit equalisation reserve	11,610	6,854
Tax payable	374,118	301,525
	4,319,696	4,463,581

A17. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.12.11	31.12.10	31.12.11	31.12.10
	RM'000	RM'000	RM'000	RM'000
Short-term funds and deposits with financial institutions	50,261	60,276	202,197	173,980
Financial assets held-for-trading	45,788	28,551	138,570	67,619
Financial investments available-for-sale	62,513	47,735	163,616	207,811
Financial investments held-to-maturity	646	954	4,184	14,400
Loans, advances and financing	904,272	875,857	2,681,771	2,525,077
Interest income on impaired loans	2,007	2,923	7,706	12,328
Others	5,404	2,348	10,723	6,124
	1,070,891	1,018,644	3,208,767	3,007,339

A18. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	31.12.11	31.12.10	31.12.11	31.12.10
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	426,632	372,175	1,282,133	1,054,577
Deposit and placements of banks and other financial institutions	4,785	20,955	29,957	63,219
Senior notes	35,344	34,242	104,932	96,293
Credit-Linked Note	5,696	2,507	13,257	5,535
Amount due to Cagamas Berhad	10,472	8,524	31,734	9,294
Term loans	6,128	3,438	17,401	9,912
Subordinated deposits and term loans	11,342	11,342	33,904	33,904
Interest on bonds	-	736	-	3,554
Medium term notes	22,255	22,255	66,523	66,523
Hybrid and Innovative Tier 1 capital securities	20,339	20,223	60,058	61,101
Others	(203)	15,878	7,937	62,983
	542,790	512,275	1,647,836	1,466,895

A19. NET INCOME FROM INSURANCE BUSINESS

Group	Individual Quarter		Cumulative Quarter	
	31.12.11 RM'000	31.12.10 RM'000	31.12.11 RM'000	31.12.10 RM'000
Income from Insurance Business:				
Premium income from general insurance business	140,892	138,324	428,187	405,574
Surplus transfer from the life insurance business	17,000	12,000	51,800	52,800
	157,892	150,324	479,987	458,374
Insurance Claims and Commissions:				
Insurance commission	14,625	14,199	43,210	41,552
General insurance claims	88,017	95,424	277,948	280,765
	102,642	109,623	321,158	322,317
Total income from insurance business, net	55,250	40,701	158,829	136,057

A20. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.12.11 RM'000	31.12.10 RM'000	31.12.11 RM'000	31.12.10 RM'000
Fee income:				
Fees on loans, financing and securities	49,808	38,307	161,085	154,200
Corporate advisory	12,109	8,429	25,036	25,877
Guarantee fees	6,601	10,756	30,012	28,710
Underwriting fees	2,956	5,604	8,352	16,465
Portfolio management fees	6,486	3,213	18,769	10,181
Unit trust management fees	22,982	17,839	61,963	53,408
Brokerage rebates	150	168	390	400
Property trust management fees	1,360	1,169	3,913	3,743
Brokerage fees and commissions	19,644	30,157	68,641	82,899
Bancassurance commission	7,489	7,735	21,736	24,407
Net income from asset securitisation	171	89	518	559
Other fee income	19,025	16,882	68,959	52,838
	148,781	140,348	469,374	453,687
Investment and trading income:				
Net gain from sale of financial assets held-for-trading	27,558	21,577	92,749	57,059
Net gain from sale of financial investments available-for-sale	9,441	13,613	89,785	54,525
Net gain on redemption of financial investments held-to-maturity	126	1,064	9,098	6,143
Gain/(Loss) on revaluation of financial assets held-for-trading	18,137	(10,497)	2,500	19,298
Foreign exchange [1]	28,935	13,953	78,047	49,980
Gain on redemption of structured product	2,166	156	96	130
Gain/(Loss) on derivatives	(12,729)	20,361	72,401	(2)
Gain/(Loss) on revaluation of fair value hedge [2]	(163)	860	460	780
Gross dividend income from:				
Financial assets held-for-trading	1,503	1,914	9,206	5,739
Financial investments available-for-sale	17,907	9,626	39,519	30,033
	92,881	72,627	393,861	223,685

A20. OTHER OPERATING INCOME (CONTD.)

Group	Individual Quarter 31.12.11 RM'000	Individual Quarter 31.12.10 RM'000	Cumulative Quarter 31.12.11 RM'000	Cumulative Quarter 31.12.10 RM'000
Other income:				
Non-trading foreign exchange	359	1,440	3,958	3,006
Gain on disposal of property and equipment, net	599	271	824	662
Rental income	992	940	3,000	2,862
Other operating income	3,333	2,209	7,571	6,149
	5,283	4,860	15,353	12,679
	246,945	217,835	878,588	690,051

[1] Foreign exchange income includes gains and losses from spot and forward contracts and other currency derivatives.

[2] Arising from changes in fair value of interest rate swap (hedging instrument), Hybrid Capital and loans sold to Cagamas Berhad (hedged items) relating to the hedged risk.

A21. OTHER OPERATING EXPENSES

Group	Individual Quarter 31.12.11 RM'000	Individual Quarter 31.12.10 RM'000	Cumulative Quarter 31.12.11 RM'000	Cumulative Quarter 31.12.10 RM'000
Personnel costs:				
Salaries, allowances and bonuses	176,282	172,765	585,674	527,623
Shares/options granted under Group Executives' Share Scheme	10,945	8,774	28,970	26,511
Others	61,297	50,613	182,539	148,035
	248,524	232,152	797,183	702,169
Establishment costs:				
Depreciation	12,806	13,795	39,639	40,505
Amortisation of computer software	10,500	9,567	29,822	24,252
Computerisation costs	34,800	33,880	97,641	97,310
Rental	22,108	21,193	65,646	63,444
Cleaning and maintenance	6,811	6,176	20,187	17,064
Others	7,878	6,697	21,222	20,069
	94,903	91,308	274,157	262,644
Marketing and communication expenses:				
Sales commission	586	4,029	3,026	12,800
Advertising, promotional and other marketing activities	17,425	16,443	38,787	40,818
Telephone charges	4,630	3,806	12,698	12,914
Postage	2,284	3,115	7,622	7,849
Travel and entertainment	4,185	4,224	13,562	12,093
Others	5,601	5,718	18,872	16,632
	34,711	37,335	94,567	103,106
Administration and general:				
Professional services	24,179	27,112	65,099	62,505
Donations	173	239	308	277
Administration and management expenses	266	127	834	532
Others	25,276	11,869	50,321	34,656
	49,894	39,347	116,562	97,970
	428,032	400,142	1,282,469	1,165,889

A22. ALLOWANCE FOR IMPAIRMENT ON LOANS AND FINANCING

Group	**Individual Quarter**		**Cumulative Quarter**	
	31.12.11	**31.12.10**	**31.12.11**	**31.12.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Allowance for bad and doubtful debts and financing:				
Individual allowance, net	32,073	37,308	187,073	73,798
Collective allowance	202,796	220,276	522,264	618,142
Recovery on loans sold to Danaharta	(3,731)	(2,024)	(3,731)	(2,024)
Bad debts and financing:				
Written off	-	-	-	36
Recovered	(132,230)	(90,231)	(413,232)	(328,692)
	98,908	165,329	292,374	361,260

