

AmINVESTMENT GROUP BERHAD
(657000-X) (Incorporated in Malaysia)
and its subsidiary companies

UNAUDITED BALANCE SHEET
AS AT 30 JUNE 2005

		The Group	
		30.6.05	31.3.05
	Note	RM'000	RM'000
ASSETS			
Cash and short-term funds		2,433,069	2,678,552
Securities purchased under resale agreements		324,253	139,931
Deposits and placements with banks and other financial institutions		1,204,181	393,133
Securities held-for-trading	A8	3,311,877	3,599,318
Securities available-for-sale	A9	893,922	853,330
Securities held-to-maturity	A10	1,353,554	1,393,539
Loans, advances and financing	A11	4,322,438	4,536,049
Other assets	A12	501,201	565,054
Goodwill on consolidation		78,591	79,805
Deferred tax assets		76,862	76,865
Statutory deposit with Bank Negara Malaysia		249,734	244,294
Investments in associated companies		40,783	40,098
Property and equipment		46,695	45,326
TOTAL ASSETS		14,837,160	14,645,294
LIABILITIES AND SHAREHOLDERS' FUNDS			
Deposits from customers	A13	5,179,960	5,294,436
Deposits and placements of banks and other financial institutions	A14	4,718,098	4,567,758
Obligations on securities sold under repurchase agreements		1,463,950	1,427,791
Acceptances payable		3,195	3,186
Recourse obligation on loans sold to Cagamas Berhad		120,108	132,798
Other liabilities	A15	400,994	631,259
Term loans		285,000	285,000
Subordinated certificates of deposits		198,876	198,768
Redeemable unsecured subordinated bonds		460,000	460,000
Total Liabilities		12,830,181	13,000,996
Minority interests		7,428	6,594
Share capital		1,320,000	1,109,442
Reserves		679,551	528,262
Shareholders' funds		1,999,551	1,637,704
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		14,837,160	14,645,294
COMMITMENTS AND CONTINGENCIES	A25	17,606,732	14,824,997

AmINVESTMENT GROUP BERHAD
(657000-X) (Incorporated in Malaysia)
and its subsidiary companies

UNAUDITED BALANCE SHEET
AS AT 30 JUNE 2005 (CONTD.)

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
CAPITAL ADEQUACY		
Core Capital Ratio	14.56%	14.45%
Risk-Weighted Capital Ratio	16.66%	17.04%
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NET TANGIBLE ASSETS PER SHARE (RM)	1.45	1.40
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The Balance Sheet should be read in conjunction with the Audited Financial Statements for the period ended 31 March 2005.

AmINVESTMENT GROUP BERHAD
(657000-X) (Incorporated in Malaysia)
and its subsidiary companies

UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2005

		Individual Quarter		Cumulative Quarter	
		30.6.05	30.6.04	30.6.05	30.6.04
	Note	RM'000	RM'000	RM'000	RM'000
Revenue		271,975	196,045	271,975	196,045
Interest income	A16	140,315	144,414	140,315	144,414
Interest expense	A17	(96,353)	(99,683)	(96,353)	(99,683)
Net interest income		43,962	44,731	43,962	44,731
Net income from Islamic Banking Operations		23,472	14,637	23,472	14,637
Other operating income	A18	108,188	36,994	108,188	36,994
Net income		175,622	96,362	175,622	96,362
Other operating expenses	A19	(48,443)	(45,272)	(48,443)	(45,272)
Operating profit		127,179	51,090	127,179	51,090
(Allowance)/Writeback of losses on loans and financing	A20	(31,126)	591	(31,126)	591
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		889	(772)	889	(772)
(Allowance)/Writeback of allowance for doubtful sundry receivables - net		(7,943)	53	(7,943)	53
Writeback of provision for commitments		63	-	63	-
Profit before share in results of associated companies		87,190	50,994	87,190	50,994
Share in results of associated companies		874	1,995	874	1,995
Profit before taxation		88,064	52,989	88,064	52,989
Taxation	B5	(24,020)	(17,505)	(24,020)	(17,505)
Profit after taxation but before minority interests		64,044	35,484	64,044	35,484
Minority shareholders' interests in results of subsidiary companies		(834)	1,202	(834)	1,202
Profit attributable to Shareholders'		63,210	36,686	63,210	36,686
Basic earnings per share (sen)	B13	5.14	3.14	5.14	3.14

The Income Statements should be read in conjunction with the Audited Financial Statements for the period ended 31 March 2005

AmINVESTMENT GROUP BERHAD
(657000-X) (Incorporated in Malaysia)
and its subsidiary companies

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

	Non-distributable						Distributable	Total RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Statutory reserve RM'000	Available-for- sale reserve RM'000	Exchange fluctuation reserve RM'000	Unappropriated profits RM'000	
The Group								
At date of incorporation								
Effects arising from merger	1,109,442	-	60,284	300,000	-	-	233,637	1,703,363
Prior period adjustments	-	-	-	-	-	-	(1,346)	(1,346)
At date of incorporation (restated)	1,109,442	-	60,284	300,000	-	-	232,291	1,702,017
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	(20,728)	-	-	(20,728)
Profit for the period	-	-	-	-	-	-	36,686	36,686
Translation adjustments	-	-	-	-	-	(611)	-	(611)
Interest on ICULS	-	-	-	-	-	-	(1,795)	(1,795)
At 30 June 2004	1,109,442	-	60,284	300,000	(20,728)	(611)	267,182	1,715,569
At 1 April 2005								
As previously stated	1,109,442	-	60,284	300,000	-	(4,519)	185,343	1,650,550
Prior period adjustments	-	-	-	-	(16,639)	-	3,793	(12,846)
At 1 April 2005 (restated)	1,109,442	-	60,284	300,000	(16,639)	(4,519)	189,136	1,637,704
Issued during the period	210,558	84,223	-	-	-	-	-	294,781
Expenses relating to initial public offering of the Company	-	(3,727)	-	-	-	-	-	(3,727)
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	7,852	-	-	7,852
Profit for the period	-	-	-	-	-	-	63,210	63,210
Translation adjustments	-	-	-	-	-	(269)	-	(269)
At 30 June 2005	1,320,000	80,496	60,284	300,000	(8,787)	(4,788)	252,346	1,999,551

The Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the period ended 31 March 2005

AmINVESTMENT GROUP BERHAD
and its subsidiary companies
(657000-X) (Incorporated in Malaysia)

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

	Cumulative Quarter	
	30.6.05	30.6.04
	RM'000	RM'000
Profit before taxation	88,064	52,989
Add adjustments for non-operating and non cash items	32,415	30,744
Operating profit before working capital changes	120,479	83,733
Decrease in operating assets	(515,854)	(1,794,361)
Increase in operating liabilities	(152,970)	(412,996)
Cash used in operations	(548,345)	(2,123,624)
Taxation paid	(19,425)	(23,889)
Net cash used in operating activities	(567,770)	(2,147,513)
Net cash generated from investing activities	39,006	1,635,994
Net cash generated from/(used in) financing activities	294,781	(1,795)
	333,787	1,634,199
Net decrease in cash and cash equivalents	(233,983)	(513,314)
Cash and cash equivalents at beginning of period	2,501,053	2,671,762
Cash and cash equivalents at end of period	2,267,070	2,158,448

Cash and Cash Equivalents

For the purpose of the cash flow statements, cash and cash equivalents consist of cash and short-term funds, excluding deposits and monies held in trust, net of bank overdrafts. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	The Group	
	30.6.05	30.6.04
	RM'000	RM'000
Cash and short term funds	2,433,069	2,230,450
Bank overdrafts	-	-9,586
	2,433,069	2,220,864
Less: Cash and bank balances and deposits held in trust	(165,863)	(62,208)
	2,267,206	2,158,656
Effects of exchange rate differences	(136)	(208)
	2,267,070	2,158,448

The Condensed Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the period 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 audited annual financial statements for the period 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 A31.

A2. AUDIT QUALIFICATION

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

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

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, REPURCHASE, RESALE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

During the financial period, the issued and fully paid-up share capital of the Company was increased from 1,109,442,000 ordinary shares of RM1.00 each to 1,320,000,000 ordinary shares of RM1.00 each by the issue of 210,558,000 new ordinary shares of RM1.00 each at an issue price of RM1.40 per share. The resulting share premium amounting to RM84,223,200 has been credited to the share premium account.

The 210,558,000 new ordinary shares issued shall, upon allotment and issue, rank pari passu in all respects with the then existing ordinary shares of the Company.

The Company has not issued any new debentures during the financial 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 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	
	30.6.05	31.3.05
	RM'000	RM'000
At Fair Value		
Money Market Securities		
Treasury Bills	34,397	-
Islamic Treasury Bills	19,499	-
Malaysian Government Securities	207,283	448,830
Malaysian Government Investment Certificates	31,937	8,303
Cagamas bonds	115,558	90,361
Khazanah bonds	76,474	152,276
Negotiable instruments of deposits	1,397,172	1,646,214
Cagamas Mudharabah bearer bonds	31,768	-
Islamic Bank Negara Malaysia bills	90,290	56,323
Negotiable Islamic Debt Certificates	50,853	48,295
	<u>2,055,231</u>	<u>2,450,602</u>
Securities Quoted		
In Malaysia:		
Shares	81,976	76,859
Loan stocks	1,434	1,613
Corporate bonds	23,144	22,272
Trust units	6,517	8,160
	<u>113,071</u>	<u>108,904</u>
Securities Quoted Outside Malaysia:		
Shares	<u>4,011</u>	<u>4,088</u>
Unquoted securities:		
Shares in Malaysia	3,417	4,321
Trust units	63,702	-
	<u>67,119</u>	<u>4,321</u>
Unquoted Private Debt Securities		
Of Companies Incorporated		
In Malaysia:		
Islamic corporate bonds	678,692	613,174
Corporate notes	28,824	72,910
Corporate bonds	259,983	239,883
Islamic corporate notes	20,749	-
	<u>988,248</u>	<u>925,967</u>
Unquoted Guaranteed Private Debt		
Securities Of Companies		
Incorporated in Malaysia:		
Corporate bonds	68,501	68,564
Islamic corporate notes	15,296	36,872
	<u>83,797</u>	<u>105,436</u>
Total securities held-for-trading	<u>3,311,477</u>	<u>3,599,318</u>

A9. SECURITIES AVAILABLE-FOR-SALE

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
At Fair Value		
Money market securities		
Malaysian Government Securities	304,966	269,996
Quoted Securities In Malaysia:		
Corporate bonds	19,527	18,052
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:		
Corporate bonds	69,862	69,869
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated in Malaysia:		
Corporate bonds	499,567	495,413
Total securities available-for-sale	<u>893,922</u>	<u>853,330</u>

A10. SECURITIES HELD-TO-MATURITY

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
At Amortised Cost		
Money Market Securities:		
Treasury bills	-	28,804
Quoted Securities:		
In Malaysia:		
Shares	2	2
Corporate bonds	57,000	57,000
Outside Malaysia:		
Corporate bonds	19,000	19,000
	<u>76,002</u>	<u>76,002</u>
Investment In Related Licensed		
Commercial Bank		
Unsecured subordinated term loan:		
Licensed commercial bank	<u>460,000</u>	<u>460,000</u>
Unquoted securities:		
In Malaysia:		
Shares	60,989	60,989
Corporate bonds	100	100
Outside Malaysia:		
Shares	9,810	11,957
	<u>70,899</u>	<u>73,046</u>
Debt Equity Conversion Securities:		
Quoted in Malaysia:		
Shares	24,693	24,693
Loan stocks - collateralised	971	973
Loan stocks	187,597	194,005
Unquoted securities of companies incorporated:		
In Malaysia:		
Shares	1,679	1,679
Corporate bonds	531,155	533,650
Outside Malaysia:		
Shares	3,129	7,904
	<u>749,224</u>	<u>762,904</u>
Unquoted Private Debt Securities Of		
Companies Incorporated:		
In Malaysia:		
Corporate bonds	86,813	86,813
Corporate bonds and notes denominated in USD	114,000	114,000
	<u>200,813</u>	<u>200,813</u>
Total	1,556,938	1,601,569
Accumulated impairment losses		
In Malaysia	(79,913)	(24,053)
Outside Malaysia	(123,471)	(183,977)
Total securities held-to-maturity	<u>1,353,554</u>	<u>1,393,539</u>

