

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

	Note	The Group	
		30.9.05	31.3.05
		RM'000	RM'000
ASSETS			
Cash and short-term funds		6,264,978	7,778,102
Securities purchased under resale agreements		212,769	147,520
Deposits and placements with banks and other financial institutions		1,593,078	781,552
Securities held-for-trading	A8	5,089,181	3,825,194
Securities available-for-sale	A9	1,112,248	949,713
Securities held-to-maturity	A10	2,693,418	2,797,850
Loans, advances and financing	A11	44,061,962	40,099,556
Other assets	A12	1,158,716	1,171,927
Goodwill on consolidation		547,159	523,046
Statutory deposits with Bank Negara Malaysia		1,678,872	1,545,877
Deferred tax assets		920,047	984,745
Investments in associated companies		39,903	38,715
Property and equipment		480,220	480,366
Life fund assets		1,049,186	940,379
TOTAL ASSETS		66,901,737	62,064,542
LIABILITIES AND SHAREHOLDERS' FUNDS			
Deposits from customers	A13	37,470,677	34,447,340
Deposits and placements of banks and other financial institutions	A14	13,316,680	12,186,531
Obligations on securities sold under repurchase agreements		1,883,643	1,450,886
Bill and acceptances payable		681,709	518,938
Recourse obligation on loans sold to Cagamas Berhad		2,131,360	2,786,448
Other liabilities	A15	2,324,606	1,992,213
Term loans		474,161	1,252,500
Subordinated certificates of deposits		199,266	198,768
Subordinated term loan		680,000	680,000
Redeemable unsecured subordinated bonds		803,064	801,481
Life fund liabilities		127,599	121,266
Life policyholder funds		921,587	819,112
Total Liabilities		61,014,352	57,255,483
Minority interests		1,035,568	36,347
Share capital		2,130,534	2,130,534
Reserves		2,721,283	2,642,178
Shareholders' funds		4,851,817	4,772,712
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		66,901,737	62,064,542
COMMITMENTS AND CONTINGENCIES	A25	29,749,376	23,944,919
CAPITAL ADEQUACY	A29		
Before deducting proposed final dividends			
Core capital ratio (%)		8.11%	6.98%
Risk-weighted capital ratio (%)		12.19%	11.55%
After deducting proposed final dividends			
Core capital ratio (%)		8.11%	6.85%
Risk-weighted capital ratio (%)		12.19%	11.42%
NET TANGIBLE ASSETS PER SHARE (RM)		2.02	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 SEPTEMBER 2005

The Group	Note	Individual Quarter		Cumulative Quarter	
		30.9.05	30.9.04	30.9.05	30.9.04
		RM'000	RM'000	RM'000	RM'000
Revenue		1,125,724	1,030,635	2,263,035	2,007,406
Interest income	A16	745,573	709,115	1,505,589	1,453,983
Interest expense	A17	(418,790)	(394,500)	(813,080)	(778,376)
Net interest income		326,783	314,615	692,509	675,607
Net income from Islamic Banking Operations		136,417	112,327	274,817	218,352
Other operating income	A18	243,734	209,193	482,629	335,071
Net income		706,934	636,135	1,449,955	1,229,030
Other operating expenses	A19	(367,613)	(341,921)	(736,116)	(650,992)
Operating profit		339,321	294,214	713,839	578,038
Allowance for losses on loans and financing	A20	(142,585)	(118,783)	(321,977)	(262,383)
Impairment writeback/(loss) on:					
Securities held-to-maturity		28,301	(16,518)	27,089	(16,486)
Assets acquired in exchange of debts		660	-	-	-
Transfer to profit equalisation reserve (Allowance)/Writeback of allowance for doubtful sundry receivables - net		(7,209)	58	(15,350)	581
Provision for commitments		(502)	-	(439)	-
Profit before share in results of associated companies		203,974	135,963	395,578	260,441
Share in results of associated companies		728	(8)	1,499	217
Profit before taxation		204,702	135,955	397,077	260,658
Taxation	B5	(64,647)	(52,774)	(134,583)	(100,075)
Profit after taxation but before minority interests		140,055	83,181	262,494	160,583
Minority shareholders' interests in results of subsidiary companies		(39,387)	(22,859)	(55,308)	(48,876)
Profit attributable to the Shareholders'		100,668	60,322	207,186	111,707
EARNINGS PER SHARE (SEN)	B13				
Basic		4.73	3.24	9.72	6.00
Fully diluted		4.68	3.12	9.63	5.78

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 SEPTEMBER 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	-	-	-	-	-	-	2,240	2,240
At 1 April 2004 (restated)	1,858,806	125,284	263,058	1,164,073	-	19,604	599,876	4,030,701
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	(18,530)	-	-	(18,530)
Issue of shares pursuant to :								
- exercise of share options	7,546	-	10,278	-	-	-	-	17,824
- exercise of Warrants 2003/2008	1	-	2	-	-	-	-	3
Translation adjustment	-	-	-	-	-	408	-	408
Profit for the period	-	-	-	-	-	-	111,707	111,707
Dividends paid	-	-	-	-	-	-	(53,534)	(53,534)
At 30 September 2004	1,866,353	125,284	273,338	1,164,073	(18,530)	20,012	658,049	4,088,579

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 SEPTEMBER 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 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 gain on revaluation of securities available-for-sale	-	-	-	-	7,087	-	-	7,087
Translation adjustments	-	-	-	-	-	(1,690)	-	(1,690)
Profit for the period	-	-	-	-	-	-	207,186	207,186
Proposed dividends	-	-	-	-	-	-	(61,359)	(61,359)
At 30 September 2005	2,130,534	(65,224)	791,461	913,438	(7,078)	13,396	1,075,290	4,851,817

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 SEPTEMBER 2005

The Group	Cumulative Quarter	
	30.9.05	30.9.04
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	397,077	260,658
Add adjustments for non-operating and non cash items	494,325	532,087
Operating profit before working capital	891,402	792,745
(Increase)/Decrease in operating assets	(6,932,416)	233,450
Increase/(Decrease) in operating liabilities	3,593,782	(1,085,286)
Cash used in operations	(2,447,232)	(59,091)
Taxation paid	(62,064)	(45,222)
Net cash used in operating activities	(2,509,296)	(104,313)
Net cash generated from investing activities	158,157	7,559
Net cash generated from financing activities	850,571	17,038
	1,008,728	24,597
Net decrease in cash and cash equivalents	(1,500,568)	(79,716)
Cash and cash equivalents at beginning of period	7,740,607	6,654,898
Cash and cash equivalents at end of period	6,240,039	6,575,182

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	
	30.9.05	30.9.04
	RM'000	RM'000
Cash and short term funds	6,264,978	6,591,840
Bank overdrafts	(24,460)	(16,451)
	6,240,518	6,575,389
Effect of exchange rates changes	(479)	(207)
Cash and cash equivalents	6,240,039	6,575,182

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 A31.

