

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

UNAUDITED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2005

	Note	The Group	
		30.9.05 RM'000	31.3.05 RM'000
ASSETS			
Cash and short-term funds		1,971,586	2,678,552
Securities purchased under resale agreements		212,291	139,931
Deposits and placements with banks and other financial institutions		1,387,042	393,133
Securities held-for-trading	A8	4,825,007	3,599,318
Securities available-for-sale	A9	1,017,717	853,330
Securities held-to-maturity	A10	1,377,174	1,393,539
Loans, advances and financing	A11	4,676,039	4,536,049
Other assets	A12	488,030	565,054
Goodwill on consolidation		114,754	79,805
Deferred tax assets		70,667	76,865
Statutory deposit with Bank Negara Malaysia		248,765	244,294
Investments in associated companies		41,455	40,098
Property and equipment		47,128	45,326
TOTAL ASSETS		16,477,655	14,645,294
LIABILITIES AND SHAREHOLDERS' FUNDS			
Deposits from customers	A13	5,832,195	5,294,436
Deposits and placements of banks and other financial institutions	A14	5,359,025	4,567,758
Obligations on securities sold under repurchase agreements		1,745,565	1,427,791
Acceptances payable		3,257	3,186
Recourse obligation on loans sold to Cagamas Berhad		110,683	132,798
Other liabilities	A15	446,946	631,259
Term loans		282,662	285,000
Subordinated certificates of deposits		199,266	198,768
Redeemable unsecured subordinated bonds		460,000	460,000
Total Liabilities		14,439,599	13,000,996
Minority interests		544	6,594
Share capital		1,320,000	1,109,442
Reserves		717,512	528,262
Shareholders' funds		2,037,512	1,637,704
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		16,477,655	14,645,294
COMMITMENTS AND CONTINGENCIES	A25	18,924,530	14,824,997

AmINVESTMENT GROUP BERHAD
(657000-X) (Incorporated in Malaysia)
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UNAUDITED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2005 (CONTD.)

		The Group	
		30.9.05	31.3.05
		RM'000	RM'000
CAPITAL ADEQUACY	A29		
Core Capital Ratio		13.76%	14.45%
Risk-Weighted Capital Ratio		15.78%	17.04%
NET TANGIBLE ASSETS PER SHARE (RM)		1.45	1.40

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 CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005

	Note	Individual Quarter		Cumulative Quarter	
		30.9.05 RM'000	30.9.04 RM'000	30.9.05 RM'000	30.9.04 RM'000
Revenue		262,414	259,399	534,389	455,444
Interest income	A16	137,004	136,308	277,319	280,722
Interest expense	A17	(111,695)	(109,672)	(208,048)	(209,355)
Net interest income		25,309	26,636	69,271	71,367
Net income from Islamic Banking					
Operations		21,656	13,836	45,128	28,473
Other operating income	A18	103,754	109,255	211,942	146,249
Net income		150,719	149,727	326,341	246,089
Other operating expenses	A19	(50,559)	(44,358)	(99,002)	(89,630)
Operating profit		100,160	105,369	227,339	156,459
Allowance for losses on loans and financing	A20	(7,084)	(12,576)	(38,210)	(11,985)
Impairment writeback/(loss) on:					
Securities held-to-maturity		5,922	(1,514)	4,710	(1,482)
Assets acquired in exchange of debts		-	-	(660)	-
Transfer from/(to) profit equalisation reserve (Allowance for)/Writeback of allowance for doubtful sundry receivables - net		(251)	121	(8,194)	174
Provision for commitments		(502)	-	(439)	-
Profit before share in results of associated companies		98,825	89,099	186,015	140,093
Share in results of associated companies		888	1,324	1,762	3,319
Profit before taxation		99,713	90,423	187,777	143,412
Taxation	B5	(25,323)	(21,742)	(49,343)	(39,247)
Profit after taxation but before minority interests		74,390	68,681	138,434	104,165
Minority shareholders' interests in results of subsidiary companies		(529)	(1,594)	(1,363)	(392)
Profit attributable to Shareholders'		73,861	67,087	137,071	103,773
Basic earnings per share (sen)	B13	5.60	5.88	10.75	9.03
Interim ordinary dividends (sen)					
Gross		4.00	-	4.00	-
Net		2.88	-	2.88	-

