

AMMB HOLDINGS BERHAD
(223035-V) (Incorporated in Malaysia)
and its subsidiary companies
UNAUDITED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2005

	Note	The Group	
		30.06.05 RM'000	31.03.05 RM'000
ASSETS			
Cash and short-term funds		5,797,552	7,778,102
Securities purchased under resale agreements		333,431	147,520
Deposits and placements with banks and other financial institutions		1,524,529	781,552
Securities held-for-trading	A8	3,954,884	3,825,194
Securities available-for-sale	A9	987,109	949,713
Securities held-to-maturity	A10	2,736,718	2,797,850
Loans, advances and financing	A11	41,574,537	40,099,556
Other assets	A12	1,183,874	1,171,927
Goodwill on consolidation		516,414	523,046
Statutory deposits with Bank Negara Malaysia		1,614,389	1,545,877
Deferred tax assets		953,742	984,745
Investments in associated companies		39,330	38,715
Property and equipment		470,485	480,366
Life fund assets		982,142	940,379
TOTAL ASSETS		62,669,136	62,064,542
LIABILITIES AND SHAREHOLDERS' FUNDS			
Deposits from customers	A13	35,118,155	34,447,340
Deposits and placements of banks and other financial institutions	A14	11,528,758	12,186,531
Obligations on securities sold under repurchase agreements		1,954,500	1,450,886
Bill and acceptances payable		609,390	518,938
Recourse obligation on loans sold to Cagamas Berhad		2,257,794	2,786,448
Other liabilities	A15	2,198,970	1,992,213
Term loans		507,000	1,252,500
Subordinated certificates of deposits		198,876	198,768
Subordinated term loan		680,000	680,000
Redeemable unsecured subordinated bonds		802,268	801,481
Life fund liabilities		118,157	121,266
Life policyholder funds		863,985	819,112
Total Liabilities		56,837,853	57,255,483
Minority interests		1,022,222	36,347
Share capital		2,130,534	2,130,534
Reserves		2,678,527	2,642,178
Shareholders' funds		4,809,061	4,772,712
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		62,669,136	62,064,542
COMMITMENTS AND CONTINGENCIES	A25	27,981,364	23,944,919
CAPITAL ADEQUACY	A29		
Before deducting proposed dividends			
Core capital ratio (%)		8.56%	6.98%
Risk-weighted capital ratio (%)		12.86%	11.55%
After deducting proposed dividends			
Core capital ratio (%)		8.44%	6.85%
Risk-weighted capital ratio (%)		12.74%	11.42%
NET TANGIBLE ASSETS PER SHARE (RM)		2.01	2.00

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2005.

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

UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2005

The Group	Note	Individual Quarter		Cumulative Quarter	
		30.06.05	30.06.04	30.06.05	30.06.04
		RM'000	RM'000	RM'000	RM'000
Revenue		1,137,311	976,771	1,137,311	976,771
Interest income	A16	760,016	744,868	760,016	744,868
Interest expense	A17	(394,290)	(383,876)	(394,290)	(383,876)
Net interest income		365,726	360,992	365,726	360,992
Net income from Islamic Banking Operations		138,400	106,025	138,400	106,025
Other operating income	A18	238,895	125,878	238,895	125,878
Net income		743,021	592,895	743,021	592,895
Other operating expenses	A19	(368,503)	(309,071)	(368,503)	(309,071)
Operating profit		374,518	283,824	374,518	283,824
Allowance for losses on loans and financing	A20	(179,392)	(143,600)	(179,392)	(143,600)
Impairment (loss)/writeback on:					
Securities held-to-maturity		(1,212)	32	(1,212)	32
Assets acquired in exchange of debts		(660)	-	(660)	-
Transfer from/(to) profit equalisation reserve		6,428	(16,301)	6,428	(16,301)
(Allowance)/Writeback of allowance for doubtful sundry receivables - net		(8,141)	523	(8,141)	523
Writeback of provision for commitments		63	-	63	-
Profit before share in results of associated companies		191,604	124,478	191,604	124,478
Share in results of associated companies		771	225	771	225
Profit before taxation		192,375	124,703	192,375	124,703
Taxation	B5	(69,936)	(47,301)	(69,936)	(47,301)
Profit after taxation but before minority interests		122,439	77,402	122,439	77,402
Minority shareholders' interests in results of subsidiary companies		(15,921)	(26,017)	(15,921)	(26,017)
Profit attributable to the Shareholders'		106,518	51,385	106,518	51,385
EARNINGS PER SHARE (SEN)	B13				
Basic		5.00	2.76	5.00	2.76
Fully diluted		4.93	2.66	4.93	2.66

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2005

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

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2005

	Non-distributable					Distributable		Total RM'000
	Share capital RM'000	Capital reserve RM'000	Share premium RM'000	Statutory reserve RM'000	Available-for- sale reserve RM'000	Exchange fluctuation reserve RM'000	Unappropriated profits RM'000	
The Group								
At 1 April 2004								
As previously stated	1,858,806	125,284	263,058	1,164,073	-	19,604	597,636	4,028,461
Prior year adjustments	-	-	-	-	-	-	3,945	3,945
At 1 April 2004 (restated)	1,858,806	125,284	263,058	1,164,073	-	19,604	601,581	4,032,406
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	(17,009)	-	-	(17,009)
Issue of shares pursuant to :								
- exercise of share options	2,459	-	3,384	-	-	-	-	5,843
- exercise of Warrants 2003/2008	-	-	1	-	-	-	-	1
Translation adjustment	-	-	-	-	-	621	-	621
Profit for the period	-	-	-	-	-	-	51,385	51,385
At 30 June 2004	1,861,265	125,284	266,443	1,164,073	(17,009)	20,225	652,966	4,073,247

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

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2005

The Group	Non-distributable					Distributable		Total RM'000
	Share capital RM'000	Capital reserve RM'000	Share premium RM'000	Statutory reserve RM'000	Available-for- sale reserve RM'000	Exchange fluctuation reserve RM'000	Unappropriated profits RM'000	
At 1 April 2005								
As previously stated	2,130,534	-	798,356	913,438	-	15,086	926,810	4,784,224
Prior year adjustments	-	-	-	-	(14,165)	-	2,653	(11,512)
At 1 April 2005 (restated)	2,130,534	-	798,356	913,438	(14,165)	15,086	929,463	4,772,712
Arising from Restricted Offer For Sale ("ROFS") of investment banking group	-	(65,224)	-	-	-	-	-	(65,224)
Expenses relating to ROFS of investment banking group and AMFB privitisation	-	-	(6,895)	-	-	-	-	(6,895)
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	2,222	-	-	2,222
Translation adjustments	-	-	-	-	-	(272)	-	(272)
Profit for the period	-	-	-	-	-	-	106,518	106,518
At 30 June 2005	2,130,534	(65,224)	791,461	913,438	(11,943)	14,814	1,035,981	4,809,061

The movement in capital reserve was in respect of the dilution in net attributable assets of the Group arising from the 49.0% ROFS of the investment banking group by the Company

The Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2005

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

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2005

The Group	Cumulative Quarter	
	30.06.05	30.06.04
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	192,375	124,703
Add adjustments for non-operating and non cash items	221,378	247,239
Operating profit before working capital	413,753	371,942
Decrease in operating assets	(2,867,359)	(4,183,468)
Decrease in operating liabilities	(437,291)	(660,558)
Cash used in operations	(2,890,897)	(4,472,084)
Taxation paid	(34,198)	(24,662)
Net cash used in operating activities	(2,925,095)	(4,496,746)
Net cash generated from investing activities	63,623	3,870,565
Net cash generated from financing activities	897,185	4,867
	960,808	3,875,432
Net decrease in cash and cash equivalents	(1,964,287)	(621,314)
Cash and cash equivalents at beginning of period	7,740,607	6,654,898
Cash and cash equivalents at end of period	5,776,320	6,033,584

For the purpose of the cash flow statements, cash and cash equivalents consist of cash and short-term funds net of bank overdraft. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

The Group	Cumulative Quarter	
	30.06.05	30.06.04
	RM'000	RM'000
Cash and short term funds	5,797,552	6,050,612
Bank overdrafts	(21,096)	(16,747)
	5,776,456	6,033,865
Effect of exchange rates changes	(136)	(281)
Cash and cash equivalents	5,776,320	6,033,584

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2005

EXPLANATORY NOTES :

A1. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with FRS134 (Interim Financial Reporting)(formerly known as Malaysian Accounting Standards Board ("MASB") 26) issued by the MASB and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") and should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2005.

The accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the previous audited annual financial statements except for the adoption of the revised guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) issued by Bank Negara Malaysia which became effective for the current financial year. The adoption of the revised BNM/GP8 have resulted in changes in the accounting policies of the Group which have been applied retrospectively in this unaudited condensed interim financial statements and the details are disclosed in Note A30.

A2. AUDIT QUALIFICATION

There were no audit qualification in the annual financial statements for the year ended 31 March 2005.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The operations of the Group are not subject to seasonal or cyclical fluctuation.

A4. UNUSUAL ITEMS

There were no unusual items during the current financial quarter and period.

A5. USE OF ESTIMATES

There was no material change in estimates of amounts reported in the prior financial years that have a material effect on the financial quarter ended 30 June 2005.

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

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

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 and period.

A7. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the current financial quarter.

A8. SECURITIES HELD-FOR-TRADING

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
At Fair Value		
Money Market Securities:		
Treasury Bills	34,397	-
Islamic Treasury Bills	19,499	-
Malaysian Government Securities	325,670	568,082
Malaysian Government Investment Certificates	183,979	158,860
Cagamas bonds	290,687	264,837
Khazanah bonds	187,481	262,489
Negotiable instruments of deposits	893,707	758,452
Cagamas Mudharabah bearer bonds	31,768	-
Islamic Bank Negara Malaysia bills	90,290	56,323
Negotiable Islamic Debt Certificates	227,400	236,180
	<u>2,284,878</u>	<u>2,305,223</u>
Quoted securities:		
In Malaysia:		
Shares	249,065	224,551
Corporate bonds	23,144	22,272
Trust units	7,843	9,104
Loan stocks	1,434	1,613
Warrants	288	288
Outside Malaysia:		
Shares	4,011	4,088
	<u>285,785</u>	<u>261,916</u>
Unquoted securities	109,019	23,895
Unquoted guarantee private debts securities	83,797	105,436
Unquoted private debt securities	1,191,405	1,128,724
	<u>1,384,221</u>	<u>1,258,055</u>
Total securities held-for-trading	<u>3,954,884</u>	<u>3,825,194</u>

A9. SECURITIES AVAILABLE-FOR-SALE

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
At Fair Value		
Money Market Securities:		
Malaysian Government Securities	304,966	269,048
Quoted Securities In Malaysia:		
Corporate bonds	19,527	18,052
Unquoted Private Debt Securities In Malaysia:		
Corporate bonds	69,862	69,869
Unquoted Guaranteed Private Debt Securities In Malaysia		
Shares	93,187	97,331
Corporate bonds	499,567	495,413
	592,754	592,744
Total securities available-for-sale	987,109	949,713

A10. SECURITIES HELD-TO-MATURITY

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
At Amortised Cost		
Money Market Securities		
Malaysian Government Securities	71,777	71,312
Negotiable instruments of deposits	28,358	16,957
Cagamas bonds	25,006	25,003
Khazanah bonds	8,818	9,644
Treasury bills	-	28,804
	133,959	151,720
Quoted Securities:		
In Malaysia:		
Shares	499	499
Corporate bonds	57,000	57,000
Outside Malaysia:		
Corporate bonds	19,000	19,000
	76,499	76,499
Unquoted securities	113,819	159,386
Quoted debt equity converted securities	1,022,182	1,037,987
Unquoted debt equity converted securities	1,664,246	1,684,962
Unquoted private debt securities	392,120	367,538
Unquoted guaranteed private debt securities	72,005	65,586
	3,264,372	3,315,459
Total	3,474,830	3,543,678
Amortisation of premium less accretion of discount	154	-
Allowance for diminution in value of investments	(738,266)	(745,828)
Total securities held-to-maturity	2,736,718	2,797,850

A11. LOANS, ADVANCES AND FINANCING

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
Loans and financing:		
Term loans and revolving credit	13,918,241	13,877,951
Housing loans	8,503,214	7,983,127
Staff loans	181,553	174,896
Hire-purchase receivables	21,139,191	19,489,344
Credit card receivables	2,021,614	1,933,644
Lease receivables	1,418,600	1,351,066
Overdrafts	745,563	833,066
Claims on customers under acceptance credits	784,987	812,888
Trust receipts	205,863	211,647
Block discount receivables	60,146	58,856
Factoring receivables	31,776	37,800
Bills receivable	13,343	10,635
	<u>49,024,091</u>	<u>46,774,920</u>
Less: Unearned interest and income	4,776,817	4,230,492
Total	<u>44,247,274</u>	<u>42,544,428</u>
Less:		
Allowance for bad and doubtful debts and financing:		
General	651,675	629,784
Specific	2,021,062	1,815,088
	<u>2,672,737</u>	<u>2,444,872</u>
Net loans, advances and financing	<u>41,574,537</u>	<u>40,099,556</u>

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

	The Group				Annualised Loans Growth
	30.06.05		31.03.05		
	RM'000	%	RM'000	%	
Purchase of transport vehicles	17,479,851	38.7	16,170,099	37.2	
Purchase of landed property :					
(a) Residential	8,458,146	18.7	8,142,729	18.7	
(b) Non-residential	1,700,622	3.8	1,639,060	3.8	
Construction	3,449,291	7.6	3,549,119	8.2	
Consumption credit	3,113,475	6.9	3,132,996	7.2	
Manufacturing	2,165,790	4.8	2,110,381	4.9	
General commerce	1,989,611	4.4	1,899,180	4.4	
Purchase of securities	1,457,870	3.2	1,579,440	3.6	
Real estate	997,823	2.2	1,011,965	2.3	
Finance, insurance and business service	972,729	2.2	910,391	2.1	
Agriculture	778,719	1.7	791,801	1.8	
Investment holdings	780,392	1.7	782,084	1.8	
Transport, storage and communication	715,942	1.6	681,562	1.6	
Community, social and personal service	-	0.0	376,793	0.9	
Electricity, gas and water	344,325	0.8	525,179	1.2	
Mining and quarrying	41,223	0.1	38,977	0.1	
Others	691,184	1.6	131,330	0.2	
Gross loans, advances and financing	<u>45,136,993</u>	<u>100.0</u>	<u>43,473,086</u>	<u>100.0</u>	
Less: Islamic financing sold to					
Cagamas Berhad	889,719		928,658		
	<u>44,247,274</u>		<u>42,544,428</u>		<u>16.01%</u>

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

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
Domestic :		
Other non-bank financial institutions:		
Stockbroking companies	-	47,220
Others	317,044	269,194
Business enterprises:		
Small medium enterprises	3,440,612	3,382,052
Others	10,848,120	11,093,104
Government and statutory bodies	60,473	60,248
Individuals	29,047,631	27,139,489
Other domestic entities	360,715	363,665
Foreign entities	172,679	189,456
	<u>44,247,274</u>	<u>42,544,428</u>

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

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
Variable rate		
BLR-plus	12,527,941	12,183,016
Cost-plus	3,721,697	4,461,582
Other variable rates	983,268	1,850,187
Fixed rate		
Housing loans	2,218,367	1,504,500
Hire purchase receivables	18,654,994	17,200,994
Other fixed rates	6,141,007	5,344,149
	<u>44,247,274</u>	<u>42,544,428</u>

Movements in non-performing loans and financing including interest and income receivables are as follows:-