The Group is deemed by Bank Negara Malaysia to be in compliance with the requirement on the provision for loan impairment under the revised BNM/GP8 provided that the specific and general allowances are computed based on BNM/GP3 requirement and this basis is disclosed in the financial statement. The Group's computations for its specific and general allowances are made based on BNM/GP3 requirement and is consistent with the adoption made in the previous audited annual financial statements.

The unaudited condensed interim financial statements incorporates those activities relating to the Islamic Banking Operations which have been undertaken by the Group Islamic Banking Operations and refers generally to the acceptance of deposits, dealing in Islamic securities and granting of financing under the syariah principles.

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 periods that have a material effect on the financial quarter ended 30 September 2005 other than the adoption of the revised guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) issued by Bank Negara Malaysia which have been applied retrospectively.

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 period.

A8. SECURITIES HELD-FOR-TRADING

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
At Fair Value		
Money Market Securities:		
Treasury Bills	74,116	-
Islamic Treasury Bills	9,706	-
Malaysian Government Securities	1,076,155	568,082
Malaysian Government Investment Certificates	165,032	158,860
Cagamas bonds	290,516	264,837
Bank Negara Malaysia bills	245,385	-
Khazanah bonds	139,802	262,489
Negotiable instruments of deposits	757,345	758,452
Cagamas Mudharabah bearer bonds	38,140	-
Islamic Bank Negara Malaysia bills	173,910	56,323
Negotiable Islamic Debt Certificates	229,293	236,180
	<u>3,199,400</u>	<u>2,305,223</u>
Quoted securities:		
In Malaysia:		
Shares	287,133	224,551
Corporate bonds	22,401	22,272
Trust units	117,306	9,104
Loan stocks	1,115	1,613
Warrants	243	288
Outside Malaysia:		
Shares	5,535	4,088
	<u>433,733</u>	<u>261,916</u>
Unquoted securities	119,568	23,895
Unquoted guaranteed private debt securities	79,005	105,436
Unquoted private debt securities	1,257,475	1,128,724
	<u>1,456,048</u>	<u>1,258,055</u>
Total securities held-for-trading	<u>5,089,181</u>	<u>3,825,194</u>

A9. SECURITIES AVAILABLE-FOR-SALE

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
At Fair Value		
Money Market Securities:		
Malaysian Government Securities	229,312	269,048
Bank Negara Malaysia bills	74,854	-
	<u>304,166</u>	<u>269,048</u>
Quoted Securities In Malaysia:		
Corporate bonds	19,083	18,052
Unquoted Private Debt Securities In Malaysia:		
Islamic corporate notes	122,972	-
Corporate bonds	69,934	69,869
	<u>192,906</u>	<u>69,869</u>
Unquoted Guaranteed Private Debt Securities In Malaysia		
Shares	94,532	97,331
Corporate bonds	501,561	495,413
	<u>596,093</u>	<u>592,744</u>
Total securities available-for-sale	<u>1,112,248</u>	<u>949,713</u>

A10. SECURITIES HELD-TO-MATURITY

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
At Amortised Cost		
Money Market Securities		
Malaysian Government Securities	51,128	71,312
Negotiable instruments of deposits	28,072	16,957
Cagamas bonds	25,002	25,003
Khazanah bonds	9,853	9,644
Treasury bills	-	28,804
	<u>114,055</u>	<u>151,720</u>
Quoted Securities:		
In Malaysia:		
Shares	3,418	499
Corporate bonds	56,538	57,000
Outside Malaysia:		
Corporate bonds	-	19,000
	<u>59,956</u>	<u>76,499</u>
Unquoted securities	175,265	159,386
Quoted debt equity converted securities	968,289	1,037,987
Unquoted debt equity converted securities	1,610,001	1,684,962
Unquoted private debt securities	399,268	367,538
Unquoted guaranteed private debt securities	68,276	65,586
	<u>3,221,099</u>	<u>3,315,459</u>
Total	3,395,110	3,543,678
Accumulated impairment losses	(701,692)	(745,828)
Total securities held-to-maturity	<u>2,693,418</u>	<u>2,797,850</u>

A11. LOANS, ADVANCES AND FINANCING

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Loans and financing:		
Term loans and revolving credit	14,420,838	13,877,951
Housing loans	8,986,882	7,983,127
Staff loans	182,950	174,896
Hire-purchase receivables	23,059,096	19,489,344
Credit card receivables	2,073,551	1,933,644
Lease receivables	1,429,704	1,351,066
Overdrafts	813,058	833,066
Claims on customers under acceptance credits	823,540	812,888
Trust receipts	187,211	211,647
Block discount receivables	61,495	58,856
Factoring receivables	31,193	37,800
Bills receivable	10,152	10,635
	<u>52,079,670</u>	<u>46,774,920</u>
Less: Unearned interest and income	5,174,825	4,230,492
Total	<u>46,904,845</u>	<u>42,544,428</u>
Less:		
Allowance for bad and doubtful debts and financing:		
General	689,798	629,784
Specific	2,153,085	1,815,088
	<u>2,842,883</u>	<u>2,444,872</u>
Net loans, advances and financing	<u>44,061,962</u>	<u>40,099,556</u>

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

	The Group				Annualised Loans Growth
	30.9.05		31.3.05		
	RM'000	%	RM'000	%	
Purchase of transport vehicles	19,016,088	39.8	16,170,099	37.2	
Purchase of landed property:					
(a) Residential	8,899,011	18.7	8,142,728	18.7	
(b) Non-residential	1,687,357	3.5	1,635,181	3.8	
Construction	3,592,687	7.5	3,549,119	8.2	
Consumption credit	3,278,245	6.9	2,933,551	6.7	
Manufacturing	2,243,032	4.7	2,110,381	4.9	
General commerce	2,161,919	4.5	1,899,178	4.4	
Purchase of securities	1,876,988	3.9	1,813,347	4.2	
Finance, insurance and business services	962,754	2.0	914,270	2.1	
Real estate	918,195	1.9	1,011,965	2.3	
Investment holdings	736,836	1.5	782,084	1.8	
Transport, storage and communication	751,124	1.6	681,563	1.6	
Agriculture	708,933	1.5	791,801	1.8	
Community, social and personal services	400,289	0.8	364,843	0.8	
Electricity, gas and water	344,444	0.7	525,179	1.2	
Mining and quarrying	40,909	0.1	38,977	0.1	
Others	136,674	0.4	108,820	0.2	
Gross loans, advances and financing	<u>47,755,485</u>	<u>100.0</u>	<u>43,473,086</u>	<u>100.0</u>	
Less: Islamic financing sold to Cagamas Berhad	<u>850,640</u>		<u>928,658</u>		
	<u>46,904,845</u>		<u>42,544,428</u>		<u>10.2%</u>