A11. LOANS, ADVANCES AND FINANCING

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
Term loans and revolving credits	4,543,332	4,725,144
Staff loans	34,887	34,309
Claims on customers under acceptance credits	<u>3,332</u>	<u>3,407</u>
Gross loans, advances and financing	<u>4,581,551</u>	<u>4,762,860</u>
Less:		
Allowance for bad and doubtful debts and financing:		
General	67,780	69,091
Specific	<u>191,333</u>	<u>157,720</u>
	<u>259,113</u>	<u>226,811</u>
Net loans, advances and financing	<u>4,322,438</u>	<u>4,536,049</u>

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

	The Group				Loans Growth
	30.6.05 RM'000	%	31.3.05 RM'000	%	
Construction	1,114,745	24.3	1,116,209	23.4	
Investment holdings	780,392	17.0	782,084	16.4	
Purchase of securities	632,391	13.8	703,865	14.8	
General commerce	457,388	10.0	463,679	9.7	
Manufacturing	426,729	9.3	414,888	8.7	
Agriculture	307,167	6.7	318,178	6.7	
Transport, storage and communication	241,608	5.3	199,211	4.2	
Real estate	209,581	4.6	225,941	4.7	
Electricity, gas and water	144,309	3.1	259,772	5.5	
Finance, insurance and business services	140,522	3.1	148,867	3.1	
Purchase of landed property:					
(a) Residential	30,829	0.7	29,021	0.6	
(b) Non-residential	61,912	1.4	60,729	1.3	
Mining and quarrying	314	0.0	610	0.0	
Others	33,664	0.7	39,806	0.8	
Gross loans, advances and financing	4,581,551	100.0	4,762,860	100.0	(3.8%)

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

	The Group	
	30.6.05 RM'000	31.3.05 RM'000
Domestic :		
Other non-bank financial institutions:		
Stockbroking companies	-	12,437
Others	80,500	50,510
Business enterprises:		
Small medium enterprises	570,481	579,056
Others	3,655,709	3,850,220
Government and statutory bodies	38,354	38,004
Individuals	97,324	96,814
Foreign entities	139,183	135,819
	4,581,551	4,762,860

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

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
Variable rate		
Cost-plus	2,971,940	3,190,981
Other variable rates	467,425	405,755
Fixed rate		
Housing loans	24,106	30,509
Hire purchase receivables	3,138	3,755
Other fixed rates	1,114,942	1,131,860
	<u>4,581,551</u>	<u>4,762,860</u>

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

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
Balance at beginning of period/date of incorporation	839,225	1,087,507
Non-performing during the period	24,151	270,282
Reclassification to performing loans, advances and financing	(173,113)	(350,424)
Recoveries	(24,797)	(65,220)
Amount written off	-	(24,602)
Debt equity conversion	-	(78,318)
Balance at end of period	<u>665,466</u>	<u>839,225</u>
Specific allowance	<u>191,333</u>	<u>157,720</u>
Non-performing loans, advances and financing - net	<u>474,133</u>	<u>681,505</u>
Ratio of non-performing loans, advances and financing to total loans, advances and financing - net	<u>10.80%</u>	<u>14.80%</u>

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

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
Manufacturing	146,832	156,385
Construction	136,670	122,732
General commerce	99,943	114,373
Purchase of securities	88,801	56,924
Real estate	61,423	124,417
Agriculture	16,512	14,324
Purchase of non-residential landed property	9,969	12,242
Finance, insurance and business services	4,466	88,789
Transport, storage and communication	-	54,936
Mining and quarrying	-	144
Others	100,850	93,959
	<u>665,466</u>	<u>839,225</u>

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

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
General allowance		
Balance at beginning of period/date of incorporation	69,091	-
Arising on acquisition of related merchant banking and securities company	-	80,404
Reversal of allowance during the period	(1,311)	(11,313)
Balance at end of period	<u>67,780</u>	<u>69,091</u>
 % of total loans, advances and financing less specific allowances	 <u>1.54%</u>	 <u>1.50%</u>
Specific allowance		
Balance at beginning of period/date of incorporation	157,720	-
Arising on acquisition of related merchant banking and securities company	-	378,375
	<u>157,720</u>	<u>378,375</u>
Allowance during the period	38,385	106,361
Amount written back in respect of recoveries and reversals	(4,772)	(5,925)
Net charge to income statements	<u>33,613</u>	<u>100,436</u>
Amount written off	-	(321,628)
Reclassification from sundry receivables	-	4,192
Debt equity conversion	-	(3,655)
Balance at end of period	<u>191,333</u>	<u>157,720</u>

A12. OTHER ASSETS

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
Trade receivables, net of allowance for doubtful debts	193,902	259,695
Other receivables, deposits and prepayments, net of allowance for doubtful debts	84,006	81,643
Interest/Dividends receivable	58,057	42,508
Amount due from Originators	120,108	132,798
Amount due from brokers	10,212	17,447
Amount due from:		
Holding company	225	194
Related companies	24,747	15,290
Assets acquired in exchange of debts, net of impairment loss	<u>9,944</u>	<u>15,479</u>
	<u>501,201</u>	<u>565,054</u>

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

A13. DEPOSITS FROM CUSTOMERS

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
Comprise of :		
Term/Investment	4,561,836	4,911,612
Negotiable instruments of deposits	618,124	382,824
	<u>5,179,960</u>	<u>5,294,436</u>

The deposits are sourced from the following types of customers:

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
Business enterprises	3,842,256	4,153,137
Individuals	5,183	4,714
Others	1,332,521	1,136,585
	<u>5,179,960</u>	<u>5,294,436</u>

A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
Licensed banks:		
Related	964,447	39,105
Others	738,479	836,461
Licensed merchant banks	70,551	90,265
Related licensed finance companies	-	528,702
Other financial institutions	2,944,621	3,073,225
	<u>4,718,098</u>	<u>4,567,758</u>

A15. OTHER LIABILITIES

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
Trade payables	261,848	257,535
Other payables and accruals	121,684	123,944
Provision for commitments	-	63
Amount due to :		
Holding company	4,183	214,401
Related companies	922	1,037
Associated companies	-	(1,042)
Bank overdraft	-	31,568
Taxation payable	10,145	752
Zakat payable	38	38
Profit equalisation reserve	1,306	2,195
Deferred tax liabilities	868	768
	<u>400,994</u>	<u>631,259</u>