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
Gross		
Balance at beginning of period/year		
As previously reported	9,096,092	10,285,713
Prior year's adjustments	(1,498,430)	(1,488,353)
As restated	7,597,662	8,797,360
Non-performing during the period/year	1,051,011	1,046,204
Amount written off	(131)	(479,527)
Recoveries	(238,392)	(708,873)
Reclassification to performing loans and financing	(1,278,604)	(939,782)
Debt equity conversion	-	(117,720)
Balance at end of period/year	<u>7,131,546</u>	<u>7,597,662</u>
Less:		
Specific allowance	2,021,062	1,815,088
Non-performing loans and financing - net	<u>5,110,484</u>	<u>5,782,574</u>
Ratios of non-performing loans and financing to total loans, advances and financing - net	<u>11.85%</u>	<u>13.84%</u>

Non-performing loans analysed by their economic purposes are as follows:

	The Group			
	30.06.05		31.03.05	
	RM'000	%	RM'000	%
Purchase of landed property :				
(a) Residential	1,360,767	19.1	1,414,124	18.6
(b) Non-residential	705,700	9.9	704,303	9.3
Construction	1,182,856	16.6	1,332,746	17.5
Purchase of transport vehicles	983,302	13.8	916,373	12.1
Manufacturing	485,986	6.8	529,269	7.0
Real estate	459,358	6.4	568,734	7.5
Purchase of securities	377,820	5.3	506,537	6.7
Finance, insurance and business services	312,498	4.4	252,921	3.3
General commerce	273,997	3.8	369,479	4.9
Consumption credit	198,832	2.8	244,879	3.2
Electricity, gas and water	176,801	2.5	177,952	2.3
Agriculture	89,546	1.3	54,013	0.7
Transport, storage and communication	82,400	1.2	125,448	1.7
Community, social and personal services	8,900	0.1	108,229	1.4
Mining and quarrying	16,556	0.2	15,077	0.2
Others	416,227	5.8	277,578	3.6
	<u>7,131,546</u>	<u>100.0</u>	<u>7,597,662</u>	<u>100.0</u>

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

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
General allowance		
Balance at beginning of period/year	629,784	601,279
Allowance during the period/year	21,891	28,505
Balance at end of period/year	<u>651,675</u>	<u>629,784</u>
% of total loans, advances and financing less specific allowances	<u>1.51%</u>	<u>1.51%</u>
Specific allowance		
Balance at beginning of period/year	1,815,088	1,780,316
Allowance during the period/year	251,554	1,405,335
Amount written back in respect of recoveries and reversals	(32,101)	(372,450)
Net charge to income statements	219,453	1,032,885
Amount written off	(75)	(1,058,371)
Reclassification (to)/from sundry receivables	(13,404)	40,635
Adjustment to deferred asset account	-	24,283
Debt equity conversion	-	(4,660)
Balance at end of period/year	<u>2,021,062</u>	<u>1,815,088</u>

A12. OTHER ASSETS

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
Trade receivables, net of allowance for doubtful debts	203,554	261,958
Other receivables, deposits and prepayments, net of allowance for doubtful debts	391,294	339,008
Interest receivables on treasury assets, net of allowance for doubtful debts	102,299	74,576
Fee receivables, net of allowance for doubtful debts	35,208	39,660
Amount due from associated company	-	148
Amount due from Originators	120,108	132,798
Amount due from agents, brokers and reinsurer, net of allowance	49,079	50,532
Amount recoverable under asset-backed securitisation transactions	97,566	97,566
Foreclosed properties net of allowance for impairment in value	105,521	98,541
Deferred assets	79,245	77,140
	<u>1,183,874</u>	<u>1,171,927</u>

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

A13. DEPOSITS FROM CUSTOMERS

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
Term/Investment deposits	29,172,374	29,556,983
Savings deposits	2,898,157	2,878,783
Current deposits	1,502,010	1,334,289
Negotiable instruments of deposits	1,545,614	677,285
	<u>35,118,155</u>	<u>34,447,340</u>

The deposits are sourced from the following types of customers:

Business enterprises	11,568,952	11,917,916
Individuals	18,720,346	18,241,104
Government	3,063,534	2,748,974
Others	1,765,323	1,539,346
	<u>35,118,155</u>	<u>34,447,340</u>

A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
Deposits from:		
Licensed banks	2,153,253	2,828,564
Licensed merchant banks	70,551	90,265
Licensed finance companies	10,054	209,976
Bank Negara Malaysia	808,000	889,558
Other financial institutions	8,486,900	8,168,168
	<u>11,528,758</u>	<u>12,186,531</u>

A15. OTHER LIABILITIES

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
Trade payables	262,555	258,242
Other payables and accruals	1,284,557	1,063,302
Interest payable on deposits and borrowings	267,273	276,362
Lease deposits and advance rentals	57,504	56,154
General insurance funds	183,379	173,212
Provision for commitments and contingencies	13,000	13,063
Bank overdrafts	21,096	37,192
Profit equalization reserve	105,833	112,261
Deferred tax liabilities	2,061	2,062
Tax payable	1,712	363
	2,198,970	1,992,213

A16. INTEREST INCOME

THE GROUP	Individual Quarter		Cumulative Quarter	
	30.06.05	30.06.04	30.06.05	30.06.04
	RM'000	RM'000	RM'000	RM'000
Short-term funds and deposits with financial institutions	50,188	48,485	50,188	48,485
Securities held-for-trading	26,678	21,743	26,678	21,743
Securities available for sale	14,218	10,092	14,218	10,092
Securities held-to-maturity	11,744	24,653	11,744	24,653
Loans and advances				
- Interest income other than recoveries from NPL	602,690	562,604	602,690	562,604
- Recoveries from NPLs	64,074	78,903	64,074	78,903
ICULS investment	12,665	13,956	12,665	13,956
Others	24,417	21,551	24,417	21,551
Gross interest income	806,674	781,987	806,674	781,987
Amortisation of premiums less accretion of discounts	(1,164)	(4,749)	(1,164)	(4,749)
Interest suspended	(45,494)	(32,370)	(45,494)	(32,370)
Total after net interest suspension	760,016	744,868	760,016	744,868

A17. INTEREST EXPENSE

THE GROUP	Individual Quarter		Cumulative Quarter	
	30.06.05	30.06.04	30.06.05	30.06.04
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	261,961	261,005	261,961	261,005
Deposit of banks and other financial institutions	35,166	17,545	35,166	17,545
Securities sold under repurchase agreements	10,433	9,721	10,433	9,721
Amount due to Cagamas Berhad	20,381	34,174	20,381	34,174
Bank borrowings:				
Term loans	9,336	6,686	9,336	6,686
Overdrafts	306	344	306	344
Subordinated deposits and term loans	15,117	15,432	15,117	15,432
Interest on Bonds	13,328	9,364	13,328	9,364
Others	28,262	29,605	28,262	29,605
	394,290	383,876	394,290	383,876