A23. BUSINESS SEGMENT ANALYSIS

Group 31.12.11	**Retail Banking RM'000**	**Business Banking RM'000**	**Investment Banking RM'000**	**Corporate and Institutional Banking RM'000**	**Insurance RM'000**	**Markets RM'000**	**Group Functions and Others RM'000**	**Total RM'000**
Operating revenue	2,044,285	554,363	302,137	1,108,367	940,810	384,478	713,301	6,047,741
Income	1,342,673	426,657	298,174	297,102	204,759	356,952	267,991	3,194,308
Expenses	(567,019)	(80,841)	(144,172)	(73,691)	(71,087)	(52,889)	(292,770)	(1,282,469)
Profit/(loss) before provisions	775,654	345,816	154,002	223,411	133,672	304,063	(24,779)	1,911,839
(Provisions)/Writeback of provisions	(197,458)	(134,698)	1,487	18,399	10	9,181	(10,277)	(313,356)
Profit after provisions	578,196	211,118	155,489	241,810	133,682	313,244	(35,056)	1,598,483
Taxation and zakat	(144,574)	(52,207)	(39,314)	(55,105)	(33,905)	(78,114)	15,063	(388,154)
Net profit for the period	433,622	158,911	116,175	186,705	99,777	235,130	(19,993)	1,210,329

Other information:

Cost to income ratio	42.2%	18.9%	48.4%	24.8%	34.7%	14.8%	109.2%	40.1%
Gross loans/ financing	45,924,121	15,605,071	541,714	13,753,886	3,236	-	(966,904)	74,861,124
Net loans/ financing	44,704,020	15,397,688	528,892	13,671,956	3,236	-	(1,607,477)	72,698,315
Gross impaired loans, advances and financing	1,225,894	371,120	4,959	-	-	-	409,823	2,011,796
Total deposits	34,397,904	7,465,685	260,152	34,344,477	-	359,377	585,018	77,412,613

A23. BUSINESS SEGMENT ANALYSIS (CONTD.)

Group 31.12.10	**Retail Banking RM'000**	**Business Banking RM'000**	**Investment Banking RM'000**	**Corporate and Institutional Banking RM'000**	**Insurance RM'000**	**Markets RM'000**	**Group Functions and Others RM'000**	**Total RM'000**
Operating revenue	1,939,366	448,710	258,882	905,597	754,087	301,766	693,773	5,302,181
Income	1,358,180	353,983	256,284	262,337	189,998	260,848	269,750	2,951,380
Expenses	(527,684)	(76,430)	(134,158)	(70,409)	(64,213)	(49,347)	(243,648)	(1,165,889)
Profit before provisions	830,496	277,553	122,126	191,928	125,785	211,501	26,102	1,785,491
Provisions of provisions	(272,391)	(97,975)	(1,066)	(13,280)	1,365	(4,742)	42,188	(345,901)
Profit/(Loss) after provisions	558,105	179,578	121,060	178,648	127,150	206,759	68,290	1,439,590
Taxation and zakat	(139,526)	(44,649)	(30,935)	(40,798)	(29,396)	(51,350)	(38,190)	(374,844)
Net profit/(loss) for the period	418,579	134,929	90,125	137,850	97,754	155,409	30,100	1,064,746

Other information

Cost to income ratio	38.9%	21.6%	52.3%	26.8%	33.8%	18.9%	90.3%	39.5%
Gross loans/ financing	45,054,802	13,537,775	501,097	11,858,959	3,172	-	(662,732)	70,293,073
Net loans/ financing	43,779,025	13,309,547	487,891	11,756,249	3,172	-	(1,388,606)	67,947,278
Gross impaired loans, advances and financing	1,384,104	222,631	5,954	-	-	-	796,763	2,409,452
Total deposits	32,684,752	6,295,283	133,448	32,586,683	-	295,994	4,774,698	76,770,858

The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia except for FIPL and its subsidiaries, AMCI, AmCapital (B) Sdn Bhd, AmSecurities (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.

Certain comparative figures have been restated to conform with current period's presentation.

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

In the normal course of business, AmInvestment Bank Berhad, AmBank (M) Berhad, AmIslamic Bank Berhad and AmInternational (L) Ltd, make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions other than those where provision had been made in the financial statements. The commitments and contingencies are not secured against the Group's assets.

As at the reporting date, the commitments and contingencies are as follows:

Group	**31.12.11**	**31.03.11**
	Principal Amount RM'000	**Principal Amount RM'000**
Commitments		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:		
within one year	15,243,292	13,629,979
more than one year	6,868,926	6,026,269
Unutilised credit card lines	3,520,203	3,786,573
Forward asset purchases	622,070	569,428
	26,254,491	24,012,249
Contingent Liabilities		
Direct credit substitutes	2,176,453	2,717,125
Transaction related contingent items	3,496,997	2,283,260
Obligations under an on-going underwriting agreement	587,387	452,500
Short term self liquidating trade related contingencies	1,502,791	764,769
Assets sold with recourse	1,450,041	1,589,790
Others	70,357	46,209
	9,284,026	7,853,653
Derivative Financial Instruments		
Interest/Profit rate related contracts:	40,757,875	37,027,741
One year or less	13,937,056	5,870,000
Over one to five years	14,426,774	27,256,982
Over five years	12,394,045	3,900,759
Foreign exchange related contracts:	24,851,886	29,667,757
One year or less	21,714,324	28,586,642
Over one to five years	3,077,044	929,850
Over five years	60,518	151,265
Credit derivative contracts:	934,158	328,907
One year or less	63,370	76,474
Over one to five years	568,120	252,433
Over five years	302,668	-
Equity related contracts:	1,360,918	1,138,784
One year or less	986,068	604,233
Over one to five years	374,809	521,071
Over five years	41	13,480
Other commodity contracts:	146,783	147,703
One year or less	79,207	-
Over one to five years	67,576	147,703
Over five years	-	-
	68,051,620	68,310,892
	103,590,137	100,176,794

A27. COMMITMENTS AND CONTINGENCIES (CONT.)

As at the reporting date, other commitments and contingencies of the Group and of the Company are as follows:

(a) The Company has given unsecured guarantee amounting to RM225,000,000 (RM75,000,000 as at 31 March 2011) on behalf of subsidiaries for the payment and discharge of all moneys due on trading accounts maintained by customers with the subsidiaries.

(b) The Company has given a continuing undertaking totalling SGD40,000,000 (31 March 2011: SGD40,000,000) 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 Labuan Financial Services Authority ("LFSA") on behalf of AmInternational (L) Ltd ("AMIL"), 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 ("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) AmTrustee Berhad ("AmTrustee") was served with a Writ and Statement of Claim dated 12 December 2005 by solicitors acting for Meridian for alleged loss and damage amounting to RM27, 606,169.65 together with interest and costs arising from the provision of custodian services by AmTrustee to Meridian ("Meridian Suit").

AmTrustee was served on 24 March 2006 with a Writ and Statement of Claim dated 25 January 2006 by solicitors acting for Malaysian Assurance Alliance Berhad ("MAA") for alleged loss and damages amounting to RM19, 640,178 together with interest and costs.")("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. The claim by MAA in the MAA Suit is part of the portion of the claim as mentioned in the above Meridian Suit.