A16. INTEREST INCOME

The Group	Individual Quarter		Cumulative Quarter	
	30.6.05 RM'000	30.6.04 RM'000	30.6.05 RM'000	30.6.04 RM'000
Short-term funds and deposits				
with financial institutions	18,921	15,004	18,921	15,004
Securities held-for-trading	28,401	18,668	28,401	18,668
Securities available for sale	14,218	8,176	14,218	8,176
Securities held-to-maturity	12,732	30,710	12,732	30,710
Loans and advances				
- Interest income other than recoveries from NPL	46,123	61,981	46,123	61,981
- Recoveries from NPLs	17,561	14,430	17,561	14,430
Others	5,295	9,158	5,295	9,158
Gross interest income	143,251	158,127	143,251	158,127
Amortisation of premiums less accretion of discounts	(2,129)	(7,303)	(2,129)	(7,303)
Interest suspended	(807)	(6,410)	(807)	(6,410)
Total after net interest suspension	140,315	144,414	140,315	144,414

A17. INTEREST EXPENSE

The Group	Individual Quarter		Cumulative Quarter	
	30.6.05 RM'000	30.6.04 RM'000	30.6.05 RM'000	30.6.04 RM'000
Deposits from customers	61,021	66,350	61,021	66,350
Deposit of banks and other financial institutions	10,644	6,560	10,644	6,560
Securities sold under repurchase agreements	9,131	8,960	9,131	8,960
Subordinated deposits and term loans	6,244	6,021	6,244	6,021
Redeemable unsecured subordinated bonds	7,455	7,455	7,455	7,455
Others	1,858	4,337	1,858	4,337
	96,353	99,683	96,353	99,683

A18. OTHER OPERATING INCOME

The Group	Individual Quarter		Cumulative Quarter	
	30.6.05	30.6.04	30.6.05	30.6.04
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Fees on loans and advances	12,306	1,781	12,306	1,781
Corporate advisory fees	5,630	6,345	5,630	6,345
Guarantee fees	1,438	2,040	1,438	2,040
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
Property trust management fees	494	490	494	490
Brokerage fees and commissions	10,468	13,450	10,468	13,450
Other fee income	3,909	3,476	3,909	3,476
	<u>44,493</u>	<u>35,021</u>	<u>44,493</u>	<u>35,021</u>
Investment and trading income:				
Net income from:				
Securities held-for-trading	47,906	10,074	47,906	10,074
Securities held-to-maturity	5	2	5	2
Net income from derivatives	844	1,976	844	1,976
Net gain from sale of securities				
held-for-trading	6,634	2,522	6,634	2,522
Net gain from sale of securities				
held-to-maturity	789	7	789	7
Gross dividend income from:				
Securities held-for-trading	617	1,447	617	1,447
Securities held-to-maturity	662	1,217	662	1,217
Loss on revaluation of derivatives	(1,232)	(313)	(1,232)	(313)
Gain/(Loss) on revaluation of				
securities held for trading	6,646	(15,580)	6,646	(15,580)
	<u>62,871</u>	<u>1,352</u>	<u>62,871</u>	<u>1,352</u>
Other income:				
Realised foreign exchange gain/(loss)	30	(82)	30	(82)
Gain on disposal of property and				
equipment - net	333	232	333	232
Rental income	223	190	223	190
Other non-operating income	238	281	238	281
	<u>824</u>	<u>620</u>	<u>824</u>	<u>620</u>
	<u>108,188</u>	<u>36,994</u>	<u>108,188</u>	<u>36,994</u>

A19. OTHER OPERATING EXPENSES

The Group	Individual Quarter		Cumulative Quarter	
	30.6.05 RM'000	30.6.04 RM'000	30.6.05 RM'000	30.6.04 RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	21,459	19,303	21,459	19,303
- Others	8,809	7,293	8,809	7,293
Establishment costs				
- Depreciation	2,505	4,120	2,505	4,120
- Computerisation costs	2,359	2,358	2,359	2,358
- Rental	1,711	1,574	1,711	1,574
- Others	1,648	1,456	1,648	1,456
Marketing and communication expenses				
- Sales commission	1,028	727	1,028	727
- Advertising	548	227	548	227
- Travel and entertainment	531	429	531	429
- Others	1,703	1,818	1,703	1,818
Administration and general expenses				
- Amortisation of goodwill	1,370	1,533	1,370	1,533
- Professional fees	2,433	2,252	2,433	2,252
- Others	2,341	2,183	2,341	2,183
Overheads	48,443	45,272	48,443	45,272

A20. ALLOWANCE FOR LOSSES ON LOANS AND FINANCING

The Group	Individual Quarter		Cumulative Quarter	
	30.6.05 RM'000	30.6.04 RM'000	30.6.05 RM'000	30.6.04 RM'000
Allowance/(Reversal of allowance) for bad and doubtful debts and financing:				
Specific allowance - net	33,613	9,979	33,613	9,979
Allowance during the period	38,385	14,019	38,385	14,019
Amount written back in respect of recoveries and reversals	(4,772)	(4,040)	(4,772)	(4,040)
General allowance	(1,311)	(4,771)	(1,311)	(4,771)
Bad debts and financing				
Written off	-	252	-	252
Recovered	(1,176)	(6,051)	(1,176)	(6,051)
	31,126	(591)	31,126	(591)

A21. SEGMENTAL INFORMATION

(A) BY BUSINESS SEGMENT

	Individual Quarter		Cumulative Quarter	
	30.6.05	30.6.04	30.6.05	30.6.04
	RM'000	RM'000	RM'000	RM'000
Merchant banking				
Revenue	235,955	183,181	235,955	183,181
Profit before taxation	81,628	43,826	81,628	43,826
Offshore banking				
Revenue	10,312	9,735	10,312	9,735
Profit/(loss) before taxation	(814)	1,301	(814)	1,301
Fund management				
Revenue	8,632	5,975	8,632	5,975
Profit before taxation	3,747	2,155	3,747	2,155
Broking				
Revenue	18,712	19,296	18,712	19,296
Profit before taxation	1,794	9,253	1,794	9,253
Others				
Revenue	2,452	72	2,452	72
Profit/(Loss) before taxation	2,372	(58)	2,372	(58)
Total before consolidation adjustments				
Revenue	276,063	218,259	276,063	218,259
Profit before taxation	88,727	56,477	88,727	56,477
Consolidation adjustments				
Revenue	(4,088)	(22,214)	(4,088)	(22,214)
Profit before taxation	(663)	(3,488)	(663)	(3,488)
Total after consolidation adjustments				
Revenue	271,975	196,045	271,975	196,045
Profit before taxation	88,064	52,989	88,064	52,989

Included in the above is Islamic banking operations profit before taxation of RM21.4 million for the quarter and period ended 30 June 2005.