A18. OTHER OPERATING INCOME

THE GROUP	Individual Quarter		Cumulative Quarter	
	30.06.05	30.06.04	30.06.05	30.06.04
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Fees on loans and advances	33,317	17,754	33,317	17,754
Corporate advisory	5,181	6,345	5,181	6,345
Guarantee fees	3,156	3,198	3,156	3,198
Underwriting commissions	900	1,507	900	1,507
Portfolio management fees	2,038	2,480	2,038	2,480
Unit trust management fees	7,311	3,453	7,311	3,453
Brokerage rebates	122	4,598	122	4,598
Property trust management fees	494	490	494	490
Brokerage fees and commissions	10,468	13,341	10,468	13,341
Other fee income	14,730	8,766	14,730	8,766
	<u>77,717</u>	<u>61,932</u>	<u>77,717</u>	<u>61,932</u>
Investment and trading income:				
Net income from:				
Securities held-for-trading	47,891	10,394	47,891	10,394
Securities held-to-maturity	5	136	5	136
Net income from derivatives	844	1,976	844	1,976
Net gain from sale of securities				
held-for-trading	7,801	4,401	7,801	4,401
Net gain from sale of securities				
held-to-maturity	530	50	530	50
Gain on disposal of leased assets - net	-	1	-	1
Loss on revaluation of derivatives	(1,019)	(313)	(1,019)	(313)
Unrealised gain/(loss) on revaluation of securities held for trading	5,629	(31,802)	5,629	(31,802)
Unrealised loss on revaluation of derivatives	(213)	-	(213)	-
Gross dividend income from:				
Securities held-for-trading	6,765	7,209	6,765	7,209
Securities held-to-maturity	1,330	1,834	1,330	1,834
	<u>69,563</u>	<u>(6,114)</u>	<u>69,563</u>	<u>(6,114)</u>
Premium income from general insurance business	87,060	65,865	87,060	65,865
Other income:				
Realised foreign exchange gain	789	126	789	126
Gain on disposal of property and equipment - net	333	723	333	723
Gain on disposal of leased assets - net	-	1	-	1
Rental income	2,248	2,173	2,248	2,173
Gain/(Loss) on sales of foreclosed properties	703	(9)	703	(9)
Other non-operating income	482	1,181	482	1,181
	<u>4,555</u>	<u>4,195</u>	<u>4,555</u>	<u>4,195</u>
	<u>238,895</u>	<u>125,878</u>	<u>238,895</u>	<u>125,878</u>

A19. OTHER OPERATING EXPENSES

THE GROUP	Individual Quarter		Cumulative Quarter	
	30.06.05	30.06.04	30.06.05	30.06.04
	RM'000	RM'000	RM'000	RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	102,741	79,754	102,741	79,754
- Others	29,926	25,752	29,926	25,752
Establishment costs				
- Depreciation	17,022	21,566	17,022	21,566
- Computerisation costs	16,717	20,092	16,717	20,092
- Rental	9,898	8,343	9,898	8,343
- Cleaning, maintenance and securities	5,555	4,769	5,555	4,769
- Others	6,048	7,609	6,048	7,609
Marketing and communication expenses				
- Sales commission	14,733	13,772	14,733	13,772
- Handling fees	34,468	25,025	34,468	25,025
- Advertising	14,919	8,874	14,919	8,874
- Telephone charges	5,119	4,018	5,119	4,018
- Postage	4,043	3,427	4,043	3,427
- Travel and entertainment	2,127	985	2,127	985
- Others	3,393	5,824	3,393	5,824
Administration and general				
- Amortisation of goodwill	6,631	3,582	6,631	3,582
- Professional services	8,836	8,503	8,836	8,503
- Donations	4,246	86	4,246	86
- Administration and management expenses	3,027	2,130	3,027	2,130
- Others	13,118	13,556	13,118	13,556
Overheads	302,567	257,667	302,567	257,667
Insurance commission	10,570	6,780	10,570	6,780
General insurance claims	55,366	44,624	55,366	44,624
	368,503	309,071	368,503	309,071

A20. ALLOWANCE FOR LOSSES ON LOANS AND FINANCING

THE GROUP	Individual Quarter		Cumulative Quarter	
	30.06.05	30.06.04	30.06.05	30.06.04
	RM'000	RM'000	RM'000	RM'000
Allowance/(Reversal of allowance) for bad and doubtful debts and financing:				
Specific allowance - net	219,453	211,529	219,453	211,529
Allowance during the period	251,554	309,915	251,554	309,915
Amount written back in respect of recoveries and reversal	(32,101)	(98,386)	(32,101)	(98,386)
General allowance	21,891	4,529	21,891	4,529
Bad debts and financing recovered - net written off	(61,952)	(72,458)	(61,952)	(72,458)
recovered	-	252	-	252
	(61,952)	(72,710)	(61,952)	(72,710)
	179,392	143,600	179,392	143,600

A21. SEGMENTAL INFORMATION

BY BUSINESS SEGMENT

	Individual Quarter		Cumulative Quarter	
	30.06.05	30.06.04	30.06.05	30.06.04
	RM'000	RM'000	RM'000	RM'000
Investment banking				
Revenue	263,465	191,871	263,465	191,871
Profit before taxation	87,169	55,741	87,169	55,741
Commercial and retail banking				
Revenue	792,410	728,875	792,410	728,875
Profit before taxation	114,913	77,069	114,913	77,069
Offshore banking				
Revenue	10,312	10,916	10,312	10,916
Profit before taxation	(814)	793	(814)	793
Insurance				
Revenue	96,090	74,927	96,090	74,927
Profit before taxation	10,389	3,524	10,389	3,524
Others				
Revenue	7,613	6,790	7,613	6,790
Loss before taxation	(6,044)	(2,565)	(6,044)	(2,565)
Total before consolidation adjustments				
Revenue	1,169,890	1,013,379	1,169,890	1,013,379
Profit before taxation	205,613	134,562	205,613	134,562
Consolidation adjustments				
Revenue	(32,579)	(36,608)	(32,579)	(36,608)
Profit before taxation	(13,238)	(9,859)	(13,238)	(9,859)
Total after consolidation adjustments				
Revenue	1,137,311	976,771	1,137,311	976,771
Profit before taxation	192,375	124,703	192,375	124,703

Included in the above is Islamic banking business profit before taxation of RM66.1 million for the quarter and period ended 30 June 2005 (RM41.9 million for the quarter and period ended 30 June 2004).

The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia except for Frasers International Pte. Ltd. and its subsidiary companies and PT AmCapital Indonesia, activities of which are principally conducted in Singapore and Indonesia, respectively. These activities in Singapore and Indonesia are not significant (less than 1% of revenue and profit before taxation respectively) in relation to the Group's activities in Malaysia.

A22. VALUATIONS OF PROPERTY AND EQUIPMENTS

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

A23. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There has not arisen in the interval between the end of the financial quarter 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.

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

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

A25. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the Group's asset.

As at 30 June 2005, the commitments and contingencies outstanding are as follows:

	30.06.05			31.03.05		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
The Group						
Derivative Financial Instruments						
Interest rate related contracts:						
Interest rate futures	763,980	-	-	550,000	-	-
Interest rate swaps	6,508,515	135,395	32,856	6,306,407	124,318	28,151
Foreign exchange related contracts:						
Forward exchange contracts	2,266,812	28,361	5,672	1,745,473	19,433	5,910
Cross currency swaps	387,600	36,328	7,266	463,600	32,512	6,502
Malaysian Government securities futures	-	-	-	27,900	-	-
	<u>9,926,907</u>	<u>200,084</u>	<u>45,794</u>	<u>9,093,380</u>	<u>176,263</u>	<u>40,563</u>
Commitments						
Irrevocable commitments to extend credit maturing :						
within one year	8,607,603	-	-	6,929,341	-	-
more than one year	1,419,161	709,580	709,279	2,426,560	1,213,280	1,212,965
Sell and buy back agreements	2,196,982	2,196,982	1,016,013	1,797,884	1,797,884	965,427
Forward purchase commitments	1,323,900	170,976	10,708	113,040	113,040	20,285
	<u>13,547,646</u>	<u>3,077,538</u>	<u>1,736,000</u>	<u>11,266,825</u>	<u>3,124,204</u>	<u>2,198,677</u>
Contingent Liabilities						
Guarantees given on behalf of customers	1,200,210	1,200,210	981,119	1,305,373	1,305,373	1,092,854
Certain transaction-related contingent items	755,628	377,815	336,331	691,679	345,840	314,446
Underwriting liabilities	1,307,351	653,676	631,990	457,069	228,535	207,317
Short term self liquidating trade-related contingencies	248,302	49,660	49,660	169,913	33,983	12,879
Islamic financing sold to Cagamas	889,719	889,719	888,511	928,658	928,658	927,011
Others	105,601	28,920	28,820	32,022	250	150
	<u>4,506,811</u>	<u>3,200,000</u>	<u>2,916,431</u>	<u>3,584,714</u>	<u>2,842,639</u>	<u>2,554,657</u>
	<u>27,981,364</u>	<u>6,477,622</u>	<u>4,698,225</u>	<u>23,944,919</u>	<u>6,143,106</u>	<u>4,793,897</u>

The credit equivalent amount is arrived at using the credit conversion factor as per Bank Negara Malaysia guidelines.