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

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Domestic :		
Other non-bank financial institutions:		
Stockbroking companies	-	47,220
Others	455,362	269,194
Business enterprises:		
Small medium enterprises	3,489,850	3,382,052
Others	11,101,130	11,093,104
Government and statutory bodies	79,158	60,248
Individuals	31,241,152	27,139,489
Other domestic entities	361,131	363,665
Foreign entities	177,062	189,456
	<u>46,904,845</u>	<u>42,544,428</u>

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

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Variable rate		
BLR-plus	12,747,112	12,160,576
Hire purchase receivables	31,428	22,440
Cost-plus	4,605,759	4,461,582
Other variable rates	804,939	1,850,187
Fixed rate		
Housing loans	2,751,022	1,504,500
Hire purchase receivables	18,777,646	15,836,430
Lease receivables	1,435,789	1,364,564
Other fixed rates	5,751,150	5,344,149
	<u>46,904,845</u>	<u>42,544,428</u>

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

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Gross		
Balance at beginning of period/year		
As previously reported	7,597,662	10,285,713
Prior year's adjustments	-	(1,488,353)
As restated	<u>7,597,662</u>	<u>8,797,360</u>
Non-performing during the period/year	1,432,707	1,046,204
Amount written off	(38,041)	(479,527)
Recoveries	(349,974)	(708,873)
Reclassification to performing loans and financing	(1,688,867)	(939,782)
Debt equity conversion	(982)	(117,720)
Translation adjustments	(508)	-
Balance at end of period/year	<u>6,951,998</u>	<u>7,597,662</u>
Less: Specific allowance	<u>(2,153,085)</u>	<u>(1,815,088)</u>
Non-performing loans and financing - net	<u>4,798,913</u>	<u>5,782,574</u>
Ratios of non-performing loans and financing to total loans, advances and financing - net	<u>10.5%</u>	<u>13.8%</u>

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

	The Group			
	30.9.05		31.3.05	
	RM'000	%	RM'000	%
Purchase of transport vehicles	1,042,075	15.0	916,373	12.1
Purchase of landed property:				
(a) Residential	1,378,735	19.8	1,415,234	18.6
(b) Non-residential	682,284	9.8	702,784	9.3
Construction	1,234,504	17.8	1,332,735	17.5
Consumption credit	197,541	2.8	192,181	2.5
Manufacturing	359,745	5.2	529,269	7.0
General commerce	286,765	4.1	369,479	4.9
Purchase of securities	556,133	8.0	740,716	9.7
Finance, insurance and business services	253,447	3.6	253,331	3.3
Real estate	372,735	5.4	570,084	7.5
Investment holdings	96,045	1.4	87,623	1.2
Transport, storage and communication	80,358	1.2	125,452	1.7
Agriculture	89,153	1.3	52,665	0.7
Community, social and personal services	101,123	1.5	95,877	1.3
Electricity, gas and water	177,517	2.6	177,523	2.3
Mining and quarrying	16,044	0.2	14,987	0.2
Others	27,794	0.3	21,350	0.2
	6,951,998	100.0	7,597,662	100.0

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

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
General allowance		
Balance at beginning of period/year	629,784	601,279
Allowance during the period/year	60,045	28,505
Exchange fluctuation adjustment	(31)	-
Balance at end of period/year	689,798	629,784
% of total loans, advances and financing less specific allowances	1.51%	1.51%
Specific allowance		
Balance at beginning of period/year	1,815,088	1,780,316
Allowance during the period/year	650,279	1,405,335
Amount written back in respect of recoveries and reversals	(259,261)	(372,450)
Net charge to income statements	391,018	1,032,885
Amount written off	(48,644)	(1,058,371)
Reclassification (to)/from sundry receivables	(3,386)	40,635
Adjustment to deferred asset account	-	24,283
Exchange fluctuation adjustments	(9)	-
Debt equity conversion	(982)	(4,660)
Balance at end of period/year	2,153,085	1,815,088

A12. OTHER ASSETS

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Trade receivables, net of allowance for doubtful debts	230,009	261,958
Other receivables, deposits and prepayments, net of allowance for doubtful debts	373,450	339,008
Interest receivables on treasury assets, net of allowance for doubtful debts	86,361	74,576
Fee receivables, net of allowance for doubtful debts	30,827	39,660
Amount due from associated company	69	148
Amount due from Originators	110,683	132,798
Amount due from agents, brokers and reinsurer, net of allowance	53,322	50,532
Amount recoverable under asset-backed securitisation transactions, net of allowance	92,566	97,566
Foreclosed properties net of allowance for impairment in value	105,520	98,541
Deferred assets	75,909	77,140
	1,158,716	1,171,927

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	
	30.9.05	31.3.05
	RM'000	RM'000
Term/Investment deposits	31,322,586	29,556,983
Savings deposits	2,864,229	2,878,783
Current deposits	1,592,551	1,334,289
Negotiable instruments of deposits	1,691,311	677,285
	37,470,677	34,447,340

The deposits are sourced from the following types of customers:

Business enterprises	12,226,361	11,917,916
Individuals	19,050,706	18,241,104
Government	5,035,210	3,375,816
Others	1,158,400	912,504
	37,470,677	34,447,340

A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Deposits from:		
Licensed banks	2,517,734	2,828,564
Licensed merchant banks	925,359	90,265
Licensed finance companies	10,054	209,976
Bank Negara Malaysia	808,000	889,558
Other financial institutions	9,055,533	8,168,168
	13,316,680	12,186,531

A15. OTHER LIABILITIES

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Trade payables	304,988	258,242
Other payables and accruals	1,264,752	1,063,302
Interest payable on deposits and borrowings	281,128	276,362
Lease deposits and advance rentals	56,011	56,154
General insurance funds	196,429	173,212
Provision for commitments and contingencies	13,502	13,063
Bank overdrafts	24,460	37,192
Profit equalization reserve	119,845	112,261
Deferred tax liabilities	2,003	2,062
Proposed dividends	61,359	-
Tax payable	129	363
	2,324,606	1,992,213