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 period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group for the current financial period.

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

The were no material changes in the composition of the Group and the Company for the current financial period.

A25. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the merchant banking subsidiary company, AmMerchant Bank and the offshore banking subsidiary company in Labuan, AmInternational (L) Ltd (“AmInternational”) make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the Group’s assets.

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

TheGroup	30.6.05			31.3.05		
	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
Derivative Financial Instruments						
Interest rate related contracts:						
Interest rate futures	763,980	-	-	550,000	-	-
Interest rate swaps:						
Related companies	1,800,000	41,067	8,214	1,700,000	34,063	6,813
Others	6,128,515	129,670	31,711	5,870,207	118,218	26,931
Foreign exchange related contracts:						
Forward exchange contracts	2,654,135	31,067	6,213	1,543,738	17,490	3,498
Cross currency swaps	387,600	36,328	7,266	463,600	32,512	6,502
Malaysian Government securities futures	-	-	-	27,900	-	-
	<u>11,734,230</u>	<u>238,132</u>	<u>53,404</u>	<u>10,155,445</u>	<u>202,283</u>	<u>43,744</u>
Commitments						
Irrevocable commitments to extend credit maturing :						
- within one year	699,429	-	-	747,783	-	-
- more than one year	258,457	129,228	128,927	229,203	114,602	114,286
Sale and buy back agreements	2,196,982	2,196,982	1,016,013	1,797,884	1,797,884	965,427
Forward purchase commitments	160,746	160,746	5,593	113,040	113,040	20,285
	<u>3,315,614</u>	<u>2,486,956</u>	<u>1,150,533</u>	<u>2,887,910</u>	<u>2,025,526</u>	<u>1,099,998</u>
Contingent Liabilities						
Guarantees given on behalf of customers	877,648	877,648	764,789	969,181	969,181	824,906
Underwriting liabilities	1,167,351	583,676	561,990	317,069	158,535	137,317
Certain transaction-related contingent items	511,889	255,945	214,461	495,392	247,696	217,744
	<u>2,556,888</u>	<u>1,717,269</u>	<u>1,541,240</u>	<u>1,781,642</u>	<u>1,375,412</u>	<u>1,179,967</u>
	<u>17,606,732</u>	<u>4,442,357</u>	<u>2,745,177</u>	<u>14,824,997</u>	<u>3,603,221</u>	<u>2,323,709</u>

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

As required, the merchant banking subsidiary company, 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 4 August 2005, derivative financial instruments outstanding are as follows:

The Group

Items	Principal Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	>1 - 5 years RM'000	>5 years RM'000	Margin requirement
Interest rate related contracts:								
Interest rate futures	728,980	-	163,980	178,000	106,000	281,000	-	2,239
Interest rate swaps	8,075,515	90,000	300,000	650,000	2,582,000	4,203,515	250,000	2,914
Foreign exchange related contracts:								
Forward exchange contracts	2,500,787	763,453	1,248,265	376,229	112,840	-	-	894
Cross currency swaps	382,551	-	-	-	112,515	270,036	-	592
Malaysian Government Securities futures	30	-	30	-	-	-	-	4
Total	11,687,863	853,453	1,712,275	1,204,229	2,913,355	4,754,551	250,000	6,643

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.

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 RM2,386,817 (RM5,392,001 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 4 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 (RM20,257,362 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.

	<-----Non-trading book ----->									
The Group	Up to 1	>1 - 3	>3 - 6	>6 - 12	1 - 5	Over 5	Non-	Trading		Effective
30.6.05	month	months	months	months	years	years	interest	book	Total	interest
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	sensitive	RM'000	RM'000	rate
							RM'000			%
ASSETS										
Cash and short-term funds	1,781,352	-	-	-	-	-	651,717	-	2,433,069	2.96
Securities purchased under resale agreements	324,253	-	-	-	-	-	-	-	324,253	2.50
Deposits and placements with banks and other financial institutions	-	1,174,181	-	-	-	-	30,000	-	1,204,181	3.16
Securities held-for-trading	-	-	-	-	-	-	178,676	3,133,201	3,311,877	4.29
Securities available-for-sale	19,000	-	-	-	575,354	299,039	529	-	893,922	4.66
Securities held-to-maturity	-	-	175,467	-	429,076	261,075	487,936	-	1,353,554	6.28
Loans, advances and financing:										
- performing	1,982,430	1,058,453	161,546	106,684	185,623	34,612	386,737	-	3,916,085	6.23
- non-performing *							406,353	-	406,353	-
Amount due from Originators	-	-	-	8,314	111,794	-	-	-	120,108	4.29
Other non-interest sensitive balances	60,016	985	-	-	-	-	812,757	-	873,758	-
TOTAL ASSETS	4,167,051	2,233,619	337,013	114,998	1,301,847	594,726	2,954,705	3,133,201	14,837,160	
LIABILITIES AND SHAREHOLDERS' FUNDS										
Deposits from customers	2,487,068	1,608,077	584,012	128,421	867	-	371,515	-	5,179,960	2.80
Deposits and placements of banks and other financial institutions	1,326,628	1,123,822	181,482	396,878	910,000	599,284	180,004	-	4,718,098	2.84
Obligations on securities sold under repurchase agreements	1,441,559	22,294	75	-	-	-	22	-	1,463,950	2.61