In the MAA Suit, AmTrustee filed a Third Party Notice against Meridian on 6 November 2006 seeking indemnification/contribution from Meridian. Meridian in turn filed a counter claim against AmTrustee over AmTrustee's Third Party Notice which in essence introduced the same argument and claim as in their Meridian Suit.

On 22 February 2008, AmTrustee filed an Application for a stay of proceedings of the Meridian's Suit on the grounds that Meridian's counter claim in the MAA Suit amounts to duplicity/abuse of process and this Application was dismissed with costs on 26 June 2008. AmTrustee filed a Notice of Appeal to the Court of Appeal over the dismissal on 25 July 2008 (Appeal No: - W-02 (IM) - 825-08). The Appeal came up for hearing on 11 August 2011 and the Court of Appeal ordered that this appeal be heard with another of AmTrustee's appeal (Appeal No:-W-02(IM)-1194-08). Both the Appeals were then fixed for Hearing on 17 November 2011. As advised by solicitors, (since both the Meridian Suit and the MAA Suit are now ordered to be heard together, as mentioned below) both the Appeals were discontinued and recorded as so with no order as to costs when the matter was called up in Court on 17 November 2011.

Parties have filed several interim applications in the Meridian Suit amongst which was an Application by Meridian to add to the Meridian Suit another subsidiary of the Banking Group, 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. The Learned Judge dismissed Meridian's Application to add AmInvestment Bank Berhad as a Party to the Meridian's Suit ("Decision") and allowed Meridian's Application to increase its claim against AmTrustee from RM27,606,169.65 to RM36,967,166.84

No Appeal was lodged by Meridian to the Court of Appeal against the Decision. With no appeal filed against the Decision, there is no litigation pending today against AmInvestment Bank Berhad by Meridian.

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.

A27. COMMITMENTS AND CONTINGENCIES (CONT.)

(e) 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 revolve around the same facts and issue 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 as 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.

AmTrustee filed an Application to Strike out the Third Party Notice. This Application was fixed for Hearing on 27 September 2010 and the court allowed AmTrustee's Application with cost on 1 November 2010. Meridian filed an appeal to the Court of Appeal against this decision and the appeal was dismissed with costs ("Order") on 14 July 2011. With this court Order, AmTrustee is no longer involved in KWAP's claim against Meridian.

When the above Suits came up for Case Management in April 2010, Court directed that parties consider resolving the actions via mediation instead of pursuing via full trial. Parties however informed court that they are not agreeable to resolve this matter via mediation.

In the meantime, AmTrustee filed an Application for Stay of Proceeding of both the MAA Suit and Meridian Suit pending the full and final disposal of a criminal proceeding involving a key witness/ex-employee of Meridian.

This Application came up for hearing on 1 December 2010 and was dismissed. AmTrustee filed an appeal to the court of appeal against this decision. The Appeal came up for hearing on 24 May 2011 and the Appeal was allowed with costs and both the Suits are stayed pending the disposal of the criminal proceedings.

Solicitors have informed the High Court of the Court of Appeal's decision to stay the civil trial pending the disposal of the criminal trial. Both the Meridian Suit and the MAA Suit are now fixed for Case Management on 12 January 2012.

Decision on the criminal proceeding was delivered by the criminal court against the key witness/ex-employee of Meridian on 12 December 2011 and solicitors have informed us that there may be an appeal filed against this decision by the key witness/ex-employee of Meridian. On the basis of a possible appeal, solicitors will on the next Case Management date be seeking court's clarification and direction on whether the Stay Order of the civil proceeding pending the disposal of the criminal trial granted earlier by the court should also include any appeal thereon.

Based on documents and evidence in their possession, solicitors for AmTrustee are of the view that AmTrustee has a good defence in respect of the claim by Meridian and MAA and further that AmTrustee has filed a third party proceeding against Meridian for indemnity or contribution from Meridian in respect of the claim initiated by MAA.

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 ASSETS/LIABILITIES

Group	31.12.11 Contract/ Notional Amount RM'000	31.12.11 Positive Fair Value RM'000	31.12.11 Negative Fair Value RM'000	31.03.11 Contract/ Notional Amount RM'000	31.03.11 Positive Fair Value RM'000	31.03.11 Negative Fair Value RM'000
Trading derivative						
Interest rate related contracts:	32,017,875	314,232	320,257	26,102,681	127,097	135,044
- Less than 1 year	7,842,056	16,257	18,607	4,490,000	6,134	5,670
- 1 year to 3 years	6,901,555	44,426	36,754	11,050,922	55,698	46,516
- More than 3 years	17,274,264	253,549	264,896	10,561,759	65,265	82,858
Foreign exchange related contracts:	24,851,886	152,164	178,918	29,667,757	107,067	145,052
- Less than 1 year	21,714,324	110,549	100,392	28,586,642	83,235	89,974
- 1 year to 3 years	405,155	6,335	6,034	344,633	10,278	9,635
- More than 3 years	2,732,407	35,280	72,492	736,482	13,554	45,443
Credit derivative contracts:	934,158	46,558	30,676	328,907	5,495	5,495
- Less than 1 year	63,370	755	614	76,474	131	131
- 1 year to 3 years	264,381	22,004	16,248	252,433	5,364	5,364
- More than 3 years	606,407	23,799	13,814	-	-	-
Equity and commodity related contracts:	1,507,701	11,176	72,968	1,286,487	36,976	126,121
- Less than 1 year	1,065,275	3,147	60,759	604,233	26,136	111,123
- 1 year to 3 years	428,828	7,983	7,104	460,058	5,587	5,581
- More than 3 years	13,598	46	5,105	222,196	5,253	9,417
	59,311,620	524,130	602,819	57,385,832	276,635	411,712
Hedging derivative						
Interest rate related contracts, Interest rate swaps:						
Cash flow hedge	8,740,000	6,497	53,797	10,020,000	52,290	22,776
- Less than 1 year	6,095,000	6,066	3,723	1,380,000	38	6,036
- 1 year to 3 years	1,225,000	-	22,719	7,120,000	45,109	13,376
- More than 3 years	1,420,000	431	27,355	1,520,000	7,143	3,364
Fair value hedge	-	-	-	905,060	69,872	620
- Less than 1 year	-	-	-	-	-	-
- 1 year to 3 years	-	-	-	-	-	-
- More than 3 years	-	-	-	905,060	69,872	620
	8,740,000	6,497	53,797	10,925,060	122,162	23,396
Total	68,051,620	530,627	656,616	68,310,892	398,797	435,108

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 derivative is one of the financial instruments engaged by the Group both for client solutions generating revenue for future as well as to manage the Group's own market risk exposure. The Group's involvement in financial derivatives is currently focused on interest rate, equity and foreign exchange rate derivatives.

The principal foreign exchange rate contracts used are forward foreign exchange contracts, cross currency swaps and foreign exchange options. 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. A foreign exchange option is a financial derivative that provides the buyer of the option with the right, but not obligation, to buy/sell a specified amount of one currency for another currency at a nominated strike rate during a certain period of time or on a specific date.