As at 30 June 2005, other contingencies and commitments of the Group and of the Company are as follows:

- (a) The Company has given unsecured guarantees totalling RM453,600,000 (RM523,100,000 in 2005) to various financial institutions in respect of credit facilities extended to certain subsidiary companies.
- (b) As required, AmMerchant Bank has given a continuing guarantee to Bank Negara Malaysia on behalf of AmInternational, to meet all its liabilities and financial obligations and requirements.

A26. RELATED PARTY TRANSACTIONS

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

A27. DERIVATIVE FINANCIAL INSTRUMENTS

As at 8 August 2005, derivative financial instruments outstanding are as follows:

The Group

Items	Pricipal Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	>1 - 5 years RM'000	>5 years RM'000	Margin requirement
Interest rate related contracts :								
Interest rate futures	728,980	-	163,980	178,000	106,000	281,000	-	2,239
Interest rate swaps	6,655,515	90,000	300,000	450,000	1,032,000	4,533,515	250,000	2,661
Malaysian Government Securities								
Futures	30	-	30	-	-	-	-	-
Foreign exchange related contracts :								
Forward exchange contracts	2,981,139	1,053,662	1,371,864	439,956	115,657	-	-	847
Cross currency swaps	382,551	-	-	-	112,515	270,036	-	592
Total	10,748,215	1,143,662	1,835,874	1,067,956	1,366,172	5,084,551	250,000	6,339

Derivative Financial Instruments

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. The use of derivatives and their sale to customers as risk management products is an integral part of the Group's trading activities. Derivatives are also used to manage the Group's own exposure to fluctuations in foreign exchange and interest rates as part of its asset and liability management activities. Derivatives are subject to the same types of credit and market risk as other financial instruments, and the Group manages these risks in a consistent manner.

A27. DERIVATIVE FINANCIAL INSTRUMENTS (CONTD.)

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

The principal interest rate contracts used are interest rate futures, interest rate swaps and forward rate agreements. Forward rate agreements are contracts for the payment of the difference between a specified interest rate and a reference rate on a notional deposit at a future settlement date. There is no exchange of principal. An interest rate futures is an exchange traded contract whose value is based on the difference between a specific interest rate and a reference rate on a notional deposit 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.

Derivative transactions generate income from buy-sell spreads and from trading positions taken by the Group. Income from these transactions is taken to interest income, foreign exchange gain or trading income from derivatives.

Market Risk

Market risk arising from the above interest rate-related and foreign exchange-related derivatives contracts measures the potential losses to the value of these contracts due to changes in market rates/prices. The contractual amounts of these contracts stated above provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions.

The Group's risk management system uses the value at risk method to assess the market risk from these contracts.

As at 4 August 2005, value at risk of foreign exchange-related derivatives contracts used for trading purposes of the Group was RM1,835,179 (RM25,849 as at 31 March 2005).

The value at risk of the interest rate derivatives related contracts used for trading purposes of the Group was RM5,541,644 (RM12,976,600 as at 31 March 2005).

The use of these instruments to hedge underlying exposures arising from funding or for fixed income instruments acquired for investment purposes are not included in the market risk numbers above.

Credit risk

Counterparty credit risk arises from the possibility that a counterparty may be unable to meet the terms of the derivatives contract in which the Group has a gain position.

As at 8 August 2005, the amounts of counterparty credit risk, measured in term of the cost to replace the profitable contracts of the Group was RM5,670,164 (RM5,841,221 as at 31 March 2005). This amount will increase or decrease over the life of the contracts, mainly as a function of movement in market rates and time.

The Group limits its credit risk within a conservative framework by dealing with creditworthy counterparties, setting credit limits on exposures to counterparties, and obtaining collateral where appropriate.

A28. INTEREST/PROFIT RATE RISK

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

Group	<-----Non Trading Book----->						Non- interest sensitive	Trading Book	Total	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000				
ASSETS										
Cash and short-term funds	4,757,496	-	-	-	-	-	1,040,056	-	5,797,552	2.75
Securities purchased under resale agreements	333,431	-	-	-	-	-	-	-	333,431	2.50
Deposits and placements with banks and other financial institutions	-	1,314,227	71,008	2,153	-	100,000	37,141	-	1,524,529	3.04
Securities held-for-trading	-	-	-	-	-	-	700,184	3,254,700	3,954,884	4.03
Securities available-for-sale	19,000	-	-	-	595,422	372,158	529	-	987,109	4.20
Securities held-to-maturity	-	170,790	180,701	256,791	17,090	1,172,124	939,222	-	2,736,718	4.12
Loans, advances and financing:										
- performing	11,359,884	1,611,704	421,194	476,645	7,515,269	9,051,971	6,679,061	-	37,115,728	7.39
- non-performing *	-	-	-	-	-	-	4,458,809	-	4,458,809	-
Amount due from Originators	-	-	-	8,314	111,794	-	-	-	120,108	4.29
Other non-interest sensitive balances	-	-	-	-	-	-	5,640,268	-	5,640,268	-
TOTAL ASSETS	16,469,811	3,096,721	672,903	743,903	8,239,575	10,696,253	19,495,270	3,254,700	62,669,136	
LIABILITIES AND SHAREHOLDERS' FUNDS										
Deposits from customers	13,300,554	6,504,515	3,914,689	5,858,540	1,606,213	-	3,933,644	-	35,118,155	2.97
Deposits and placements of banks and other financial institutions	3,218,634	1,921,603	526,797	911,841	1,416,806	90,227	3,442,850	-	11,528,758	2.78
Obligations on securities sold under repurchase agreements	1,932,109	22,294	75	-	-	-	22	-	1,954,500	2.61
Acceptances payable	147,682	250,825	80,800	-	-	-	130,083	-	609,390	4.95
Recourse obligation on loans sold to to Cagamas Berhad	38,244	76,854	116,200	426,060	1,600,436	-	-	-	2,257,794	3.95

Group	<-----Non Trading Book----->						Non-interest sensitive	Trading Book	Total	Effective interest rate
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years				
30.06.05	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Term loans	286,000	221,000	-	-	-	-	-	-	507,000	4.14
Subordinated certificates of deposits	-	-	-	198,876	-	-	-	-	198,876	8.85
Subordinated term loan	-	-	-	-	680,000	-	-	-	680,000	6.66
Redeemable unsecured bonds	-	-	-	-	342,268	460,000	-	-	802,268	6.00
Other non-interest sensitive balances	22,657	-	-	-	-	-	3,158,455	-	3,181,112	-
Total Liabilities	18,945,880	8,997,091	4,638,561	7,395,317	5,645,723	550,227	10,665,054	-	56,837,853	
Minority interests	-	-	-	-	-	-	1,022,222	-	1,022,222	-
Shareholders' funds	-	-	-	-	-	-	4,809,061	-	4,809,061	-
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	18,945,880	8,997,091	4,638,561	7,395,317	5,645,723	550,227	16,496,337	-	62,669,136	
On-balance sheet interest sensitivity gap	(2,476,069)	(5,900,370)	(3,965,658)	(6,651,414)	2,593,852	10,146,026	2,998,933	3,254,700	-	
Off-balance sheet interest sensitivity gap	(261,948)	244,534	(50,977)	155,178	(1,996,724)	1,910,466	-	(529)	-	
Total interest sensitivity gap	(2,738,017)	(5,655,836)	(4,016,635)	(6,496,236)	597,128	12,056,492	2,998,933	3,254,171	-	
Cumulative interest rate sensitivity gap	(2,738,017)	(8,393,853)	(12,410,488)	(18,906,724)	(18,309,596)	(6,253,104)	(3,254,171)	-		