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 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 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	-	-	-	-	-	-	1,831	1,831
At date of incorporation (restated)	1,109,442	-	60,284	300,000	-	-	235,468	1,705,194
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	(18,565)	-	-	(18,565)
Profit for the period	-	-	-	-	-	-	103,773	103,773
Translation adjustments	-	-	-	-	-	408	-	408
Interest on ICULS	-	-	-	-	-	-	(3,610)	(3,610)
Proposed dividends	-	-	-	-	-	-	(66,600)	(66,600)
At 30 September 2004	1,109,442	-	60,284	300,000	(18,565)	408	269,031	1,720,600
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	-	-	-	-	11,388	-	-	11,388
Profit for the period	-	-	-	-	-	-	137,071	137,071
Translation adjustments	-	-	-	-	-	(1,689)	-	(1,689)
Proposed dividends	-	-	-	-	-	-	(38,016)	(38,016)
At 30 September 2005	1,320,000	80,496	60,284	300,000	(5,251)	(6,208)	288,191	2,037,512

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 CONSOLIDATED CONDENSED CASH FLOW STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005

	Cumulative Quarter	
	30.9.05	30.9.04
	RM'000	RM'000
Profit before taxation	187,777	143,412
Add adjustments for non-operating and non cash items	(36,602)	45,355
Operating profit before working capital changes	151,175	188,767
Increase in operating assets	(2,523,008)	(235,235)
Increase/(Decrease) in operating liabilities	1,426,560	(864,844)
Cash used in operations	(945,273)	(911,312)
Taxation paid	(38,380)	(39,128)
Net cash used in operating activities	(983,653)	(950,440)
Net cash (used in)/generated from investing activities	(14,450)	1,199,302
Net cash generated from/(used in) financing activities	294,781	(34,210)
	280,331	1,165,092
Net (decrease)/increase in cash and cash equivalents	(703,322)	214,652
Cash and cash equivalents at beginning of period	2,501,053	2,671,762
Cash and cash equivalents at end of period	1,797,731	2,886,414

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	
	30.9.05	30.9.04
	RM'000	RM'000
Cash and short term funds	1,971,586	2,972,221
Bank overdrafts	-	(8,164)
	1,971,586	2,964,057
Less: Cash and bank balances and deposits held in trust	(173,376)	(77,436)
	1,798,210	2,886,621
Effects of exchange rate differences	(479)	(207)
	1,797,731	2,886,414

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 condensed 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.

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 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 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, 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

- (i) An interim dividend of 4%, less 28% tax has been declared by the directors;
- (ii) Amount per share : 4 sen, less 28% tax;
- (iii) Previous corresponding period : Nil;
- (iv) Payment date : 21 December 2005; and
- (v) In respect of deposited securities, entitlement to dividends will be determined on the basis of the Record of Depositors as at close of business on 8 December 2005.

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	959,089	448,830
Malaysian Government Investment Certificates	11,450	8,303
Cagamas bonds	115,823	90,361
Khazanah bonds	27,700	152,276
Bank Negara Malaysia bills	245,385	-
Negotiable instruments of deposits	1,661,370	1,646,214
Cagamas Mudharabah bearer bonds	38,140	-
Islamic Bank Negara Malaysia bills	173,910	56,323
Negotiable Islamic Debt Certificates	28,356	48,295
	<u>3,345,045</u>	<u>2,450,602</u>
Securities Quoted		
In Malaysia:		
Shares	129,953	76,859
Loan stocks	1,115	1,613
Corporate bonds	22,400	22,272
Trust units	116,329	8,160
	<u>269,797</u>	<u>108,904</u>