A28. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTD.)

Purpose of engaging in financial derivatives (Contd.)

An Interest Rate Option ("IRO") is a financial derivative that provides the buyer of the option with the right, but not obligation, to buy/sell a specified underlying interest rate related asset e.g. the KLIBOR index at a nominated strike rate during a certain period of time or on a specific date. Basic IRO includes interest rate cap and interest rate floor.

The principal interest rate contracts used are interest rate futures, interest rate swaps and forward rate agreements. Forward rate agreements are contracts for the payment of the difference between a specified interest rate and a reference rate on a notional deposit at a future settlement date. There is no exchange of principal. An interest rate futures is an exchange traded contract whose value is based on the difference between a specific interest rate and a reference rate on a notional deposit or fixed income security at a future settlement date. Interest rate swap transactions generally involve the exchange of fixed and floating interest payment obligations without the exchange of the underlying principal amounts.

The principal equity contracts used are equity option, equity futures and equity swaps. An equity option is a financial derivative that represents a contract sold by one party (option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) an equity at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). An equity futures contract is an exchange traded contract to buy specific quantities of an equity at a specified price with delivery set at a specified time in the future. Equity Swaps are one of the most basic equity derivatives products and are usually traded over-the-counter (OTC) with financial institutions and corporates. It is a contractual agreement between parties to exchange two stream of payments, one based on a predetermined index or equity price, and the other based on a reference interest rate (ie KLIBOR or LIBOR). The underlying reference for Equity Swaps is usually to an index, a basket of stocks or a single underlying stock.

The Group maintains trading positions in these instruments and engages in transactions with customers to satisfy their needs in managing their respective interest rate, equity and foreign exchange rate exposures. Derivative transactions generate income for the Group from the buy-sell spreads. The Group also takes conservative exposures, within acceptable limits, to carry an inventory of these instruments in order to provide market liquidity and to earn potential gains on fluctuations in the value of these instruments.

As part of the asset and liability exposure management, the Group uses derivatives to manage the Group's market risk exposure. As the value of these financial derivatives are principally driven by interest rate and foreign exchange rate factors, the Group uses them to reduce the overall interest rate and foreign exchange rate exposures of the Group. These are performed by entering into an exposure in derivatives that produces opposite value movements vis-à-vis exposures generated by other non-derivative activities of the Group. The Group manages these risks on a portfolio basis. Hence, exposures on derivatives are aggregated or netted against similar exposures arising from other financial instruments engaged by the Group.

Risk associated with financial derivatives

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

Market risk of derivatives used for trading purposes

Market risk arising from the above interest rate-related, foreign exchange-related and equity-related derivatives contracts measures the potential losses to the value of these contracts due to changes in market rates/prices. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions.

The contractual amounts of these contracts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk, Value at risk method is used to measure the market risk from these contracts. Value at risk, is a statistical measure that estimates the potential changes in portfolio value that may occur, brought about by daily changes in market rates over a specified holding period at a specific confidence level under normal market condition.

A28. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTD.)

General disclosure for derivatives and counterparty credit risk

Market related credit risk is present in market instruments (derivatives and forward contracts), and comprises counterparty risk (default at the end of contract) and pre-settlement risk (default at any time during the life of contract). Market related credit risk requires a different method in calculating the pre-settlement risk because actual and potential market movements impact the Group's exposure. The markets covered by this treatment for transactions entered by the Group include interest rates, foreign exchange, credit default swaps and equities.

For counterparty credit risk, the general approach is to calculate the exposure as the sum of the mark-to-market value of the exposure, plus the sum of the notional principal multiplied by the potential credit risk exposure ("PCRE") factor for the exposure.

- The mark-to-market is essentially the current replacement cost of the contract, and can be positive or negative. Where it is positive, i.e. in the money, the Group has credit exposure against the counterparty; if it is negative, i.e. out of the money, the value used in calculation is zero.

- The PCRE factors recognize that prices change over the remaining period to maturity, and that risk increases with time. The PCRE factors are mandated for regulatory capital purposes.

Exposure to the counterparty risk is governed by setting a credit limit to manage such exposure. This limit is governed under the Group Risk Appetite Framework approved by the Board.

Other than credit limit setting, the Group's primary tool to mitigate counterparty credit risk by having collateral arrangement with the counterparty. Standard market documentation governs the amount of collateral required and the re-margining frequency between counterparties. Some of the standard market documentation has link between the amount of collateral required and external ratings, as well as minimum transfer amounts. This means that if the Group's or a counterparty's external rating were downgraded, the Group or the counterparty would likely to be required to place additional collateral. The amount required to be placed would depend upon the underlying instruments and the state of the markets, so would be different at each re-margining interval.

Liquidity risk of derivatives

Two types of liquidity risk are associated with derivatives: market liquidity risk and funding risk.

Market liquidity risk arises when a position cannot be sold or closed out quickly or risk be eliminated by entering into an offsetting position. In general, an over-the counter ("OTC") market tends to offer less liquidity than an exchange market due to the customized nature of some OTC contracts. OTC contracts include foreign exchange contracts, cross currency swaps, interest rate swaps and FX options while interest rate futures, equity futures and equity options are examples of exchange traded derivatives. The liquidity risk of a position can be estimated by the notional amount of contracts held and the market value of the contract position. Both the OTC and exchange markets have liquid and illiquid contracts.

Funding risk is the risk of derivative activities placing an adverse funding and cash flow pressure on the Group, arising from the need to post collateral (i.e. like a margin call due to mark-to-market valuations) to compensate for an existing out of the money position (Note: if collateral isn't posted, the counterparty can close out their position and claim such mark-to-market loss from the Group. This would also result in the Group no longer being hedged).

Generally, the Group measures and monitors funding risk through the cash flow gap analysis according to specified time interval. The Group's access to deposits and funding markets is dependent on its credit rating. A downgrading in the credit rating could adversely affect its access to liquidity, as well as the competitive position, and could increase the cost of funding.

The primary objective of funding risk management is to ensure the availability of sufficient funds at a reasonable cost to honour all financial commitments as they fall due under normal market condition and on contingency basis.

A28. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTD.)

Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are recognised at fair value upon inception in the statement of financial position, and are subsequently remeasured at fair value. Fair values of exchange-traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including the discounted cash flows method and option pricing models. Financial derivatives are classified as assets when their fair values are positive and as liabilities when their fair values are negative.

The Group enters into derivative transactions for trading and for hedging purposes. For derivatives held-for-trading, fair value changes are recognised in the statements of comprehensive income. For derivative transactions that meet the specific criteria for hedge accounting, the Group applies either fair value, cash flow or net investment hedge accounting.

At the time a financial instrument is designated as a hedge, the Group formally documents the relationship between the hedging instrument and the hedged item, including the nature of the risk to be hedged, the risk management objective and strategy for undertaking the hedge and the method used to assess hedge effectiveness. Hedges are expected to be highly effective and are assessed on an ongoing basis to ensure that they remain highly effective throughout the hedge period. For actual effectiveness to be achieved, the changes in fair value or cash flows of the hedging instrument and the hedged item must offset each other in the range of 80% to 125%.