A16. INTEREST INCOME

THE GROUP	Individual Quarter		Cumulative Quarter	
	30.9.05	30.9.04	30.9.05	30.9.04
	RM'000	RM'000	RM'000	RM'000
Short-term funds and deposits with financial institutions	48,285	47,416	98,473	95,901
Securities held-for-trading	39,797	59,806	78,392	105,222
Securities available for sale	10,286	1,221	12,587	11,703
Securities held-to-maturity	11,648	8,970	36,057	23,516
Loans and advances				
- Interest income other than recoveries from NPLs	549,565	550,524	1,151,486	1,108,628
- Recoveries from NPLs	80,505	47,949	144,579	126,852
Others	25,239	22,808	49,656	44,359
Gross interest income	765,325	738,694	1,571,230	1,516,181
Amortisation of premiums less accretion of discounts	(5,488)	(7,850)	(6,652)	(12,599)
Interest suspended	(14,264)	(21,729)	(58,989)	(49,599)
Total after net interest suspension	745,573	709,115	1,505,589	1,453,983

A17. INTEREST EXPENSE

THE GROUP	Individual Quarter		Cumulative Quarter	
	30.9.05	30.9.04	30.9.05	30.9.04
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	266,012	257,067	527,973	518,072
Deposit of banks and other financial institutions	47,121	38,000	82,287	55,545
Securities sold under repurchase agreements	11,863	8,643	22,296	18,364
Amount due to Cagamas Berhad	19,669	34,833	40,050	69,007
Bank borrowings:				
Term loans	5,874	6,565	15,210	13,251
Overdrafts	475	377	781	721
Subordinated deposits and term loans	15,523	15,514	30,640	30,946
Interest on Bonds	13,474	13,473	26,802	26,845
Others	38,779	20,028	67,041	45,625
	418,790	394,500	813,080	778,376

A18. OTHER OPERATING INCOME

THE GROUP	Individual Quarter		Cumulative Quarter	
	30.9.05	30.9.04	30.9.05	30.9.04
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Fees on loans and advances	26,172	19,006	59,489	36,760
Corporate advisory	5,007	5,552	10,188	11,897
Guarantee fees	4,197	3,479	7,353	6,677
Underwriting commissions	1,017	2,269	1,917	3,776
Portfolio management fees	1,797	2,336	3,835	4,816
Unit trust management fees	7,042	5,728	14,353	9,181
Brokerage rebates	200	4,822	322	9,420
Property trust management fees	494	490	988	980
Brokerage fees and commissions	11,304	10,710	21,772	24,051
Other fee income	15,622	8,192	30,352	16,958
	<u>72,852</u>	<u>62,584</u>	<u>150,569</u>	<u>124,516</u>
Investment and trading income:				
Net (loss)/gain from sale of securities held-for-trading	(9,883)	26,778	45,809	41,573
Net gain from sale of securities available-for-sale	61	315	61	315
Net gain from sale of securities held-to-maturity	4,276	635	4,811	821
Gain on redemption of investments	7,162	773	7,162	773
Unrealised gain/(loss) on revaluation of securities held for trading	55,273	25,220	60,902	(6,582)
Unrealised loss on revaluation of derivatives	(469)	(2,347)	(857)	(684)
Gross dividend income from:				
Securities held-for-trading	2,490	638	9,255	7,847
Securities held-to-maturity	11,571	14,970	12,901	16,804
	<u>70,481</u>	<u>66,982</u>	<u>140,044</u>	<u>60,867</u>
Premium income from general insurance business	<u>92,309</u>	<u>65,937</u>	<u>179,369</u>	<u>131,802</u>
Other income:				
Unrealised foreign exchange gain/(loss)	5,608	(2,146)	6,397	(2,020)
Gain on disposal of property and equipment - net	253	384	586	1,107
Gain on disposal of leased assets - net	-	1	-	3
Rental income	2,092	2,443	4,340	4,616
Capital gain arising from receipt of shares in Bursa Malaysia Berhad	-	12,727	-	12,727
(Loss)/Gain on sales of foreclosed properties	(335)	(62)	368	(71)
Other non-operating income	474	343	956	1,524
	<u>8,092</u>	<u>13,690</u>	<u>12,647</u>	<u>17,886</u>
	<u>243,734</u>	<u>209,193</u>	<u>482,629</u>	<u>335,071</u>

A19. OTHER OPERATING EXPENSES

THE GROUP	Individual Quarter		Cumulative Quarter	
	30.9.05	30.9.04	30.9.05	30.9.04
	RM'000	RM'000	RM'000	RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	121,215	90,012	223,956	169,766
- Others	6,037	21,783	35,963	47,535
Establishment costs				
- Depreciation	16,849	14,314	33,871	35,880
- Computerisation costs	20,565	14,740	37,282	34,832
- Rental	9,766	9,132	19,664	17,475
- Cleaning, maintenance and securities	7,086	6,806	12,641	11,575
- Impairment loss on property	-	28,386	-	28,386
- Others	3,975	4,639	10,023	12,248
Marketing and communication expenses				
- Sales commission	12,537	16,458	27,270	30,230
- Handling fees	35,686	25,636	70,154	50,661
- Advertising	20,748	9,627	35,667	18,501
- Telephone charges	3,782	3,895	8,901	7,913
- Postage	3,569	3,600	7,612	7,027
- Travel and entertainment	2,257	2,658	4,384	3,643
- Others	6,175	5,806	9,568	11,630
Administration and general				
- Amortisation of goodwill	6,944	3,582	13,575	7,164
- Professional services	10,085	8,583	18,921	17,086
- Donations	418	198	4,664	284
- Administration and management expenses	2,858	1,998	5,885	4,128
- Others	7,863	12,611	20,981	26,167
Overheads	298,415	284,464	600,982	542,131
Insurance commission	11,555	8,043	22,125	14,823
General insurance claims	57,643	49,414	113,009	94,038
	367,613	341,921	736,116	650,992

A20. ALLOWANCE FOR LOSSES ON LOANS AND FINANCING

THE GROUP	Individual Quarter		Cumulative Quarter	
	30.9.05	30.9.04	30.9.05	30.9.04
	RM'000	RM'000	RM'000	RM'000
Allowance/(Reversal of allowance) for bad and doubtful debts and financing:				
Specific allowance - net	171,565	180,716	391,018	392,245
Allowance during the period	398,725	262,518	650,279	572,433
Amount written back in respect of recoveries and reversal	(227,160)	(81,802)	(259,261)	(180,188)
General allowance	38,154	7,117	60,045	11,646
Bad debts and financing recovered - net written off	(67,134)	(69,050)	(129,086)	(141,508)
recovered	70	-	70	252
	(67,204)	(69,050)	(129,156)	(141,760)
	142,585	118,783	321,977	262,383