The Group 30.6.05	<-----Non-trading book ----->							Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
Acceptances payable	753	1,679	763	-	-	-	-	-	3,195	4.95
Recourse obligations on loans sold to Cagamas Berhad	-	-	-	8,314	111,794	-	-	-	120,108	4.29
Term loans	285,000	-	-	-	-	-	-	-	285,000	2.98
Subordinated certificates of deposits	-	-	-	198,876	-	-	-	-	198,876	8.85
Redeemable unsecured subordinated bonds	-	-	-	-	-	460,000	-	-	460,000	6.00
Other non-interest sensitive balances	5,853	-	-	-	-	-	395,141	-	400,994	-
Total Liabilities	5,546,861	2,755,872	766,332	732,489	1,022,661	1,059,284	946,682	-	12,830,181	
Minority interests	-	-	-	-	-	-	7,428	-	7,428	-
Shareholders' funds	-	-	-	-	-	-	1,999,551	-	1,999,551	-
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	5,546,861	2,755,872	766,332	732,489	1,022,661	1,059,284	2,953,661	-	14,837,160	
On-balance sheet interest sensitivity gap	(1,379,810)	(522,253)	(429,319)	(617,491)	279,186	(464,558)	1,044	3,133,201	-	
Off-balance sheet interest sensitivity gap	(1,121,948)	(975,536)	(50,977)	305,178	(66,724)	1,910,536	-	(529)	-	
Total interest sensitivity gap	(2,501,758)	(1,497,789)	(480,296)	(312,313)	212,462	1,445,978	1,044	3,132,672	-	
Cumulative interest rate sensitivity gap	(2,501,758)	(3,999,547)	(4,479,843)	(4,792,156)	(4,579,694)	(3,133,716)	(3,132,672)	-		

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

Group	<-----Non-trading book ----->							Trading book	Total	Effective interest rate %
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years	Non-interest sensitive			
31.3.05	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
ASSETS										
Cash and short-term funds	2,044,169	-	-	-	-	-	634,383	-	2,678,552	3.05
Securities purchased under resale agreements	139,931	-	-	-	-	-	-	-	139,931	2.87
Deposits and placements with banks and other financial institutions	-	322,033	38,000	-	-	-	33,100	-	393,133	2.87
Securities held-for-trading	-	-	-	-	-	-	166,024	3,433,294	3,599,318	4.02
Securities available-for-sale	-	-	18,999	-	581,644	252,687	-	-	853,330	4.66
Securities held-to-maturity	-	-	85,803	118,467	430,592	266,431	492,246	-	1,393,539	4.22
Loans, advances and financing:										
- performing	2,270,670	301,276	102,740	439,883	200,185	109,066	499,815	-	3,923,635	6.20
- non-performing *	-	-	-	-	-	-	612,414	-	612,414	-
Amount due from Originators	-	3,363	-	7,684	121,751	-	-	-	132,798	4.29
Other non-interest sensitive balances	-	-	-	-	-	-	918,644	-	918,644	-
TOTAL ASSETS	4,454,770	626,672	245,542	566,034	1,334,172	628,184	3,356,626	3,433,294	14,645,294	
LIABILITIES AND SHAREHOLDERS' FUNDS										
Deposits from customers	2,908,706	1,489,221	477,496	106,632	500	-	311,881	-	5,294,436	2.90
Deposits and placements of banks and other financial institutions	1,181,315	660,229	698,548	362,784	709,999	599,260	355,623	-	4,567,758	3.39
Obligations on securities sold under repurchase agreements	1,424,363	3,327	101	-	-	-	-	-	1,427,791	2.59

Group 31.03.05	<-----Non-trading book ----->							Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
Acceptances payable	996	1,456	734	-	-	-	-	-	3,186	4.91
Recourse obligations on loans sold to Cagamas Berhad	-	3,361	-	7,684	121,753	-	-	-	132,798	4.29
Term loans	-	-	285,000	-	-	-	-	-	285,000	2.98
Subordinated certificates of deposits	-	-	-	198,768	-	-	-	-	198,768	8.85
Redeemable unsecured subordinated bonds	-	-	-	-	460,000	-	-	-	460,000	6.50
Other non-interest sensitive balances	-	-	-	-	-	-	631,259	-	631,259	-
Total Liabilities	5,515,380	2,157,594	1,461,879	675,868	1,292,252	599,260	1,298,763	-	13,000,996	
Minority interests	-	-	-	-	-	-	6,594	-	6,594	-
Shareholders' funds	-	-	-	-	-	-	1,637,704	-	1,637,704	-
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	5,515,380	2,157,594	1,461,879	675,868	1,292,252	599,260	2,943,061	-	14,645,294	
On-balance sheet interest sensitivity gap	(1,060,610)	(1,530,922)	(1,216,337)	(109,834)	41,920	28,924	413,565	3,433,294	-	
Off-balance sheet interest sensitivity gap							-	-	-	
Total interest sensitivity gap	(1,060,610)	(1,530,922)	(1,216,337)	(109,834)	41,920	28,924	413,565	3,433,294	-	
Cumulative interest rate sensitivity gap	(1,060,610)	(2,591,532)	(3,807,869)	(3,917,703)	(3,875,783)	(3,846,859)	(3,433,294)	-		

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

A29. CAPITAL ADEQUACY

The capital adequacy ratio of the Group as at 30 June 2005 is analysed as follows:

	30.6.05	31.3.05
	RM'000	RM'000
Tier 1 capital		
Paid-up ordinary share capital	1,320,000	1,109,442
Share premium	80,496	-
Capital reserve	60,284	60,284
Statutory reserve	300,000	300,000
Available for sale reserve	(8,787)	-
Exchange fluctuation reserve	(4,788)	(4,519)
Unappropriated profit at end of period	252,346	185,343
Minority interests	7,428	6,594
	<u>2,006,979</u>	<u>1,657,144</u>
Less:		
Goodwill	(78,591)	(79,805)
Deferred tax assets, net	(75,994)	(77,909)
Total Tier 1 capital	<u>1,852,394</u>	<u>1,499,430</u>
Tier 2 capital		
Subordinated certificates of deposits	198,650	198,650
Redeemable unsecured subordinated bonds	460,000	460,000
General allowance for bad and doubtful debts	67,780	69,091
Total Tier 2 capital	<u>726,430</u>	<u>727,741</u>
Total capital funds	2,578,824	2,227,171
Less: Investment in capital of related financial institutions	(460,000)	(460,000)
Capital base	<u>2,118,824</u>	<u>1,767,171</u>
Capital Ratios:		
Core capital ratio	14.56%	14.45%
Risk-weighted capital ratio	<u>16.66%</u>	<u>17.04%</u>