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

<-----Non Trading Book----->

Group	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years	Non- interest sensitive	Trading Book	Total	Effective interest rate
31.03.05	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS										
Cash and short-term funds	6,539,602	-	-	-	-	-	1,238,500	-	7,778,102	2.79
Securities purchased under resale agreements	115,153	32,367	-	-	-	-	-	-	147,520	2.50
Deposits and placements with banks and other financial institutions	-	665,570	38,578	104	-	22,100	55,200	-	781,552	2.75
Securities held-for-trading	-	-	-	-	-	-	720,190	3,105,004	3,825,194	4.11
Securities available-for-sale	-	-	18,999	-	601,717	328,997	-	-	949,713	4.66
Securities held-to-maturity	150,233	-	132,417	195,455	739,081	860,179	720,485	-	2,797,850	3.82
Loans, advances and financing:										
- performing	12,323,480	1,154,531	1,093,107	1,777,030	8,629,690	3,147,770	6,821,158	-	34,946,766	7.47
- non-performing *	-	-	-	-	-	-	5,152,790	-	5,152,790	-
Other non-interest sensitive balances	-	-	-	-	-	-	5,685,055	-	5,685,055	-
TOTAL ASSETS	19,128,468	1,852,468	1,283,101	1,972,589	9,970,488	4,359,046	20,393,378	3,105,004	62,064,542	
LIABILITIES AND SHAREHOLDERS' FUNDS										
Deposits from customers	12,731,405	6,505,913	3,905,405	5,306,983	1,534,072	-	4,463,562	-	34,447,340	2.96
Deposits and placements of banks and other financial institutions	2,144,353	1,738,949	1,013,905	530,238	935,361	1,507,262	4,316,463	-	12,186,531	3.06
Obligations on securities sold under repurchase agreements	1,447,458	3,327	101	-	-	-	-	-	1,450,886	2.59
Acceptances payable	128,234	240,408	106,842	-	-	-	43,454	-	518,938	4.91
Recourse obligation on loans sold to Cagamas Berhad	343,350	161,190	115,458	241,930	1,797,478	127,042	-	-	2,786,448	3.95

Group	<-----Non Trading Book----->						Non- interest sensitive	Trading Book	Total	Effective interest rate
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years				
31.03.05	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Term loans	746,500	221,000	285,000	-	-	-	-	-	1,252,500	4.17
Subordinated certificates of deposits	-	-	-	198,768	-	-	-	-	198,768	8.85
Subordinated term loan	-	-	-	-	680,000	-	-	-	680,000	6.66
Redeemable unsecured bonds	-	-	-	-	801,481	-	-	-	801,481	6.94
Other non-interest sensitive balances	-	-	-	-	-	-	2,932,591	-	2,932,591	-
Total Liabilities	17,541,300	8,870,787	5,426,711	6,277,919	5,748,392	1,634,304	11,756,070	-	57,255,483	
Minority interests	-	-	-	-	-	-	36,347	-	36,347	-
Shareholders' funds	-	-	-	-	-	-	4,772,712	-	4,772,712	-
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	17,541,300	8,870,787	5,426,711	6,277,919	5,748,392	1,634,304	16,565,129	-	62,064,542	
On-balance sheet interest sensitivity gap	1,587,168	(7,018,319)	(4,143,610)	(4,305,330)	4,222,096	2,724,742	3,828,249	3,105,004	-	
Off-balance sheet interest sensitivity gap	295,859	418,103	(43,003)	(24,654)	(912,807)	266,502	-	-	-	
Total interest sensitivity gap	1,883,027	(6,600,216)	(4,186,613)	(4,329,984)	3,309,289	2,991,244	3,828,249	3,105,004	-	
Cumulative interest rate sensitivity gap	1,883,027	(4,717,189)	(8,903,802)	(13,233,786)	(9,924,497)	(6,933,253)	(3,105,004)	-		

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

A29. CAPITAL ADEQUACY

Currently, the Group is not required to maintain any capital adequacy ratio requirements for financial institutions. However, if the Group is required to comply with such ratios, the Group's capital adequacy ratios are as follows:

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
Tier 1 capital		
Paid-up ordinary share capital	2,130,534	2,130,534
Capital reserve	(65,224)	-
Share premium	791,461	798,356
Statutory reserve	913,438	913,438
Exchange fluctuation reserve	14,814	15,086
Available-for-sale reserve	(11,943)	-
Unappropriated profit at end of year	1,035,981	926,810
Minority interests	1,022,222	36,347
Total	<u>5,831,283</u>	<u>4,820,571</u>
Less : Goodwill	516,414	523,046
Deferred tax assets - net	951,930	984,870
Total tier 1 capital	<u>4,362,939</u>	<u>3,312,655</u>
Tier 2 capital		
Subordinated certificates of deposit	198,650	198,650
Subordinated term loan	680,000	680,000
Redeemable Unsecured Bonds	660,000	660,000
General allowance for bad and doubtful debts	651,675	629,784
Total tier 2 capital	<u>2,190,325</u>	<u>2,168,434</u>
Capital base	<u>6,553,264</u>	<u>5,481,089</u>
Capital Ratios:		
Core capital ratio	8.56%	6.98%
Risk-weighted capital ratio	12.86%	11.55%
Core capital ratio (net of proposed dividend)	8.44%	6.85%
Risk-weighted capital ratio (net of proposed dividend)	<u>12.74%</u>	<u>11.42%</u>

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

	30.06.05		31.03.05	
	Principal Amount RM'000	Risk- Weighted Amount RM'000	Principal Amount RM'000	Risk- Weighted Amount RM'000
0%	9,395,097	-	10,448,362	-
10%	334,858	33,486	435,489	43,549
20%	6,598,397	1,317,685	6,286,028	1,257,206
50%	7,122,130	3,561,065	7,251,983	3,625,992
100%	43,741,983	43,751,955	42,516,067	42,516,067
	<u>67,192,465</u>	<u>48,664,191</u>	<u>66,937,929</u>	<u>47,442,814</u>
Less: Reversal of Risk-Weighted Assets for credit risk		(3,583,130)		
Add: Total Risk Weighted Assets Equivalent for market risk		<u>5,874,833</u>		
		<u>50,955,894</u>		

A30. OPERATIONS IN ISLAMIC BANKING

The state of affairs as at 30 June 2005 and the results for the period ended 30 June 2005 of the Islamic Banking Operations of the Group and included in the financial statements after elimination of intercompany transactions are summarised as follows:

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2005

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
ASSETS		
Cash and short-term funds	798,774	1,033,218
Deposit with financial institutions	37,140	77,300
Securities held-for-trading	738,842	720,190
Securities available-for-sale	19,600	-
Financing activities	7,435,625	7,026,808
Statutory deposit with Bank Negara Malaysia	253,298	245,681
Other assets	15,885	15,746
Deferred tax assets	84,398	84,398
Property and equipment	37	56
TOTAL ASSETS	9,383,600	9,203,397
LIABILITIES AND ISLAMIC BANKING FUNDS		
Deposits from customers	3,933,644	3,579,449
Deposits of banks and other financial institutions	3,096,557	4,026,546
Converted fund	723,966	301,677
Acceptance payable	130,083	43,454
Other liabilities	537,235	406,592
Total Liabilities	8,421,485	8,357,718
ISLAMIC BANKING FUNDS		
Capital funds	596,492	520,542
Available-for-sale reserve	249	-
Unappropriated profit	365,373	325,137
Islamic Banking Funds	962,114	845,679
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	9,383,600	9,203,397
COMMITMENTS AND CONTINGENCIES	4,653,190	4,221,222

**UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2005**

THE GROUP	Individual Quarter		Cumulative Quarter	
	30.06.05	30.06.04	30.06.05	30.06.04
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	171,341	143,333	171,341	143,333
Allowance for diminution in value of investments				
Financing loss and allowances	(33,574)	(37,515)	(33,574)	(37,515)
Transfer from/(to) profit equalization reserve	6,428	(16,301)	6,428	(16,301)
Total attributable income/(loss)	144,195	89,517	144,195	89,517
Income attributable to the depositors	(66,090)	(58,818)	(66,090)	(58,818)
Profit attributable to the Group	78,105	30,699	78,105	30,699
Income derived from Islamic Banking Funds	33,149	21,510	33,149	21,510
Total net income	111,254	52,209	111,254	52,209
Operating expenditure	(45,177)	(10,251)	(45,177)	(10,251)
Profit before taxation	66,077	41,958	66,077	41,958
Taxation	(16,489)	(15,824)	(16,489)	(15,824)
Profit after taxation	49,588	26,134	49,588	26,134

A30a. Financing, Advances and Other Loans

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
Term financing/Revolving credit facilities	1,043,989	1,108,168
Housing financing	840,718	640,177
Islamic hire purchase	7,242,904	6,870,686
Other financing	1,721,373	1,507,692
	<u>10,848,984</u>	<u>10,126,723</u>
Unearned income	(2,145,210)	(1,828,692)
Gross financing, advances and other loans	<u>8,703,774</u>	<u>8,298,031</u>
Less: Islamic financing sold to Cagamas Berhad	<u>(889,719)</u>	<u>(928,658)</u>
	7,814,055	7,369,373
Allowance for bad and doubtful debts and financing		
-general	(126,822)	(121,149)
-specific	(251,608)	(221,416)
	<u>(378,430)</u>	<u>(342,565)</u>
Net financing	<u><u>7,435,625</u></u>	<u><u>7,026,808</u></u>

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
Movements in non-performing financing are as follows:		
Gross		
Balance at beginning of period/year	575,898	963,068
Non-performing during the period/year	154,007	190,822
Debt equity conversion	-	(2,178)
Recoveries	(34,925)	(139,745)
Reclassification to performing financing	(91,924)	(384,675)
Amount written off	-	(51,394)
Balance at end of period/year	<u>603,056</u>	<u>575,898</u>
Specific allowance	<u>251,608</u>	<u>221,416</u>
Non-performing financing - net	<u><u>351,448</u></u>	<u><u>354,482</u></u>
Net NPL as % of gross financing, advances and other loan less specific allowance	<u>4.65%</u>	<u>4.96%</u>

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

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
General Allowance		
Balance at beginning of period/year	121,150	101,043
Allowance during the period/year	5,672	20,107
Balance at end of period/year	<u>126,822</u>	<u>121,150</u>
% of total loans less specific allowance and income-in-suspense	<u>1.50%</u>	<u>1.50%</u>
Specific Allowance		
Balance at beginning of period/year	<u>221,416</u>	<u>91,255</u>
Allowance made during the period/year	55,412	270,782
Amount written back in respect of recoveries	<u>(25,238)</u>	<u>(68,403)</u>
	30,174	202,379
Reclassifications	18	29
Amount written off/Adjustment to Assets Deficiency Account	-	<u>(72,247)</u>
Balance at end of period/year	<u>251,608</u>	<u>221,416</u>

A30b. DEPOSITS FROM CUSTOMERS

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
Mudarabah Fund		
Special investment deposits	371,515	311,881
General investment deposits	2,917,404	2,729,158
	<u>3,288,919</u>	<u>3,041,039</u>
Non-Mudarabah Fund		
Demand deposits	170,628	103,869
Saving deposits	436,282	395,691
Negotiable Islamic debt certificates	37,815	38,850
	<u>644,725</u>	<u>538,410</u>
Deposits from customers	<u>3,933,644</u>	<u>3,579,449</u>

A30c. OTHER LIABILITIES

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
Other payables and accruals	402,875	219,335
Taxation and zakat payable	11,896	39,331
Amount owing to head office	-	18,615
Lease deposits and advance rental	16,631	17,050
Profit equalisation reserve	105,833	112,261
	<u>537,235</u>	<u>406,592</u>

A31. CHANGE IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS

(a) CHANGE IN ACCOUNTING POLICIES

During the 1st quarter ended 30 June 2005, the Group have adopted the revised BNM/GP8 which have resulted in the following new accounting policies:

- 1) The holdings of the securities portfolio of the Group are segregated based on the following categories and valuation methods:

- i) Securities held-for-trading

Securities are classified as held-for-trading if they are acquired principally for the purpose of benefiting from actual or expected short term price movement or to lock in arbitrage profits. The securities held-for-trading will be stated at fair value and any gain or loss arising from a change in their fair values and the derecognition of securities held-for-trading are recognised in the income statements.

- ii) Securities held-to-maturity

Securities held-to-maturity are financial assets with fixed or determinable payments and fixed maturity that the Group have the positive intent and ability to hold to maturity are measured at accreted/amortised cost based on effective yield method. Amortisation of premium, accretion of discount and impairment as well as gain or loss arising from the derecognition of securities held-to-maturity are recognised in the income statements.

- iii) Securities available-for-sale

Securities available-for-sale are financial assets that are not classified as held-for-trading or held-to-maturity. The securities available-for-sale are measured at fair value or at amortised cost (less impairment losses) if the fair value cannot be reliably measured. Any gain or loss arising for a change in fair value are recognised directly in equity through the statement of changes in equity, until the financial asset is sold, collected, disposed of or impaired, at which time the cumulative gain or loss previously recognised in equity will be transferred to the income statements.

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

Fair value hedge

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

Cash flow hedge

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

- 3) Where a loan becomes non-performing, interest accrued and recognised as income prior to the date the loans are classified as non-performing shall be reversed out of income and sett-off against the accrued interest receivable account in the balance sheet. Thereafter, the interest accrued on the non-performing loans shall be recognised as income on a cash basis instead of being accrued and suspended at the same time as prescribed previously.

(b) COMPARATIVE FIGURES

Changes in comparative figures arising from; (i) the reclassification to present separately for the life fund assets, life fund liabilities and life policy holders' fund; and (ii) the adoption of the revised guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) issued by Bank Negara Malaysia which have been applied retrospectively are as follows :

	As previously reported RM'000	Effect of change RM'000	As restated RM'000
(i) Balance sheet as at 31 March 2005			
<u>Assets</u>			
Cash and short-term funds	7,787,393	(9,291)	7,778,102
Securities purchased under resale agreements	158,592	(11,072)	147,520
Deposits and placements with banks and other financial institutions	810,356	(28,804)	781,552
Dealing securities	3,063,417	(3,063,417)	-
Investment securities	5,112,916	(5,112,916)	-
Securities held-for-trading	-	3,825,194	3,825,194
Securities available-for-sale	-	949,713	949,713
Securities held-to-maturity	-	2,797,850	2,797,850
Loans, advances and financing	40,220,876	(121,320)	40,099,556
Other assets	1,151,961	19,966	1,171,927
Deferred tax assets	987,077	(2,332)	984,745
Property and equipment	484,754	(4,388)	480,366
Life fund assets	-	940,379	940,379
<u>Liabilities and Shareholders' Fund</u>			
Deposits and placements of banks and other financial institutions	12,077,751	108,780	12,186,531
Obligations on securities sold under repurchase agreements	1,418,519	32,367	1,450,886
Other liabilities	2,882,664	(890,451)	1,992,213
Life fund liabilities	-	121,266	121,266
Life policyholder funds	-	819,112	819,112
Reserve	2,653,690	(11,512)	2,642,178
(ii) Income statement for the 1st quarter ended 30 June 2004			
Net interest income	367,985	(6,993)	360,992
Net income from Islamic Banking Business	112,106	(6,081)	106,025
Other operating income	231,614	(105,736)	125,878
Operating profit	308,674	(24,850)	283,824
Other operating expenses	(403,031)	93,960	(309,071)
Allowance for diminution in value of investments	44,214	(44,214)	-
Impairment (loss)/writeback on:			
Securities held-to-maturity	-	32	32
Profit before taxation	104,784	19,919	124,703
Taxation	(41,711)	(5,590)	(47,301)
Profit after taxation but before minority interests	63,073	14,329	77,402
Minority shareholders' interests in results of subsidiary companies	(24,016)	(2,001)	(26,017)
Net profit for the quarter	39,057	12,328	51,385

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

During the first quarter, the Group reported a higher pretax profit of RM192.4 million, as compared to RM124.7 million for the financial quarter ended 30 June 2004. The improvement in profit is mainly due to higher fee income from loans and advances and unit trust management, higher increase in insurance premium, substantial net income from securities held for trading as well as unrealised gain on revaluation of securities held-for-trading.