A21. SEGMENTAL INFORMATION

BY BUSINESS SEGMENT

	Individual Quarter		Cumulative Quarter	
	30.9.05	30.9.04	30.9.05	30.9.04
	RM'000	RM'000	RM'000	RM'000
Investment banking				
Revenue	248,635	247,836	512,100	439,707
Profit before taxation	93,920	91,694	181,089	147,435
Commercial and retail banking				
Revenue	780,170	718,200	1,572,580	1,447,075
Profit before taxation	87,735	51,283	202,648	128,352
Offshore banking				
Revenue	15,025	12,729	25,337	23,645
Profit before taxation	6,353	(458)	5,539	335
Insurance				
Revenue	97,756	67,988	193,846	142,915
Profit before taxation	16,427	2,525	26,816	6,049
Others				
Revenue	8,295	6,033	15,908	12,823
Loss before taxation	(242)	(3,184)	(6,286)	(5,749)
Total before consolidation adjustments				
Revenue	1,149,881	1,052,786	2,319,771	2,066,165
Profit before taxation	204,193	141,860	409,806	276,422
Consolidation adjustments				
Revenue	(24,157)	(22,151)	(56,736)	(58,759)
Profit before taxation	509	(5,905)	(12,729)	(15,764)
Total after consolidation adjustments				
Revenue	1,125,724	1,030,635	2,263,035	2,007,406
Profit before taxation	204,702	135,955	397,077	260,658

Included in the above is Islamic banking business profit before taxation of RM42.0 million for the quarter and RM108.1 million for the period ended 30 September 2005 (RM47.3 million for the quarter and RM89.2 million for the period ended 30 September 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 September 2005, the commitments and contingencies outstanding are as follows:

The Group	30.9.05			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	610,211	27	-	550,000	-	-
Interest rate swaps	7,818,190	147,508	31,584	6,306,407	124,318	28,151
Foreign exchange related contracts:						
Forward exchange contracts	2,121,196	28,944	7,860	1,745,473	19,433	5,910
Cross currency swaps	384,438	28,728	5,746	463,600	32,512	6,502
Malaysian Government securities futures	50,200	-	-	27,900	-	-
	<u>10,984,235</u>	<u>205,207</u>	<u>45,190</u>	<u>9,093,380</u>	<u>176,263</u>	<u>40,563</u>
Commitments						
Irrevocable commitments to extend credit maturing :						
within one year	9,643,918	-	-	6,929,341	-	-
more than one year	1,546,516	773,258	773,015	2,426,560	1,213,280	1,212,965
Sell and buy back agreements	2,428,413	2,428,413	1,053,693	1,797,884	1,797,884	965,427
Forward purchase commitments	323,716	323,716	32,051	113,040	113,040	20,285
	<u>13,942,563</u>	<u>3,525,387</u>	<u>1,858,759</u>	<u>11,266,825</u>	<u>3,124,204</u>	<u>2,198,677</u>
Contingent Liabilities						
Guarantees given on behalf of customers	1,214,392	1,214,392	972,110	1,305,373	1,305,373	1,092,854
Certain transaction-related contingent items	790,406	395,204	354,587	691,679	345,840	314,446
Underwriting liabilities	1,537,615	768,808	756,621	457,069	228,535	207,317
Short term self liquidating trade-related contingencies	384,516	76,903	76,903	169,913	33,983	12,879
Islamic financing sold to Cagamas	850,640	850,640	849,452	928,658	928,658	927,011
Others	45,009	250	150	32,022	250	150
	<u>4,822,578</u>	<u>3,306,197</u>	<u>3,009,823</u>	<u>3,584,714</u>	<u>2,842,639</u>	<u>2,554,657</u>
	<u>29,749,376</u>	<u>7,036,791</u>	<u>4,913,772</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 September 2005, other contingencies and commitments of the Group and of the Company are as follows:

- (a) The Company has given unsecured guarantees totalling RM547,100,000 (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

On 7 October, 2005 AmAssurance Berhad entered into a Sale and Purchase Agreements with Syarikat Kompleks Damai Sdn Bhd to purchase various floors of space in Bangunan AMDB for a total cash consideration of RM54,109,000.

A27. DERIVATIVE FINANCIAL INSTRUMENTS

As at 11 November 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	944,950	-	427,950	146,000	221,000	150,000	-	2,837
Interest rate swaps	8,519,888	245,000	190,000	620,000	2,192,000	5,022,888	250,000	2,924
Foreign exchange related contracts :								
Forward exchange contracts	2,927,941	1,550,145	614,874	558,634	111,440	92,848	-	408
Cross currency swaps	385,335	-	-	-	113,334	272,001	-	456
Malaysian Government Securities								
Futures	65,000	-	65,000	-	-	-	-	2
Total	12,843,114	1,795,145	1,297,824	1,324,634	2,637,774	5,537,737	250,000	6,627

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 11 November 2005, value at risk of foreign exchange-related derivatives contracts used for trading purposes of the Group was RM1,311,858 (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 RM7,830,846 (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 11 November 2005, the amounts of counterparty credit risk, measured in term of the cost to replace the profitable contracts of the Group was RM3,921,308 (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 RM'000	Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000				
30.9.05										
ASSETS										
Cash and short-term funds	5,471,972	-	-	-	-	-	793,006	-	6,264,978	2.86
Securities purchased under resale agreements	212,769	-	-	-	-	-	-	-	212,769	2.50
Deposits and placements with banks and other financial institutions	-	1,045,891	44,608	77,579	-	-	425,000	-	1,593,078	3.07
Securities held-for-trading							817,552	4,271,629	5,089,181	3.76
Securities available-for-sale	74,867	-	19,082	29,994	564,962	423,343	-	-	1,112,248	3.64
Securities held-to-maturity	61,659	165,982	4,936	334,522	1,110,544	131,934	883,841	-	2,693,418	6.16
Loans, advances and financing:										
- performing	11,286,463	1,798,838	451,027	484,290	7,827,819	10,141,323	7,963,086	-	39,952,846	7.03
- non-performing *	-	-	-	-	-	-	4,109,115	-	4,109,115	-
Amount due from Originators	-	-	5,028	4,893	100,762	-	-	-	110,683	4.29
Other non-interest sensitive balances	-	-	-	-	-	-	5,763,420	-	5,763,420	-
TOTAL ASSETS	17,107,730	3,010,711	524,681	931,278	9,604,087	10,696,600	20,755,021	4,271,629	66,901,737	
LIABILITIES AND SHAREHOLDERS' FUNDS										
Deposits from customers	14,648,446	6,372,815	4,792,440	6,193,013	1,517,940	3,000	3,943,023	-	37,470,677	2.85
Deposits and placements of banks and other financial institutions	2,931,912	1,177,799	1,126,634	754,007	1,859,807	1,407,307	4,059,214	-	13,316,680	2.63
Obligations on securities sold under repurchase agreements	1,690,613	192,859	171	-	-	-	-	-	1,883,643	2.63
Acceptances payable	159,803	265,532	74,178	-	-	-	182,196	-	681,709	2.92
Recourse obligation on loans sold to to Cagamas Berhad	39,968	80,317	126,466	425,823	1,458,786	-	-	-	2,131,360	3.80