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Securities Quoted Outside Malaysia:		
Shares	5,535	4,088
Unquoted Securities In Malaysia:		
Shares	4,640	4,321
Trust units	67,291	-
	<u>71,931</u>	<u>4,321</u>
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:		
Islamic corporate bonds	689,223	613,174
Corporate notes	13,933	72,910
Corporate bonds	243,934	239,883
Islamic corporate notes	106,604	-
	<u>1,053,694</u>	<u>925,967</u>
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated in Malaysia:		
Corporate bonds	68,343	68,564
Islamic corporate notes	10,662	36,872
	<u>79,005</u>	<u>105,436</u>
Total securities held-for-trading	<u>4,825,007</u>	<u>3,599,318</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	269,996
Bank Negara Malaysia bills	74,854	-
	<u>304,166</u>	<u>269,996</u>
Quoted Securities In Malaysia:		
Corporate bonds	<u>19,084</u>	<u>18,052</u>
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:		
Corporate bonds	69,934	69,869
Islamic corporate notes	122,972	-
	<u>192,906</u>	<u>69,869</u>
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated in Malaysia:		
Corporate bonds	501,561	495,413
Total securities available-for-sale	<u>1,017,717</u>	<u>853,330</u>

A10. SECURITIES HELD-TO-MATURITY

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
At Amortised Cost		
Money Market Securities:		
Treasury bills	-	28,804
Quoted Securities:		
In Malaysia:		
Shares	2,921	2
Corporate bonds	56,538	57,000
Outside Malaysia:		
Corporate bonds	-	19,000
	<u>59,459</u>	<u>76,002</u>
Investment In Related Licensed Commercial Bank		
Unsecured subordinated term loan:		
Licensed commercial bank	460,000	460,000
Unquoted securities:		
In Malaysia:		
Shares	60,989	60,989
Corporate bonds	100	100
Outside Malaysia:		
Shares	11,125	11,957
Corporate bonds	-	-
Unit trust	60,132	-
	<u>132,346</u>	<u>73,046</u>
Debt Equity Conversion Securities:		
Quoted in Malaysia:		
Shares	24,693	24,693
Loan stocks - collateralised	971	973
Loan stocks	174,308	194,005
Unquoted securities of companies incorporated:		
In Malaysia:		
Shares	1,679	1,679
Corporate bonds	508,248	533,650
Outside Malaysia:		
Shares	3,002	7,904
	<u>712,901</u>	<u>762,904</u>
Unquoted Private Debt Securities Of Companies Incorporated:		
In Malaysia:		
Corporate bonds	86,105	86,813
Corporate bonds and notes denominated in USD	113,070	114,000
	<u>199,175</u>	<u>200,813</u>
Total	1,563,881	1,601,569
Accumulated impairment losses	(186,707)	(208,030)
Total securities held-to-maturity	<u>1,377,174</u>	<u>1,393,539</u>

A11. LOANS, ADVANCES AND FINANCING

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Term loans and revolving credits	4,905,848	4,725,144
Staff loans	34,015	34,309
Claims on customers under acceptance credits	3,257	3,407
	<u>4,943,120</u>	<u>4,762,860</u>
Gross loans, advances and financing		
Less:		
Allowance for bad and doubtful debts and financing:		
General	73,236	69,091
Specific	193,845	157,720
	<u>267,081</u>	<u>226,811</u>
Net loans, advances and financing	<u>4,676,039</u>	<u>4,536,049</u>

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

	The Group				Loans Growth
	30.9.05		31.3.05		
	RM'000	%	RM'000	%	
Construction	1,160,477	23.5	1,116,209	23.4	
Purchase of securities	872,874	17.6	703,865	14.8	
Investment holdings	736,836	14.9	782,084	16.4	
Manufacturing	521,345	10.5	414,888	8.7	
General commerce	452,867	9.2	463,679	9.7	
Transport, storage and communication	314,782	6.4	199,211	4.2	
Agriculture	259,360	5.2	318,178	6.7	
Real estate	206,360	4.2	225,941	4.7	
Electricity, gas and water	143,818	2.9	259,772	5.6	
Finance, insurance and business services	131,529	2.7	148,867	3.1	
Purchase of landed property:					
(a) Residential	23,794	0.5	29,021	0.6	
(b) Non-residential	61,907	1.2	60,729	1.3	
Mining and quarrying	266	0.0	610	0.0	
Others	56,905	1.2	39,806	0.8	
	<u>4,943,120</u>	<u>100.0</u>	<u>4,762,860</u>	<u>100.0</u>	3.8%
Gross loans, advances and financing					