In the opinion of the Directors, the results of operations of the Group and the Company for the financial year 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 registered a pretax profit of RM192.4 million for the first quarter ended 30 June 2005 due to higher fee income, net income from securities held-for-trading, higher increase in insurance premium and unrealised gain on revaluation of securities held-for-trading.

B3. PROSPECTS FOR 31 MARCH 2006

The sustained economic growth, coupled with the gradual appreciation of the Ringgit, would provide a supportive environment for the Group to further expand its market share and improve its profitability.

With the transformation of the finance company operations into a commercial bank effective 1 June 2005, AmBank (M) Berhad would leverage on its strategic network of 171 branches and its on-line delivery channels, as well as its extensive customer base to offer a full range of financial services, in particular in the SME market segment, to realize the synergies from the merger.

AmAssurance Berhad too would benefit from the strong loans growth momentum, through the product bundling of the retail banking and insurance products.

Similarly, the investment banking group, with its continued to focus on corporate advisory, equity capital market, debt capital market and treasury services would also benefit from the improvement in volumes in debt and equities capital markets.

The Group expects to continue to record a satisfactory performance in its financial year ending 31 March, 2006.

B4. VARIANCE FROM PROFIT FORECAST AND SHORTFALL FROM PROFIT GUARANTEE

This is not applicable to the Group.

B5. TAXATION

The Group	Individual Quarter		Cumulative Quarter	
	30.06.05	30.06.04	30.06.05	30.06.04
	RM'000	RM'000	RM'000	RM'000
Estimated current tax payable	37,659	67,249	37,659	67,249
Transfer from deferred tax assets	27,251	(19,495)	27,251	(19,495)
	<u>64,910</u>	<u>47,754</u>	<u>64,910</u>	<u>47,754</u>
Underprovision of current taxation in respect of prior years	5,026	(453)	5,026	(453)
Total	<u>69,936</u>	<u>47,301</u>	<u>69,936</u>	<u>47,301</u>

The total tax charge of the Group for the financial quarter and period ended 30 June 2005 and 2004 reflects an effective tax rate which is higher than the statutory tax rate due mainly to the disallowances of certain expenses.

B6. SALE OF INVESTMENTS AND/OR FORECLOSED PROPERTIES

The Group	Individual Quarter		Cumulative Quarter	
	30.06.05	30.06.04	30.06.05	30.06.04
	RM'000	RM'000	RM'000	RM'000
Net gain from sale of securities held-for-trading	7,801	4,401	7,801	4,401
Net gain from sale of securities held-to-maturity	530	50	530	50
Impairment (loss)/gain on securities held-to-maturity	(1,212)	32	(1,212)	32

B7. QUOTED SECURITIES

This note is not applicable to financial institutions.

B8. CORPORATE PROPOSALS

Status of corporate proposals announced but not completed are as follows:

- (a) The Company had on 29 November 2004 obtained Bank Negara Malaysia ("BNM") approval in principle to undertake Islamic Banking business pursuant to Section 3(4) of the Islamic Banking Act, 1983, through a subsidiary company of the Company.

The Islamic Banking license will be issued by the Minister of Finance once all pre-licensing conditions have been satisfactorily fulfilled.

- (b) On 27 July 2005, AmMerchant Bank Berhad ("AmMerchant Bank"), a wholly-owned subsidiary of the Group, has entered into a conditional agreement with Macquarie Bank Limited ("Macquarie Bank") in respect of the proposed voluntary termination of the joint venture arrangement between AmMerchant Bank and Macquarie Bank in the fund management businesses of AmInvestment Management Sdn Bhd ("AIM") and AmInvestment Services Berhad ("AIS") involving the proposed sale of Macquarie Bank's 30% equity stake in each of AIM and AIS ("Proposed Share Sale") to AmMerchant Bank at an aggregate cash consideration of RM44.79 million.

The Proposed Share Sale is conditional upon :

- (1) the approvals of Bank Negara Malaysia, Securities Commission, Foreign Investment Committee, and any other relevant regulatory authorities (if required); and
- (2) all other necessary consents, notifications, announcements and authorisations as may be required from other parties (if any).

B9. BORROWINGS

	The Group	
	30.06.05	31.03.05
	RM'000	RM'000
(i) Deposits from customers		
Due within six months	27,345,232	27,324,848
Six months to one year	6,051,288	5,472,835
One year to three years	975,264	933,679
Three years to five years	746,371	715,978
	<u>35,118,155</u>	<u>34,447,340</u>
(ii) Deposits and placements of banks and other financial institutions		
Due within six months	6,325,143	7,636,581
Six months to one year	1,699,768	1,428,543
One year to three years	1,796,939	1,399,437
Three years to five years	1,706,908	1,713,190
	<u>11,528,758</u>	<u>12,177,751</u>
<i>Recap:</i>		
<i>Interbank lendings</i>	6,802,217	7,736,320
<i>Interbank borrowings</i>	(270,745)	(157,700)
<i>Net interbank lendings</i>	<u>6,531,472</u>	<u>7,578,620</u>
(iii) Unsecured subordinated certificate of deposits		
More than one year	198,876	198,768
(iv) Term loans		
Due within one year		
Secured	507,000	1,252,500
(v) Redeemable unsecured bonds		
More than one year	802,268	801,481

B10. DERIVATIVE FINANCIAL INSTRUMENTS

Please refer to note A27

B11. MATERIAL LITIGATION

There are no material litigations.

B12. DIVIDENDS

Refer to item A7 above.

B13. EARNINGS PER SHARE (SEN)

a. Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the number of ordinary shares in issue during the financial quarter and period.

	Individual Quarter		Cumulative Quarter	
	30.06.05 RM'000	30.06.04 RM'000	30.06.05 RM'000	30.06.04 RM'000
Net profit attributable to shareholders of the Company	106,518	51,385	106,518	51,385
Number of ordinary shares at beginning of period	2,130,534	1,858,806	2,130,534	1,858,806
Effect of ordinary shares issued pursuant to exercised of ESOS	-	1,621	-	1,621
Weighted average number of ordinary shares in issue	2,130,534	1,860,427	2,130,534	1,860,427
Basic earnings per share (sen)	5.00	2.76	5.00	2.76

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

b. Fully diluted earnings per share

Fully diluted earnings per share is calculated by dividing the adjusted profit after taxation and minority interests for the financial period by the adjusted weighted average number of ordinary shares in issue and issuable during the financial year.

The Company had three categories of dilutive potential ordinary shares:

- i) Employees' Share Option Scheme (Scheme expired in October 2004)
- ii) Warrants 1997/2007; and
- iii) Warrants 2003/2008

	Individual Quarter		Cumulative Quarter	
	30.06.05 RM'000	30.06.04 RM'000	30.06.05 RM'000	30.06.04 RM'000
Net profit attributable to shareholders of the Company	106,518	51,385	106,518	51,385
Weighted average number of ordinary shares in issue (as in (a) above)	2,130,534	1,860,427	2,130,534	1,860,427
Adjusted for:				
- Exercise of ESOS	-	4,285	-	4,285
- Exercise of Warrants 2003/2008	29,215	67,952	29,215	67,952
Adjusted weighted average number of ordinary shares in issue and issuable	2,159,749	1,932,664	2,159,749	1,932,664
Fully diluted earnings per share (Sen)	4.93	2.66	4.93	2.66

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

Date : 10 August 2005