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				
30.9.05	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Term loans	500	191,000	282,661	-	-	-	-	-	474,161	7.43
Subordinated certificates of deposits	-	-	-	199,266	-	-	-	-	199,266	8.85
Subordinated term loan	-	-	-	-	-	680,000	-	-	680,000	6.65
Redeemable unsecured bonds	-	-	-	-	143,064	660,000	-	-	803,064	7.24
Other non-interest sensitive balances	24,460	-	-	-	-	-	3,349,332	-	3,373,792	-
Total Liabilities	19,495,702	8,280,322	6,402,550	7,572,109	4,979,597	2,750,307	11,533,765	-	61,014,352	
Minority interests	-	-	-	-	-	-	1,035,568	-	1,035,568	-
Shareholders' funds	-	-	-	-	-	-	4,851,817	-	4,851,817	-
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	19,495,702	8,280,322	6,402,550	7,572,109	4,979,597	2,750,307	17,421,150	-	66,901,737	
On-balance sheet interest sensitivity gap	(2,387,972)	(5,269,611)	(5,877,869)	(6,640,831)	4,624,490	7,946,293	3,333,871	4,271,629	-	
Off-balance sheet interest sensitivity gap	42,427	1,061,180	(217,550)	35,664	(1,914,418)	1,997,040	-	(13,769)	990,574	
Total interest sensitivity gap	(2,345,545)	(4,208,431)	(6,095,419)	(6,605,167)	2,710,072	9,943,333	3,333,871	4,257,860	990,574	
Cumulative interest rate sensitivity gap	(2,345,545)	(6,553,976)	(12,649,395)	(19,254,562)	(16,544,490)	(6,601,157)	(3,267,286)	990,574		

* 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 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	Trading Book RM'000	Total RM'000	Effective interest rate %
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	3.79
Securities available-for-sale	-	-	18,999	-	601,717	328,997	-	-	949,713	3.67
Securities held-to-maturity	150,233	-	132,417	195,455	739,081	860,179	720,485	-	2,797,850	6.12
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	-
Amount due from Originators	-	3,363	-	7,684	121,751	-	-	-	132,798	4.29
Other non-interest sensitive balances	-	-	-	-	-	-	5,552,257	-	5,552,257	-
TOTAL ASSETS	19,128,468	1,855,831	1,283,101	1,980,273	10,092,239	4,359,046	20,260,580	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	RM'000				
31.3.05	RM'000	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	(7,014,956)	(4,143,610)	(4,297,646)	4,343,847	2,724,742	3,695,451	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	(6,596,853)	(4,186,613)	(4,322,300)	3,431,040	2,991,244	3,695,451	3,105,004	-	-	
Cumulative interest rate sensitivity gap	1,883,027	(4,713,826)	(8,900,439)	(13,222,739)	(9,791,699)	(6,800,455)	(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	
	30.9.05	31.3.05
	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	13,396	15,086
Available-for-sale reserve	(7,078)	-
Unappropriated profit at end of year	1,075,290	926,810
Minority interests	1,035,568	36,347
Total	<u>5,887,385</u>	<u>4,820,571</u>
Less : Goodwill	547,159	523,046
Deferred tax assets - net	918,044	984,870
Total tier 1 capital	<u>4,422,182</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	689,798	629,784
Total tier 2 capital	<u>2,228,448</u>	<u>2,168,434</u>
Capital base	<u>6,650,630</u>	<u>5,481,089</u>
Capital Ratios:		
Core capital ratio	8.11%	6.98%
Risk-weighted capital ratio	12.19%	11.55%
Core capital ratio (net of proposed final dividend)	8.11%	6.85%
Risk-weighted capital ratio (net of proposed final dividend)	<u>12.19%</u>	<u>11.42%</u>

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

	30.9.05		31.3.05	
	Principal Amount RM'000	Risk- Weighted Amount RM'000	Principal Amount RM'000	Risk- Weighted Amount RM'000
0%	10,343,979	-	10,448,362	-
10%	260,672	26,067	435,489	43,549
20%	2,379,266	475,853	6,286,028	1,257,206
50%	7,579,866	3,789,933	7,251,983	3,625,992
100%	44,239,293	44,239,293	42,516,067	42,516,067
	<u>64,803,076</u>	<u>48,531,146</u>	<u>66,937,929</u>	<u>47,442,813</u>
Add: Total Risk Weighted Assets Equivalent for market risk		<u>6,025,302</u>		<u>54,556,448</u>

A30. OPERATIONS IN ISLAMIC BANKING

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

UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2005

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
ASSETS		
Cash and short-term funds	725,157	1,033,218
Deposit with financial institutions	275,000	77,300
Securities held-for-trading	638,677	720,190
Securities available-for-sale	19,299	-
Securities held-to-maturity	57,349	-
Financing, advances and other loans	7,963,086	7,026,808
Statutory deposit with Bank Negara Malaysia	278,367	245,681
Other assets	93,273	15,746
Deferred tax assets	17,596	84,398
Property and equipment	33	56
TOTAL ASSETS	10,067,838	9,203,397
LIABILITIES AND ISLAMIC BANKING FUNDS		
Deposits from customers	3,884,196	3,579,449
Deposits of banks and other financial institutions	4,089,354	4,026,546
Converted fund	632,582	301,677
Acceptance payable	182,196	43,454
Other liabilities	271,131	406,592
Total Liabilities	9,059,459	8,357,718
ISLAMIC BANKING FUNDS		
Capital funds	616,484	520,542
Reserves	391,895	325,137
Islamic Banking Funds	1,008,379	845,679
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	10,067,838	9,203,397
COMMITMENTS AND CONTINGENCIES	4,881,135	4,221,222

**UNAUDITED CONSOLIDATED INCOME STATEMENT
 FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005**

THE GROUP	Individual Quarter		Cumulative Quarter	
	30.9.05	30.9.04	30.9.05	30.9.04
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	169,965	157,367	341,306	300,700
Financing loss and allowances	(40,967)	(31,761)	(74,541)	(69,276)
Transfer to profit equalization reserve	(14,012)	(23,008)	(7,584)	(39,309)
Total attributable income	114,986	102,598	259,181	192,115
Income attributable to the depositors	(66,732)	(65,114)	(132,822)	(123,932)
Profit attributable to the Group	48,254	37,484	126,359	68,183
Income derived from Islamic Banking Funds	33,184	20,074	66,333	41,584
Total net income	81,438	57,558	192,692	109,767
Operating expenditure	(39,456)	(10,294)	(84,633)	(20,545)
Profit before taxation	41,982	47,264	108,059	89,222
Taxation	(15,698)	(7,786)	(32,187)	(23,610)
Profit after taxation	26,284	39,478	75,872	65,612