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	-	12,437
Others	42,926	50,510
Business enterprises:		
Small medium enterprises	501,179	579,056
Others	4,103,043	3,850,220
Government and statutory bodies	57,537	38,004
Individuals	97,919	96,814
Foreign entities	140,516	135,819
	<u>4,943,120</u>	<u>4,762,860</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		
Cost-plus	3,848,064	3,190,981
Other variable rates	290,206	405,755
Fixed rate		
Housing loans	26,579	30,509
Hire purchase receivables	97	3,755
Other fixed rates	778,174	1,131,860
	<u>4,943,120</u>	<u>4,762,860</u>

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

	The Group	
	30.9.05	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	59,866	270,282
Reclassification to performing loans, advances and financing	(315,026)	(350,424)
Recoveries	(45,806)	(65,220)
Amount written off	(78)	(24,602)
Debt equity conversion	-	(78,318)
Exchange fluctuation adjustments	(508)	-
Balance at end of period	<u>537,673</u>	<u>839,225</u>
Specific allowance	<u>(193,845)</u>	<u>(157,720)</u>
Non-performing loans, advances and financing - net	<u>343,828</u>	<u>681,505</u>
Ratio of non-performing loans, advances and financing to total loans, advances and financing - net	<u>7.24%</u>	<u>14.80%</u>

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

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Construction	143,650	122,732
Purchase of securities	69,795	56,924
Investment holdings	96,045	87,623
Manufacturing	58,246	156,385
General commerce	92,544	114,373
Transport, storage and communication	-	54,936
Agriculture	16,366	14,324
Real estate	42,452	124,417
Finance, insurance and business services	4,194	88,789
Purchase of non-residential landed property	9,976	12,242
Mining and quarrying	-	144
Others	4,405	6,336
	<u>537,673</u>	<u>839,225</u>

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/date of incorporation	69,091	-
Arising on acquisition of related merchant banking and securities companies	-	80,404
Reversal of allowance during the period	4,176	(11,313)
Exchange fluctuation adjustments	(31)	-
Balance at end of period	<u>73,236</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 companies	-	378,375
	<u>157,720</u>	<u>378,375</u>
Allowance during the period	56,106	106,361
Amount written back in respect of recoveries and reversals	(19,262)	(5,925)
Net charge to income statements	36,844	100,436
Amount written off	(683)	(321,628)
Exchange fluctuation adjustments	(36)	-
Reclassification from sundry receivables	-	4,192
Debt equity conversion	-	(3,655)
Balance at end of period	<u>193,845</u>	<u>157,720</u>

A12. OTHER ASSETS

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Trade receivables, net of allowance for doubtful debts	228,321	259,695
Other receivables, deposits and prepayments, net of allowance for doubtful debts	65,144	81,643
Interest/Dividends receivable	47,966	42,508
Amount due from Originators	110,683	132,798
Amount due from brokers	15,324	17,447
Amount due from:		
Holding company	138	194
Related companies	10,510	15,290
Assets acquired in exchange of debts, net of impairment loss	9,944	15,479
	<u>488,030</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	
	30.9.05	31.3.05
	RM'000	RM'000
Comprise of :		
Term/Investment	4,699,465	4,911,612
Negotiable instruments of deposits	1,132,730	382,824
	<u>5,832,195</u>	<u>5,294,436</u>

The deposits are sourced from the following types of customers:

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Business enterprises	3,758,846	4,153,137
Individuals	8,381	4,714
Government	1,350,064	626,842
Others	714,904	509,743
	<u>5,832,195</u>	<u>5,294,436</u>

A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Licensed banks:		
Related	1,048,461	39,105
Others	728,774	836,461
Licensed merchant banks	50,786	90,265
Licensed finance companies		
Related	-	528,702
Others	10,054	-
Other financial institutions	3,520,950	3,073,225
	<u>5,359,025</u>	<u>4,567,758</u>