The Group discontinues hedge accounting if the hedging instrument expires, is sold, terminated or exercised or if the hedge no longer meets the criteria for hedge accounting or is revoked.

(i) Fair Value Hedge

Fair value hedges are hedges against exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment that is attributable to a particular risk and could affect profit or loss. For qualifying fair value hedges, the changes in fair value of the hedging instrument and the hedged item relating to the hedged risk are recognised in the statements of comprehensive income. In the event the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to the statements of comprehensive income over the expected life of the hedged item.

(ii) Cash Flow Hedge

Cash flow hedges are hedges of the exposure to variability in future cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit or loss. For qualifying cash flow hedges, the effective portion of the change in fair value of the hedging instrument is taken to equity as a cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in the statements of comprehensive income. Amounts accumulated in equity are released to the statements of comprehensive income in the periods when the hedged forecast transactions affect the statements of comprehensive income. If the hedged forecast transactions result in the recognition of a non-financial asset or a non-financial liability, the gain and loss previously deferred in equity is transferred from equity and included in the initial measurement of the cost of the asset or liability.

(iii) Net Investment Hedge

Net investment hedges are hedges against the exposure to exchange rate fluctuations on the net assets of its foreign operations. The hedge is accounted for similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are taken directly to the foreign currency translation reserve while those relating to the ineffective portion of the hedge are recognised in the statements of comprehensive income. On disposal of the foreign operation, the cumulative gains or losses recognised in equity will be transferred to the statements of comprehensive income.

A29. CAPITAL ADEQUACY RATIO

(a) The capital adequacy ratios of our regulated banking subsidiaries and a pro-forma Group view are as follows:

	31.12.11			
	AmBank	**AmIslamic Bank**	**AmInvestment Bank**	**Group ***
Before deducting proposed dividends:				
Core capital ratio	10.1%	8.0%	23.2%	10.3%
Risk weighted capital ratio	14.7%	13.5%	23.2%	14.7%
After deducting proposed dividends:				
Core capital ratio	10.1%	8.0%	23.2%	10.3%
Risk weighted capital ratio	14.7%	13.5%	23.2%	14.7%

	31.03.11			
	AmBank	**AmIslamic Bank**	**AmInvestment Bank**	**Group ***
Before deducting proposed dividends:				
Core capital ratio	10.0%	8.0%	24.7%	10.2%
Risk weighted capital ratio	14.8%	12.5%	24.7%	14.4%
After deducting proposed dividends:				
Core capital ratio	9.5%	8.0%	21.7%	9.8%
Risk weighted capital ratio	14.4%	12.5%	21.7%	14.0%

***** Notes:

- The banking subsidiaries of the Company to which the Risk Weighted Capital Adequacy Framework ("RWCAF") apply are AmBank (M) Berhad ("AmBank"), AmInvestment Bank Berhad ("AmInvestment Bank") and AmIslamic Bank Berhad ("AmIslamic Bank") - which offers Islamic banking services.

- The capital adequacy ratios are computed in accordance with BNM's Risk Weighted Capital Adequacy Framework or Risk Weighted Capital Adequacy Framework for Islamic Banks (as applicable), which are based on the Basel II capital accord. Each entity 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.

- Group* figures presented in this Report represent an **aggregation** of the consolidated capital positions and risk weighted assets ("RWA") of our regulated banking institutions. The consolidated positions of each entity are published at www.ambankgroup.com.

- The capital position and RWA of AmBank refers to the combined capital base and RWA of AmBank (M) Bhd and its wholly-owned offshore banking subsidiary, AmInternational (L) Ltd ("AMIL")

A29. CAPITAL ADEQUACY RATIO (CONTD.)

(b) The aggregated components of Tier 1 and Tier 2 Capital of the Group are as follows:

	31.12.11			
	AmBank RM'000	**AmIslamic Bank RM'000**	**AmInvestment Bank RM'000**	**Group * RM'000**
Tier 1 Capital				
Paid-up ordinary share capital	820,364	403,038	200,000	1,423,402
Share premium	942,844	534,068	-	1,476,912
Statutory reserve	680,459	304,316	200,000	1,184,775
Capital reserve	-	-	-	2,815
Merger reserve	48,516	-	-	56,172
Exchange fluctuation reserve	1,168	-	-	27,875
Irredeemable non-cumulative convertible preference shares	-	-	-	-
Innovative Tier 1 capital	978,264	-	-	1,235,100
Non-innovative Tier 1 capital	500,000	-	-	500,000
Retained earnings at end of year	3,049,228	321,666	78,666	3,476,121
Non-controlling interests	-	-	-	50
Total	7,020,843	1,563,088	478,666	9,383,222
Less: Goodwill	-	-	-	(11,243)
Deferred tax assets, net	(499,081)	(139,930)	(15,804)	(656,410)
Total Tier 1 Capital	6,521,762	1,423,158	462,862	8,715,569
Less: Deduction in excess of allowable Tier 2 capital	-	-	(102,795)	(14,564)
Maximum Allowable Tier 1 Capital	6,521,762	1,423,158	360,067	8,701,005
Tier 2 Capital				
Medium term notes	1,557,800	-	-	1,557,800
Subordinated bonds	-	600,000	-	600,000
Innovative Tier 1 capital	256,836	-	-	-
Collective allowance for bad and doubtful debts#	1,242,996	369,452	8,177	1,624,384
Total Tier 2 Capital	3,057,632	969,452	8,177	3,782,184
Maximum Allowable Tier 2 Capital	3,057,632	969,452	8,177	3,782,184
Total Capital Funds	9,579,394	2,392,610	368,244	12,483,189
Less: Investment in subsidiaries	(32,780)	-	(88,231)	(32,769)
Investment in capital of related financial institutions and other deduction	(10,263)	-	(22,741)	(33,004)
Add: Deduction in excess of allowable Tier 2 capital made against Tier 1 capital	-	-	102,795	14,564
Capital Base	9,536,351	2,392,610	360,067	12,431,980

Excludes collective allowance on impaired loans/financing restricted from Tier 2 capital of the Group of RM432,076,000.

The risk weighted assets of the Group are derived by aggregating the consolidated risk weighted assets of the banking subsidiaries. The aggregated Operational risk-weighted assets of the Group has been adjusted to reflect the disposal of AmIslamic Bank by AmBank to the Company on 28 February 2011. The breakdown of risk weighted assets of the Group in the various risk categories is as follows:

Credit risk	55,815,795	15,927,699	711,591	72,707,405
Market risk	4,463,424	470,892	368,990	5,304,142
Operational risk	4,451,284	1,299,446	474,689	6,296,373
Large exposure risk requirements for equity holdings	3,373	-	-	3,373
Total risk-weighted assets	64,733,876	17,698,037	1,555,270	84,311,293

A29. CAPITAL ADEQUACY RATIO (CONTD.)