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

	30.06.05		31.03.05	
	Principal	Risk-Weighted	Principal	Risk-Weighted
	Amount	Amount	Amount	Amount
	RM'000	RM'000	RM'000	RM'000
0%	3,769,717	-	3,589,931	-
10%	110,929	11,093	84,684	8,468
20%	5,222,986	1,044,597	4,610,521	922,104
50%	256,526	128,263	258,419	129,210
100%	9,321,246	9,321,246	9,310,824	9,310,824
	<u>18,681,404</u>	<u>10,505,199</u>	<u>17,854,379</u>	<u>10,370,606</u>
Less : Reversal of RWA for credit risk		(3,363,682)		
Add: Total RWA equivalent to market risk		<u>5,578,307</u>		
		12,719,824		

A30. OPERATIONS OF ISLAMIC BANKING

UNAUDITED BALANCE SHEET AS AT 30 JUNE 2005

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
ASSETS		
Cash and short-term funds	629,606	581,950
Deposit and placements with banks and other financial institutions	30,000	33,100
Securities held-for-trading	178,676	166,024
Securities available-for-sale	19,600	-
Financing activities	419,897	511,940
Statutory deposit with Bank Negara Malaysia	14,500	14,500
Other receivables, deposits and prepayments	2,610	3,218
Deferred tax assets	2,678	2,678
Property and equipment	37	41
TOTAL ASSETS	1,297,604	1,313,451
LIABILITIES AND ISLAMIC BANKING FUNDS		
Deposits from customers	371,515	311,881
Deposits and placements of banks and other financial institutions	180,004	355,623
Converted fund	377,673	301,677
Other liabilities	147,044	139,545
Total Liabilities	1,076,236	1,108,726
ISLAMIC BANKING FUNDS		
Capital funds	100,950	100,000
Unappropriated profit	120,418	104,725
Islamic Banking Funds	221,368	204,725
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	1,297,604	1,313,451
COMMITMENTS AND CONTINGENCIES	2,610,499	2,287,399

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

The Group	Individual Quarter		Cumulative Quarter	
	30.6.05	30.6.04	30.6.05	30.6.04
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of				
depositors' funds and others	9,093	12,527	9,093	12,527
Allowance for losses on financing	(2,082)	(8,924)	(2,082)	(8,924)
Transfer from/(to) profit equalisation reserve	889	(772)	889	(772)
Total attributable income	7,900	2,831	7,900	2,831
Income attributable to depositors	(7,213)	(8,860)	(7,213)	(8,860)
Income/(Loss) attributable to the Group	687	(6,029)	687	(6,029)
Income derived from investment of				
Islamic Banking Funds	21,592	10,970	21,592	10,970
Total net income	22,279	4,941	22,279	4,941
Other operating expenses	(841)	(894)	(841)	(894)
Profit before taxation	21,438	4,047	21,438	4,047
Taxation	(5,992)	(1,089)	(5,992)	(1,089)
Profit after taxation	15,446	2,958	15,446	2,958

A30a FINANCING ACTIVITIES

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
Term financing		
Syndicated financing	412,174	500,660
Other	5,717	7,024
Revolving credit	34,236	34,404
Gross financing	452,127	542,088
Allowance for bad and doubtful debts and financing :		
-general	(6,394)	(7,796)
-specific	(25,836)	(22,352)
	(32,230)	(30,148)
Net financing	419,897	511,940
Movements in non-performing financing as are follows:		
Gross		
Balance at beginning of period/date of incorporation	42,273	-
Arising on acquisition of related merchant banking and securities company	-	45,037
	42,273	45,037
Non-performing during the period	712	40
Debt equity conversion	-	(2,178)
Recoveries	(3,509)	(556)
Reclassified as performing during the period	-	(70)
Balance at end of period	39,476	42,273
Specific allowance	(25,836)	(22,352)
Net non-performing financing	13,640	19,921
Ratio of net non-performing financing to total financing - net	3.20%	3.83%
Movements in allowances for bad and doubtful financing are as follows:		
General Allowance		
Balance at beginning of period/date of incorporation	7,796	-
Arising on acquisition of related merchant banking and securities company	-	8,962
Reversal of allowance during the period	(1,402)	(1,166)
Balance at end of period	6,394	7,796
% of total financing less specific allowance	1.50%	1.50%
Specific Allowance		
Balance at beginning of period/date of incorporation	22,352	-
Arising on acquisition of related merchant banking and securities company	-	11,452
Allowance made during the period	3,484	32,509
Amount written off	-	(21,609)
Balance at end of period	25,836	22,352

A30b DEPOSITS FROM CUSTOMERS

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
Mudarabah Special Investment deposits	371,515	311,881

A30c. OTHER LIABILITIES

	The Group	
	30.6.05	31.3.05
	RM'000	RM'000
Other payables and accruals	139,705	92,704
Taxation and zakat payable	6,033	44,646
Profit equalisation reserve	1,306	2,195
	<u>147,044</u>	<u>139,545</u>

A31. CHANGE IN ACCOUNTING POLICIES

(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 movements 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 costs (less impairment losses) if the fair value cannot be reliably measured. Any gain or loss arising from a change in fair value are recognised directly in equity through the statement of changes in equity, until the financial asset is sold, collected, disposed off or impaired, at which time the cumulative gain or loss previously recognised in equity will be transferred to the income statements.

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

Fair value hedge

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

Cash flow hedge

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

- 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 set-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 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
Balance Sheet			
As at 31 March 2005			
Dealing securities	2,786,435	(2,786,435)	-
Investment securities	3,071,624	(3,071,624)	-
Securities held-for-trading	-	3,599,318	3,599,318
Securities available-for-sale	-	853,330	853,330
Securities held-to-maturity	-	1,393,539	1,393,539
Other assets	564,216	838	565,054
Deferred tax assets	78,677	(1,812)	76,865
Reserves	541,108	(12,846)	528,262

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

The Group recorded a substantial increase in pretax profit of RM88.1 million for the quarter ended 30 June 2005 as compared to RM53.0 million in the corresponding quarter ended 30 June 2004. Accordingly, the Group net profit for the three months period ended 30 June 2005 was also higher at RM63.2 million, 72.3% up from RM36.7 million for the corresponding quarter ended 30 June 2004. The improvement in profit is mainly due to improvement in net income from Islamic banking operations and other operating income. The increase in other operating income is mainly due to higher fees on loans and advances and the treasury trading activities, but reduced by RM31.7 million increased in loans loss provisions in respect of non-performing loans in arrears of 7 years and beyond.