A15. OTHER LIABILITIES

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Trade payables	304,281	257,535
Other payables and accruals	101,440	123,944
Proposed dividends	38,016	-
Provision for commitments	502	63
Amount due to :		
Holding company	228	214,401
Related companies	589	1,037
Associated companies	-	(1,042)
Bank overdraft	-	31,568
Taxation payable	260	752
Zakat payable	38	38
Profit equalisation reserve	725	2,195
Deferred tax liabilities	867	768
	<u>446,946</u>	<u>631,259</u>

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	20,994	19,351	39,915	34,355
Securities held-for-trading	29,486	52,635	69,804	94,976
Securities available for sale	9,040	223	11,341	8,789
Securities held-to-maturity	10,137	11,069	22,869	17,716
Loans and advances				
- Interest income other than recoveries from NPL	49,252	41,432	94,606	98,913
- Recoveries from NPLs	12,773	9,457	30,334	23,887
Others	5,246	8,788	10,541	17,946
Gross interest income	136,928	142,955	279,410	296,582
Amortisation of premiums less accretion of discounts	96	(6,456)	(2,033)	(13,759)
Interest suspended	(20)	(191)	(58)	(2,101)
Total after net interest suspension	137,004	136,308	277,319	280,722

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	64,154	64,134	125,175	130,484
Deposit of banks and other financial institutions	8,726	10,147	19,370	16,707
Securities sold under repurchase agreements	10,443	8,521	19,574	17,481
Subordinated deposits and term loans	7,240	6,314	13,484	12,335
Redeemable unsecured subordinated bonds	7,536	7,536	14,991	14,991
Others	13,596	13,020	15,454	17,357
	111,695	109,672	208,048	209,355

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	5,077	3,021	17,383	4,802
Corporate advisory fees	5,007	5,552	10,637	11,897
Guarantee fees	2,842	2,106	4,280	4,146
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	5,721	14,353	9,174
Property trust management fees	494	490	988	980
Brokerage fees and commissions	11,303	10,794	21,771	24,244
Other fee income	3,213	3,516	7,121	6,991
	<u>37,792</u>	<u>35,805</u>	<u>82,285</u>	<u>70,826</u>
Investment and trading income:				
Net gain from sale of securities held-for-trading	14,653	26,436	69,193	39,032
Net gain from sale of securities available-for-sale	61	-	61	-
Net gain from sale of securities held-to-maturity	4,434	78	5,228	87
Gain on redemption of investments	7,162	773	7,162	773
Gross dividend income from:				
Securities held-for-trading	1,057	1,873	1,674	3,320
Securities held-to-maturity	10,729	11,446	11,391	12,663
(Loss)/Gain on revaluation of derivatives	(469)	315	(857)	1,978
Unrealised gain on revaluation of securities held-for-trading	25,006	21,866	31,652	6,286
	<u>62,633</u>	<u>62,787</u>	<u>125,504</u>	<u>64,139</u>
Other income:				
Unrealised foreign exchange gain/(loss)	2,747	(2,627)	2,777	(2,709)
Gain on disposal of property and equipment - net	170	134	503	366
Rental income	214	175	437	365
Capital gain arising from receipt of shares in Bursa Malaysia Berhad	-	12,727	-	12,727
Other non-operating income	198	254	436	535
	<u>3,329</u>	<u>10,663</u>	<u>4,153</u>	<u>11,284</u>
	<u>103,754</u>	<u>109,255</u>	<u>211,942</u>	<u>146,249</u>

A19. OTHER OPERATING EXPENSES

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
Personnel/Staff costs				
- Salaries, allowances and bonuses	21,297	17,910	42,756	37,213
- Others	8,124	7,695	16,933	14,988
Establishment costs				
- Depreciation	2,448	3,797	4,953	7,917
- Computerisation costs	3,398	1,787	5,757	4,145
- Rental	2,131	2,008	3,909	3,582
- Others	1,108	1,519	2,689	2,975
Marketing and communication expenses				
- Sales commission	834	682	1,862	1,409
- Advertising	2,186	333	2,734	560
- Travel and entertainment	608	441	1,139	870
- Others	1,991	1,988	3,694	3,806
Administration and general expenses				
- Amortisation of goodwill	1,369	1,532	2,739	3,065
- Professional fees	3,069	2,491	5,502	4,743
- Others	1,996	2,175	4,335	4,357
Overheads	50,559	44,358	99,002	89,630