	31.03.11			
	AmBank RM'000	**AmIslamic Bank RM'000**	**AmInvestment Bank RM'000**	**Group * RM'000**
Tier 1 Capital				
Paid-up ordinary share capital	670,364	403,038	200,000	1,273,402
Share premium	942,844	534,068	-	1,476,912
Statutory reserve	680,459	304,316	200,000	1,184,775
Capital reserve	-	-	-	2,815
Merger reserve	48,516	-	-	56,172
Exchange fluctuation reserve	(709)	-	-	25,998
Irredeemable non-cumulative convertible preference shares	150,000	-	-	150,000
Innovative Tier 1 capital	925,373	-	-	1,235,100
Non-innovative Tier 1 capital	500,000	-	-	500,000
Retained earnings at end of year	2,684,567	162,515	130,227	2,988,249
Non-controlling interests	-	-	-	50
Total	6,601,414	1,403,937	530,227	8,893,473
Less: Goodwill	-	-	-	(11,243)
Deferred tax assets, net	(432,260)	(116,298)	(19,477)	(568,228)
Total Tier 1 Capital	6,169,154	1,287,639	510,750	8,314,002
Less: Deduction in excess of allowable Tier 2 capital	-	-	(103,707)	(15,476)
Maximum Allowable Tier 1 Capital	6,169,154	1,287,639	407,043	8,298,526
Tier 2 Capital				
Medium term notes	1,557,800	-	-	1,557,800
Subordinated bonds/sukuks	-	400,000	-	400,000
Innovative Tier 1 capital	309,727	-	-	-
Collective allowance for bad and doubtful debts[##]	1,161,406	324,004	8,362	1,498,773
Total Tier 2 Capital	3,028,933	724,004	8,362	3,456,573
Total Capital Funds	9,198,087	2,011,643	415,405	11,755,099
Less: Investment in subsidiaries	(32,780)	-	(88,231)	(32,769)
Investment in capital of related financial institutions and other deduction	(18,672)	-	(23,838)	(42,510)
Add: Deduction in excess of allowable Tier 2 capital made against Tier 1 capital	-	-	103,707	15,476
Capital Base	9,146,635	2,011,643	407,043	11,695,296

[##] Excludes collective allowance on impaired loans/financing restricted from Tier 2 capital of the Group of RM636,830,000.

The risk weighted assets of the Group are derived by aggregating the consolidated risk weighted assets of the banking subsidiaries. The breakdown of risk weighted assets of the Group in the various risk categories is as follows:

Credit risk	55,732,987	14,379,718	1,219,262	71,745,357
Market risk	2,242,197	459,864	9,729	2,718,904
Operational risk	3,997,167	1,209,490	416,225	6,890,899
Total risk-weighted assets	61,972,351	16,049,072	1,645,216	81,355,160

A30. ISLAMIC BANKING BUSINESS

The state of affairs as at 31 December 2011 and the results for the period ended 31 December 2011 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:

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
ASSETS		
Cash and short-term funds	3,729,956	4,761,640
Deposit and placements with banks and other financial institutions	150,000	250,000
Derivative financial assets	4,791	3,258
Financial assets held-for-trading	2,103,217	991,136
Financial investments available-for-sale	274,163	715,937
Financing and advances	15,345,274	13,247,076
Other receivables, deposits and prepayments	138,346	150,874
Statutory deposits with Bank Negara Malaysia	513,000	-
Deferred tax assets	144,042	119,948
Property and equipment	592	732
Intangible assets	166	286
TOTAL ASSETS	22,403,547	20,240,887
LIABILITIES AND ISLAMIC BANKING FUNDS		
Deposits and placements of banks and other financial institutions	1,226,537	1,358,833
Derivative financial liabilities	4,769	3,254
Deposits from customers	17,014,639	15,242,321
Term funding	800,013	550,000
Bills and acceptances payable	668,600	879,522
Subordinated Sukuk Musyarakah	600,000	400,000
Other liabilities	393,482	291,281
Total Liabilities	20,708,040	18,725,211
Share capital/Capital funds	435,877	435,877
Reserves	1,259,630	1,079,799
Total Islamic Banking Funds	1,695,507	1,515,676
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	22,403,547	20,240,887
COMMITMENTS AND CONTINGENCIES	7,595,508	7,736,063

A30. ISLAMIC BANKING BUSINESS (CONTD.)

UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011

Group	Individual Quarter		Cumulative Quarter	
	31.12.11	31.12.10	31.12.11	31.12.10
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	316,386	262,356	929,029	771,188
Impairment writeback/(loss) on financial investments	-	2,727	-	4,218
Allowance for impairment on financing and advances	(35,651)	(88,151)	(128,025)	(156,415)
Provision for commitments and contingencies	(1,135)	(1,676)	(3,201)	(2,891)
Impairment writeback/(loss) for sundry debtors	-	-	18	(710)
Transfer (to)/from profit equalisation reserve	(3,332)	13,078	(4,756)	30,897
Total attributable income	276,268	188,334	793,065	646,287
Income attributable to the depositors	(144,852)	(112,569)	(431,188)	(320,757)
Profit attributable to the Group	131,416	75,765	361,877	325,530
Income derived from Islamic Banking Funds	38,900	43,596	136,477	134,035
Total net income	170,316	119,361	498,354	459,565
Operating expenditure	(71,424)	(66,344)	(218,825)	(212,863)
Finance cost	(16,827)	(10,761)	(38,358)	(22,742)
Profit before taxation and zakat	82,065	42,256	241,171	223,960
Taxation and zakat	(19,015)	(11,943)	(59,794)	(58,821)
Profit for the period	63,050	30,313	181,377	165,139

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011

Group	Individual Quarter		Cumulative Quarter	
	31.12.11	31.12.10	31.12.11	31.12.10
	RM'000	RM'000	RM'000	RM'000
Profit for the period	63,050	30,313	181,377	165,139
Other comprehensive income/(loss):				
Net change in revaluation of financial investments available-for-sale	(4,673)	(12,243)	(2,372)	(4,336)
Exchange differences on translation of foreign operations	231	(315)	260	(304)
Income tax relating to the components of other comprehensive income	1,168	3,064	593	1,084
Other comprehensive loss for the period, net of tax	(3,274)	(9,494)	(1,519)	(3,556)
Total comprehensive income for the period	59,776	20,819	179,858	161,583

A30. ISLAMIC BANKING BUSINESS (CONTD.)

(a) Financing and Advances

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
Islamic hire purchase, net of unearned income	8,177,093	6,958,739
Term financing	4,773,138	4,328,638
Revolving credit	1,093,617	1,608,943
Claims on customer under acceptance credits	1,106,480	957,590
Credit card receivables	319,039	303,753
Trust receipts	96,290	89,747
Other financing	1,701,635	1,204,157
	17,267,292	15,451,567
Islamic financing sold to Cagamas Berhad	(1,450,041)	(1,700,034)
Gross financing and advances	15,817,251	13,751,533
Allowance for impairment on financing and advances:		
Collective allowance	(457,356)	(479,010)
Individual allowance	(14,621)	(25,447)
	(471,977)	(504,457)
Net financing and advances	15,345,274	13,247,076

* Included in term financing of the Islamic banking business as at the reporting period are financing amounting to RM53,431,000 (31 March 2011: RM202,955,000) which are exempted from collective allowance by Bank Negara Malaysia.