A30a. Financing, Advances and Other Loans

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Term financing/Revolving credit facilities	1,021,082	1,108,168
Housing financing	845,733	640,177
Islamic hire purchase	7,682,772	6,870,686
Other financing	1,977,158	1,507,693
	<u>11,526,745</u>	<u>10,126,724</u>
Unearned income	(2,291,398)	(1,828,692)
Gross financing, advances and other loans	9,235,347	8,298,032
Less: Islamic financing sold to Cagamas Berhad	(850,640)	(928,658)
	<u>8,384,707</u>	<u>7,369,374</u>
Allowance for bad and doubtful debts and financing		
-general	(134,219)	(121,150)
-specific	(287,402)	(221,416)
	<u>(421,621)</u>	<u>(342,566)</u>
Net financing, advances and other loans	<u>7,963,086</u>	<u>7,026,808</u>

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000

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

Gross		
Balance at beginning of period/year	575,898	963,068
Non-performing during the period/year	267,630	190,822
Debt equity conversion	-	(2,178)
Recoveries	(51,566)	(139,745)
Reclassification to performing financing	(164,376)	(384,675)
Amount written off	-	(51,394)
Balance at end of period/year	<u>627,586</u>	<u>575,898</u>
Specific allowance	287,402	221,416
Non-performing financing, advances and other loans - net	<u>340,184</u>	<u>354,482</u>
Net NPL as % of gross financing, advances and other loan less specific allowance	<u>3.80%</u>	<u>4.39%</u>

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

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
General Allowance		
Balance at beginning of period/year	121,150	101,043
Allowance during the period/year	13,069	20,107
Balance at end of period/year	<u>134,219</u>	<u>121,150</u>
% of total financing, advances and other loans less specific allowance	<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	111,700	270,782
Amount written back in respect of recoveries	<u>(44,807)</u>	<u>(68,403)</u>
	66,893	202,379
Reclassifications	-	29
Amount written off/Adjustment to Assets Deficiency Account	<u>(907)</u>	<u>(72,247)</u>
Balance at end of period/year	<u>287,402</u>	<u>221,416</u>

A30b. DEPOSITS FROM CUSTOMERS

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Mudarabah Fund		
Special investment deposits	388,728	311,881
General investment deposits	<u>2,856,294</u>	<u>2,729,158</u>
	<u>3,245,022</u>	<u>3,041,039</u>
Non-Mudarabah Fund		
Demand deposits	169,140	103,869
Saving deposits	450,644	395,691
Negotiable Islamic debt certificates	<u>19,390</u>	<u>38,850</u>
	<u>639,174</u>	<u>538,410</u>
	<u>3,884,196</u>	<u>3,579,449</u>

A30c. OTHER LIABILITIES

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Other payables and accruals	108,424	219,335
Taxation and zakat payable	26,034	39,331
Amount owing to head office	-	18,615
Lease deposits and advance rental	16,828	17,050
Profit equalisation reserve	119,845	112,261
	<u>271,131</u>	<u>406,592</u>

A31. CHANGE IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS

(a) CHANGE IN ACCOUNTING POLICIES

During the period ended 30 September 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			
Assets			
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
Liabilities and Shareholders' Fund			
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 period ended 30 September 2004			
Net interest income	662,664	12,943	675,607
Net income from Islamic Banking Business	202,968	15,384	218,352
Other operating income	491,566	(156,495)	335,071
Other operating expenses	(767,022)	116,030	(650,992)
Operating profit	590,176	(12,138)	578,038
Allowance for diminution in value of investments	(27,685)	27,685	-
Impairment loss on securities held-to-maturity	-	(16,486)	(16,486)
Profit before taxation	261,017	(359)	260,658
Taxation	(100,143)	68	(100,075)
Profit after taxation but before minority interests	160,874	(291)	160,583
Net profit for the quarter	111,998	(291)	111,707

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

The AmBank Group recorded a net profit attributable to shareholders of RM207.2 million for the six months ended 30 September 2005, an increase of 85.5% when compared to RM111.7 million recorded in the corresponding period ended 30 September 2004. Net earnings per share increased by 62.0% to 9.72 sen from 6.00 sen reported for the corresponding period. The Group's pre-tax profit rose 52.3% to RM397.1 million as compared with RM260.7 million in the corresponding period ended 30 September 2004. Annualised pre-tax return on average shareholders funds stood at 13.3%, whilst post-tax return on average shareholders funds was 8.6%.

The improvement in pre-tax profit was mainly due to higher fund based income, including the net income from Islamic banking operations, rising by RM73.4 million or 8.2%, increase in other operating income of RM147.6 million or 44.0% and writeback of impairment on securities held to maturity. However, this increases were partially offset by a rise of RM85.1 million in the other operating expenses, in tandem with the expansion of business activities and transformation of the finance company operations into a full-fledged commercial bank and higher loans loss allowances as the Group continued to build its loan loss coverage.

The Group reported a pre-tax profit of RM204.7 million for the second quarter ended 30 September 2005, an increase of 50.6% compared to RM135.9 million for the quarter ended 30 September 2004. The improvement was attributed to higher net income from Islamic banking operations, other operating income, and writeback of impairment on securities held to maturity.

All the three major divisions reported better performance during the six months period. The retail and commercial banking operations, under AmBank (M) Berhad was the largest contributor to the Group profits, reporting a pre-tax profit of RM202.6 million (September 2004: RM128.3 million); followed by the investment banking at RM181.1 million (September 2004: RM147.4 million); and AmAssurance Berhad of RM26.8 million (September 2004: RM6.0 million).

The Group also registered a significant improvement in asset quality with the ratio of net non-performing loans on a 3 months classification basis declining to 10.5% as at end-September, as compared with 13.8% as at end-March, 2005. The Group continues to build up its loan loss cover, which has now improved to 40.9% (excluding collateral values of securities pledged), as compared to 32.2% as at end-March, 2005.

The Group's total assets increased by RM4.8 billion to RM66.9 billion. The increase was mainly attributable to the expansion of net loans and financing by RM3.9 billion and holdings of securities held-for-trading by RM1.3 billion. During the period, net loans outstanding grew by 9.9% from RM40.1 billion to RM44.1 billion, driven mainly by the strong growth in retail lending.