The Group's risk weighted capital ratio and shareholders' funds stood at 16.66% and RM1,999.6 million as at 30 June 2005, respectively. As at 30 June 2005, the Group's net non-performing loans ratio further declined to 10.80% as compared to 14.80% as at 31 March 2005.

The merchant banking operations reported a pretax profit of RM81.6 million, 86.3% up from RM43.8 million for the corresponding quarter. The improvement in profit is due to the increase in net income from Islamic banking operations, fee income and investment and trading income.

Despite the liberalisation of brokerage commission rates, the stockbroking operations reported a pretax profit of RM1.8 million for the quarter.

Total funds under management, both unit trust and institutional funds stood at RM8.3 billion as at end-June 2005 and reported pretax profit of RM3.7 million for the quarter ended 30 June 2005.

The offshore banking operations of the Group reported a pretax loss of RM0.8 million for the quarter mainly due to lower net fund income and loss 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 quarter have not been substantial affected by any item.

B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION

The Group registered a pretax profit of RM88.1 million for the first quarter ended 30 June 2005 due to higher net interest income, net income from Islamic Banking Operations and the treasury trading activities.

For the quarter, the pretax profit was however reduced by the higher loans loss provisions in respect of non-performing loans in arrears of 7 years and beyond.

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.

The Group's merchant banking arm will continue to focus on corporate advisory, equity capital market, debt capital market and treasury services. With its strong market presence and greater promotion of Islamic banking, the merchant bank aims to continue playing a leading role in Islamic capital market activities by adding new Islamic financial solutions and products to its customers.

Despite an increasingly deregulated and liberalised operating environment with lower commission rates and the entry of foreign stockbroker, the Group's stockbroking operation, with its strong capitalisation, high operational efficiency, is well-positioned to face the challenges arising from the recent liberalisation of the Malaysian financial markets. For the fund management division, the Group will leverage on its expertise in introducing innovative investment products to further enhance its market position in the retail unit trust business and diversify its clients portfolio of assets under management to enhance returns.

Going forward, the Group would look towards further expanding its business activities through its existing operations in Singapore and Indonesia. The Group envisions that regional presence will give the Group an opportunity in securing cross-border transactions.

B4. VARIANCE FROM PROFIT FORECAST AND SHORTFALL FROM PROFIT GUARANTEE

For the first quarter ended 30 June 2005, AIGB Group achieved a profit before taxation of 88.1 million, representing 26.1% of the Prospectus' forecasted profit before taxation of RM337.8 million for the full year ending 31 March 2006.

B5. TAXATION

The Group	Individual Quarter		Cumulative Quarter	
	30.6.05 RM'000	30.6.04 RM'000	30.6.05 RM'000	30.6.04 RM'000
Estimated current tax payable	23,986	16,948	23,986	16,948
Share in taxation of associated companies incorporated in Malaysia	34	1,010	34	1,010
	<u>24,020</u>	<u>17,958</u>	<u>24,020</u>	<u>17,958</u>
Underprovision of current taxation in respect of prior years	-	(453)	-	(453)
Total	<u>24,020</u>	<u>17,505</u>	<u>24,020</u>	<u>17,505</u>

The total tax charge of the Group for the financial quarter ended 30 June 2005 reflects an effective tax rate which is lower than the statutory tax rate due mainly to certain income not subject to tax and the effect of different tax rates incurred by the offshore banking operations in Labuan.

The total tax charge of the Group for the financial quarter ended 30 June 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	
	30.6.05 RM'000	30.6.04 RM'000	30.6.05 RM'000	30.6.04 RM'000
Net gain from securities held-for-trading	6,634	2,522	6,634	2,522
Impairment (loss)/writeback 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 proposal announced but not completed is as follows:

On 27 July 2005, AmMerchant Bank Berhad ("AmMerchant Bank"), a wholly-owned subsidiary of the Company, 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 ("Propose 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	
	30.6.05	31.3.05
	RM'000	RM'000
(i) Deposits from customers		
Due within six months	5,030,685	5,161,661
Six months to one year	148,408	132,275
One year to three	567	200
Three to five years	300	300
	<u>5,179,960</u>	<u>5,294,436</u>
(ii) Deposits and placements of banks and other financial institutions		
Due within six months	2,799,036	2,885,765
Six months to one year	409,778	363,196
One year to three years	905,000	514,537
Three to five years	604,284	804,260
Total	<u>4,718,098</u>	<u>4,567,758</u>
<i>Recap :</i>		
<i>Interbank lendings</i>	3,522,147	2,931,424
<i>Interbank borrowings</i>	(557,160)	(273,140)
<i>Net interbank lendings</i>	<u>2,964,987</u>	<u>2,658,284</u>
(iii) Unsecured subordinated certificate of deposits		
More than one year	<u>198,876</u>	<u>198,768</u>
(iv) Term loans		
Due within one year		
Secured	<u>285,000</u>	<u>285,000</u>
(v) Redeemable unsecured subordinated bonds		
More than one year	<u>460,000</u>	<u>460,000</u>

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)

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.

The Group	Individual Quarter		Cumulative Quarter	
	30.6.05 RM'000	30.6.04 RM'000	30.6.05 RM'000	30.6.04 RM'000
Net profit attributable to shareholders of the Company	63,210	36,686	63,210	36,686
Less: Interest on ICULS	-	(1,795)	-	(1,795)
Net profit attributable to shareholders of the Company after interest on ICULS	63,210	34,891	63,210	34,891
Number of ordinary shares at beginning of period	1,109,442	1,109,442	1,109,442	1,109,442
Effect of ordinary shares issued	120,318	-	120,318	-
Weighted average number of ordinary shares in issue	1,229,760	1,109,442	1,229,760	1,109,442
Basic earnings per share (sen)	5.14	3.14	5.14	3.14

There are no dilutive potential ordinary shares during the financial quarter and period.

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

Date : 10 August 2005