(i) Movements in impaired financing and advances are as follows:

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
Balance at beginning of period/year	320,418	191,894
Impaired during the period/year	194,990	309,732
Reclassification to non-impaired financing	(60,013)	(56,861)
Recoveries	(33,323)	(34,476)
Amount written off	(196,374)	(89,871)
Balance at end of period/year	225,698	320,418
Impaired financing and advances as % of total financing and advances (including Islamic financing sold to Cagamas Berhad)	1.3%	2.1%

A30. ISLAMIC BANKING BUSINESS (CONTD.)

(a) Financing and Advances (Contd.)

(ii) Movements in allowances for impaired financing and advances are as follows:

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
Collective allowance		
Balance at beginning of period/year	479,010	287,844
Allowance made during the period/year	159,762	281,169
Amount written off	(181,416)	(90,003)
Balance at end of period/year	457,356	479,010
% of total financing and advances (including Islamic financing sold to Cagamas Berhad) less individual allowance and financing exempted from collective allowance by Bank Negara Malaysia	2.7%	3.1%
Individual allowance		
Balance at beginning of period/year	25,447	1,108
Allowance made during the period/year	4,192	24,339
Amount written off	(15,018)	-
Balance at end of period/year	14,621	25,447

(b) DEPOSITS FROM CUSTOMERS

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
Mudarabah Fund:		
Demand deposits	17,131	11,286
Saving deposits	5,349	4,617
General investment deposits	12,958,944	12,577,770
Structured deposits	185,629	111,162
	13,167,053	12,704,835
Non-Mudarabah Fund:		
Demand deposits	1,872,225	1,166,547
Saving deposits	1,452,199	1,335,281
Term deposits	122,054	-
Negotiable instruments of deposits	11,570	13,168
Other deposits	389,538	22,490
	3,847,586	2,537,486
	17,014,639	15,242,321

(c) OTHER LIABILITIES

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
Other payables and accruals	237,481	169,677
Taxation and zakat payable	106,211	83,232
Provision for commitments and contingencies	21,821	18,620
Lease deposits and advance rentals	11,805	12,898
Profit equalisation reserve	11,610	6,854
	393,482	291,281

A31. RESTATEMENT OF COMPARATIVES

The following comparative figures have been restated to conform with current year's presentation:

	As previously reported RM'000	Effect of reclassification RM'000	As restated RM'000
Income Statement for third quarter ended 31 December 2010			
Interest income	1,018,740	(96)	1,018,644
Net income from Islamic banking business	205,830	96	205,926
Income Statement for cumulative quarter ended 31 December 2010			
Interest income	3,007,599	(260)	3,007,339
Net income from Islamic banking business	584,768	260	585,028

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

The Group recorded a profit after tax ("PAT") of RM372.7 million for the third quarter ended 31 December 2011, an improvement of RM34.3 million or 10.1% as compared to the previous corresponding period ended 31 December 2010 of RM338.4 million. The Group's pre-tax profit for the financial period ended 31 December 2011 improved to RM1,598.5 million as compared to RM1,439.6 million reported for the corresponding period last financial year.

The Group’s earnings for the current reporting period was underpinned by profit growth across most divisions as compared to previous corresponding period ended 31 December 2010.

Retail Banking : Improved asset quality main contributor to higher profits
PAT was RM433.6 million, up by 3.6%, mainly driven by better asset quality. Income growth was impacted by lower margins; whilst higher expenses were in part for medium term investments.

Business Banking : Better profit growth despite higher impairments
PAT was RM158.9 million, up by 17.8%, with higher income growth of 20.5% from diversified growth in asset base and strong fee income growth.

Corporate and Institutional Banking : PAT up from good income and lower impairments
PAT was RM186.7 million, up 35.5%, reflecting good growth from a diversified loans portfolio and higher contributions from asset management. Impairments benefitted from higher write back on the back of better loans profile.

Investment Banking : PAT up from strong capital and equity market activities
PAT was RM116.2 million, up 29.0%, with diversified income underpinned by good contributions from debt capital markets, equity derivatives, funds management and private banking.

Markets : PAT up from fixed income trading, improved foreign exchange and derivatives contributions
PAT was RM235.1 million, up 51.3%, arising from higher contributions from fixed income trading, FX and derivatives.

General Insurance : Higher income and lower claims
PAT was RM64.0 million, up 38.7%, on better underwriting profits and lower claims. General insurance fund assets were up by 10.2% whilst claim ratio continues to improve.

Life Assurance : Increasing support to Bancassurance and better performing agencies
PAT transferred to shareholders was RM42.2 million, down 18.2%, pending stabilisation of business model refinements focusing on Bancassurance business growth initiatives, better performing agencies and infrastructure improvements.

Gross loans and advances expanded to RM74.9 billion to register an annual growth of 5.5%. The growth was mainly attributed to the finance, insurance, real estate and business activities sectors, manufacturing sector, mining and quarrying sectors, education and health sectors, wholesale, retail, restaurant and hotel sectors. Financing for purchase of household transport vehicles accounted for 31.0% of total loans, while loans for residential properties accounted for 16.3% of total loans.

As at 31 December 2011, the Group’s total assets stood at RM107.2 billion. Meanwhile, the Group’s banking subsidiaries aggregated risk-weighted capital ratio (“RWCR”) stood at 14.7% as at 31 December 2011, compared with 14.4% as at 31 March 2011.

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 lower pre-tax profit of RM489.9 million for the third quarter ended 31 December 2011 as compared to RM498.3 million for the second quarter ended 30 September 2011. This was mainly attributed by lower other operating income and net income from Islamic banking business by RM29.0 million and RM18.8 million respectively and reduction in impairment writeback on financial investment by RM16.5 million. In addition, there was provision for commitments and contingencies of RM5.9 million for current reporting quarter as opposed to writeback of RM2.5 million for the preceding quarter ended 30 September 2011.

The lower pre-tax profit was mitigated by lower impairment loss on foreclosed properties and allowances for impairment on loans and financing by RM28.2 million and RM22.2 million respectively. In addition, higher net income from insurance business and net interest income by RM5.6 million and RM3.3 million and lower transfer to profit equalisation reserve by RM2.9 million were reported for the current reporting period ended 31 December 2011. Besides, there was impairment writeback on doubtful sundry receivables of RM1.0 million reported for current reporting quarter as opposed to impairment loss of RM1.3 million for the preceding quarter ended 30 September 2011.

B3. PROSPECTS FOR 31 MARCH 2012

Malaysia's economy grew at a faster pace in third quarter of 2011 to 5.8% (compared to second quarter) on the back of robust domestic demand driven by household and business spending, as well as high public sector expenditure and sustained export growth. The global economy, however, continues to face challenges from stalling major advanced economies, lack of resolution to the Euro sovereign debt crises and volatile financial markets.

Whilst not fully immune from the global headwinds, initiatives under the ETP (Economic Transformation Programme) as well as stable employment should provide support for private investment and consumption to drive forecasted domestic GDP (Gross Domestic Product) growth of circa 5% for 2011 and moderating to circa 4-5% for 2012.

On the Malaysian banking system, liquidity remains strong, and the implementation of government development projects under ETP and 10th Malaysia Plan should help lending and financing activities, especially to the Corporate and SME (Small and Medium Sized Enterprises). However, loans growth in particular to the retail sector is expected to moderate as consumer spending ease on uncertain global economic sentiments and prudential measures by BNM (Bank Negara Malaysia) to rein in household debt levels.