The Group's risk weighted capital ratio as at 30 September 2005 stood at 12.19% as compared with 11.55% as at 31 March 2005. The Tier-1 ratio also continues to strengthen further to 8.11%.

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

B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION

The Group reported an increase of 6.4% in profit before taxation of RM204.7 million for the second quarter ended 30 September 2005 as compared to RM192.4 million for the first quarter ended 30 June 2005 arising from lower allowances for losses on loans and financing and writeback of impairment on securities held to maturity. The profit before taxation was however reduced by lower net interest income, net income from Islamic Banking Operations and fee income on loans and financing.

B3. PROSPECTS FOR 31 MARCH 2006

The merger of the Group's finance company business into the commercial banking business in June 2005, and the resultant conversion of the Group's finance company branches into full-fledged commercial banking branches have provided the Group with a solid platform to grow its loans exposure to the small and medium-sized enterprises and develop the Group's trade financing and cash management businesses.

The merger has also boosted the Group's reach and scale to extend its leadership market positions in the retail banking sector. We are confident that we will be able to achieve meaningful market share growth in the auto financing, mortgages and credit card businesses going forward.

As part of the merger, the Group has initiated training programmes to increase the sales efficiency of its staff to maximize cross-selling opportunities for the Group's various products and services using the expanded commercial bank branches as a springboard. The Group's retail banking business is also in the midst of transforming itself into a sales and customer service focused entity. We believe that this transformation process will result in improved sales efficiency and productivity in the near future.

The Group will also leverage on the branch network to expand its demand deposit base to rebalance its funding base to be able to better manage its funding costs.

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	
	30.9.05 RM'000	30.9.04 RM'000	30.9.05 RM'000	30.9.04 RM'000
Estimated current tax payable	25,792	(28,308)	63,451	38,941
Transfer from deferred tax assets	33,878	50,862	61,129	31,367
	<u>59,670</u>	<u>22,554</u>	<u>124,580</u>	<u>70,308</u>
Underprovision of current taxation in respect of prior years	4,977	30,220	10,003	29,767
Total	<u>64,647</u>	<u>52,774</u>	<u>134,583</u>	<u>100,075</u>

The total tax charge of the Group for the financial quarter and period ended 30 September 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	
	30.9.05 RM'000	30.9.04 RM'000	30.9.05 RM'000	30.9.04 RM'000
Net (loss)/gain from sale of securities held-for-trading	(9,883)	26,778	45,809	41,573
Net gain from sale of securities available-for-sale	61	315	61	315
Net gain from sale of securities held-to-maturity	4,276	635	4,811	821
Impairment writeback/(loss) on securities held-to-maturity	28,301	(16,518)	27,089	(16,486)

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:

1. 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.

2. The Company and the other shareholders of AmAssurance Berhad ("AmAssurance") have sought the approval of Bank Negara Malaysia for the commencement of discussions with Insurance Australia Group Limited ("IAG"), pursuant to section 67 of the Insurance Act 1996, for the proposed sale of equity interests in AmAssurance to IAG as follows:

a) between the Company and IAG, in relation to the proposed sale of 10,000,000 ordinary shares of RM1.00 each in AmAssurance by the Company to IAG, representing 10% equity interest in the insurance company. The Group presently has a shareholding of 80.0% in AmAssurance; and

b) between ABH Holdings Sdn Bhd ("ABH") and IAG, in relation to the proposed sale of 20,000,000 ordinary shares of RM1.00 each in AmAssurance by ABH to IAG, representing ABH's entire shareholding of 20% in AmAssurance.

The proposed disposal is pending approval from the Minister of Finance.

B9. BORROWINGS

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
(i) Deposits from customers		
Due within six months	29,401,865	27,324,848
Six months to one year	6,442,321	5,472,835
One year to three years	884,789	933,679
Three years to five years	741,702	715,978
	<u>37,470,677</u>	<u>34,447,340</u>
(ii) Deposits and placements of banks and other financial institutions		
Due within six months	7,745,132	7,645,361
Six months to one year	1,582,058	1,428,543
One year to three years	2,422,011	1,399,437
Three years to five years	1,567,479	1,713,190
	<u>13,316,680</u>	<u>12,186,531</u>
<i>Recap:</i>		
<i>Interbank lendings</i>	7,597,352	7,736,320
<i>Interbank borrowings</i>	(986,251)	(157,700)
<i>Net interbank lendings</i>	<u>6,611,101</u>	<u>7,578,620</u>
(iv) Term loans		
Due within one year		
Secured	474,161	1,252,500

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
(iii) Unsecured subordinated certificate of deposits		
More than one year	199,266	198,768

On 31 October, 2005, AmMerchant Bank Berhad has issued RM200 million nominal value of Subordinated Bonds for the purpose of redemption of unsecured subordinated certificates of deposit.

(v) Redeemable unsecured bonds		
More than one year	803,064	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	
	30.9.05	30.9.04	30.9.05	30.9.04
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to shareholders of the Company	100,668	60,322	207,186	111,707
Number of ordinary shares at beginning of period	2,130,534	1,861,265	2,130,534	1,858,806
Effect of ordinary shares issued pursuant to exercised of ESOS	-	2,689	-	3,385
Weighted average number of ordinary shares in issue	2,130,534	1,863,954	2,130,534	1,862,191
Basic earnings per share (sen)	4.73	3.24	9.72	6.00

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	
	30.9.05	30.9.04	30.9.05	30.9.04
	RM'000	RM'000	RM'000	RM'000
Net profit attributable to shareholders of the Company	100,668	60,322	207,186	111,707
Weighted average number of ordinary shares in issue (as in (a) above)	2,130,534	1,863,954	2,130,534	1,862,191
Adjusted for:				
- Exercise of ESOS	-	2,802	-	2,802
- Exercise of Warrants 2003/2008	19,969	66,188	19,969	66,188
Adjusted weighted average number of ordinary shares in issue and issuable	2,150,503	1,932,944	2,150,503	1,931,181
Fully diluted earnings per share (Sen)	4.68	3.12	9.63	5.78

For the financial quarter and period ended 30 September 2005 and 2004, outstanding share warrants 1997/2007 has been excluded in the computation of fully diluted earnings per RM1.00 ordinary share for the Group, as their exercise and conversion to ordinary shares would increase earnings per share.

The Group adjusted weighted average number of ordinary shares in issue and issuable for the financial period ended 30 September 2005 have been arrived at based on the assumption that dilutive share warrants 2003/2008 are exercised at beginning of period.

The Group adjusted weighted average number of ordinary shares in issue and issuable for the financial period ended 30 September 2004 have been arrived at based on the assumption that dilutive share options and dilutive share warrants 2003/2008 are exercised at beginning of period.

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

Date : 18 November 2005