Whilst the Group is cautious in its outlook given the uncertain global economic backdrop, we will maintain our disciplined approach in executing to our strategic themes to meet our Medium Term Aspirations of becoming "Malaysia's preferred banking group with international connectivity". We remain focused on loans growth targeting profitable and viable segments, accelerating deposits growth especially low cost deposits and expanding non-interest income. The launch of the new joint venture AmFamily Takaful Berhad positions the Group to participate in the fast growing Takaful segment and strengthen our insurance and wealth management businesses.

B4. VARIANCE FROM PROFIT FORECAST AND SHORTFALL FROM PROFIT GUARANTEE

This is not applicable to the Group.

B5. TAXATION

Group	**Individual Quarter**		**Cumulative Quarter**	
	31.12.11	**31.12.10**	**31.12.11**	**31.12.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Estimated current tax payable	156,037	162,719	506,182	500,128
Transfer to deferred tax	(38,851)	(42,086)	(119,566)	(121,925)
	117,186	120,633	386,616	378,203
Under/(Over) provision of current taxation in respect of prior years	(201)	(1,062)	438	(3,936)
Taxation	116,985	119,571	387,054	374,267
Zakat	231	177	1,100	577
Taxation and zakat	117,216	119,748	388,154	374,844

The total tax charge of the Group for the financial period ended 31 December 2011 reflect an effective tax rate which is lower than the statutory tax rate mainly due to income not subject to tax, while higher effective tax rate for the previous corresponding year was mainly due to disallowances of certain expenses.

B6. SALE OF INVESTMENTS AND/OR FORECLOSED PROPERTIES

Group	Individual Quarter		Cumulative Quarter	
	31.12.11 RM'000	31.12.10 RM'000	31.12.11 RM'000	31.12.10 RM'000
Net gain from sale of financial assets held-for-trading	27,558	21,577	92,749	57,059
Net gain from sale of financial investments available-for-sale	9,441	13,613	89,785	54,525
Net gain from redemption of financial investments held-to-maturity	126	1,064	9,098	6,143

B7. QUOTED SECURITIES

This note is not applicable to financial institutions.

B8. CORPORATE PROPOSALS

1 During the financial period, the trustee of the executives' share scheme ("ESS") had purchased 20,855,900 of the Company's issued ordinary shares from the open market at an average price of RM6.35 per share. The total consideration paid for the purchase including transaction costs amounted to RM132,368,188.

As at 31 December 2011, the trustee of the ESS held 26,037,200 ordinary shares (net of ESS shares vested to employees) representing 0.86% of the issued and paid-up capital of the Company. These shares are held at a carrying amount of RM155,940,923.

2 On 19 December 2011, the Company announced that its 51% owned general insurance subsidiary, AmG Insurance Berhad ("AmG") has submitted an application to Bank Negara Malaysia for the approval of the Minister of Finance pursuant to Section 67 of the Insurance Act 1996, to review a proposal to enter into an agreement with Kurnia Asia Berhad ("KAB") for the possible acquisition by AmG of KAB’s 100% equity interest in Kurnia Insurans (Malaysia) Berhad.

B9. BORROWINGS

	Group 31.12.11 RM'000	Group 31.03.11 RM'000
(i) Deposits from customers		
Due within six months	64,578,743	63,455,715
Six months to one year	6,788,045	7,191,919
One to three years	2,088,695	1,974,353
Three to five years	1,710,545	1,944,975
	75,166,028	74,566,962
(ii) Deposits and placements of banks and other financial institutions		
Due within six months	511,618	1,737,925
Six months to one year	129,957	775,772
One to three years	881,689	837,597
Three to five years	723,321	920,362
	2,246,585	4,271,656
(iii) Term funding		
(a) Unsecured senior notes		
Due within one year	195,750	20,750
More than one year	3,266,327	3,439,777
(b) Credit-Linked Note		
Due within one year	30,245	40,000
More than one year	412,840	135,119
(c) Term loans and revolving credits		
Due within one year		
Secured	221,758	274,680
Unsecured	206,000	206,000
More than one year		
Unsecured	661,631	630,552
(d) Amount due to Cagamas Berhad		
More than one year		
Unsecured	250,013	-
	5,244,564	4,746,878
(iv) Debt capital		
(a) Unsecured bonds		
More than one year	600,000	400,000
(b) Medium Term Notes		
More than one year	1,557,800	1,557,800
(c) Hybrid capital		
More than one year	707,082	655,594
The above hybrid capital includes amounts denominated in USD.		
Principal amount - USD200.0 million		
(d) Non-Innovative Tier 1 Capital Securities		
More than one year	500,000	500,000
(e) Innovative Tier 1 Capital Securities		
More than one year	485,000	485,000
	3,849,882	3,598,394

B10. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

Please refer to note A28

B11. REALISED AND UNREALISED PROFITS OR LOSSES

In accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad, the breakdown of the retained earnings as at the end of the reporting period, into realised and unrealised profits or losses is as follows:

	Group	
	31.12.11	**31.03.11**
	RM'000	**RM'000**
Total retained earnings		
- Realised	5,649,054	5,274,685
- Unrealised	1,119,414	851,554
Total share of retained earnings from associate:		
- Realised	1,101	1,101
Less: consolidation adjustments	(2,939,770)	(2,898,998)
Total retained earnings as per consolidated financial statements	3,829,799	3,228,342

Disclosure of the above is solely for complying with the disclosure requirements of Bursa Malaysia Securities Berhad Listing Requirements and should not be applied for any other purposes.

B12. 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).

B13. DIVIDENDS

There has been no dividends proposed for the current financial quarter.

B14. 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	
	31.12.11	**31.12.10**	**31.12.11**	**31.12.10**
	RM'000/'000	**RM'000/'000**	**RM'000/'000**	**RM'000/'000**
Net profit attributable to equity holders of the Company	357,181	325,311	1,168,179	1,026,466
Weighted average number of ordinary shares in issue	2,988,488	3,002,513	2,990,777	3,004,640
Basic earnings per share (Sen)	11.95	10.83	39.06	34.16

b. Fully diluted earnings per share

Fully diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the adjusted weighted average number of ordinary shares in issue and dilutive effect of Share Options vested and not exercised by eligible executives under ESS as at the reporting date.

The Share Options are dilutive when they would result in the issue of ordinary shares for less than the average market price of ordinary shares during the period. The amount of the dilution is the average market price of ordinary shares during the period minus the issue price.

	Individual Quarter		Cumulative Quarter	
	31.12.11	**31.12.10**	**31.12.11**	**31.12.10**
	RM'000/'000	**RM'000/'000**	**RM'000/'000**	**RM'000/'000**
Net profit attributable to equity holders of the Company	357,181	325,311	1,168,179	1,026,466
Weighted average number of ordinary shares in issue (as in (a) above)	2,988,488	3,002,513	2,990,777	3,004,640
Effect of options vested under ESS	-	-	3,557	-
Adjusted weighted average number of ordinary shares in issue / issuable	2,988,488	3,002,513	2,994,335	3,004,640
Fully diluted earnings per share (Sen)	11.95	10.83	39.01	34.16