A20. ALLOWANCE FOR LOSSES ON LOANS AND FINANCING

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
Allowance/(Reversal of allowance) for bad and doubtful debts and financing:				
Specific allowance - net	3,231	26,925	36,844	36,904
Allowance during the period	17,721	27,099	56,106	41,118
Amount written back in respect of recoveries and reversals	(14,490)	(174)	(19,262)	(4,214)
General allowance	5,487	(7,080)	4,176	(11,851)
Bad debts and financing				
Written off	70	-	70	252
Recovered	(1,704)	(7,269)	(2,880)	(13,320)
	7,084	12,576	38,210	11,985

A21. SEGMENTAL INFORMATION

(A) BY BUSINESS SEGMENT

	Individual Quarter		Cumulative Quarter	
	30.9.05 RM'000	30.9.04 RM'000	30.9.05 RM'000	30.9.04 RM'000
Merchant banking				
Revenue	228,191	196,188	464,146	379,369
Profit before taxation	89,158	70,598	170,786	114,424
Offshore banking				
Revenue	15,025	12,729	25,337	23,645
Profit/(Loss) before taxation	6,353	(458)	5,539	335
Funds management				
Revenue	8,009	7,198	16,641	13,173
Profit before taxation	3,191	3,278	6,938	5,433
Broking				
Revenue	12,600	27,869	31,312	47,165
Profit before taxation	1,572	18,325	3,366	27,578
Others				
Revenue	2,514	5	4,966	77
Profit/(Loss) before taxation	2,170	(87)	4,542	(145)
Total before consolidation adjustments				
Revenue	266,339	243,989	542,402	463,429
Profit before taxation	102,444	91,656	191,171	147,625
Consolidation adjustments				
Revenue	(3,925)	15,410	(8,013)	(7,985)
Profit before taxation	(2,731)	(1,233)	(3,394)	(4,213)
Total after consolidation adjustments				
Revenue	262,414	259,399	534,389	455,444
Profit before taxation	99,713	90,423	187,777	143,412

Included in the above is Islamic banking business profit before taxation of RM17.7 million for the quarter and RM39.1 million for the period ended 30 September 2005 (RM9.2 million for the quarter and RM13.2 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 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 September 2005, the commitments and contingencies outstanding are as follows:

TheGroup	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	5	550,000	-	-
Interest rate swaps:						
Related company	1,800,000	32,758	6,552	1,700,000	34,063	6,813
Others	7,438,190	141,783	30,439	5,870,207	118,218	26,931
Foreign exchange related contracts:						
Forward exchange contracts						
Related companies	283,578	2,432	480	448,257	4,800	960
Others	1,386,055	22,040	4,408	1,095,481	12,690	2,538
Cross currency swaps	384,438	28,728	5,746	463,600	32,512	6,502
Malaysian Government securities futures	50,200	-	-	27,900	-	-
	<u>11,952,672</u>	<u>227,768</u>	<u>47,630</u>	<u>10,155,445</u>	<u>202,283</u>	<u>43,744</u>
Commitments						
Irrevocable commitments to extend credit maturing :						
- within one year	1,193,426	-	-	747,783	-	-
- more than one year	231,092	115,546	115,303	229,203	114,602	114,286
Sale 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>4,176,647</u>	<u>2,867,675</u>	<u>1,201,047</u>	<u>2,887,910</u>	<u>2,025,526</u>	<u>1,099,998</u>
Contingent Liabilities						
Guarantees given on behalf of customers	861,435	861,435	734,907	969,181	969,181	824,906
Underwriting liabilities	1,397,615	698,808	686,621	317,069	158,535	137,317
Certain transaction-related contingent items	536,161	268,081	227,464	495,392	247,696	217,744
	<u>2,795,211</u>	<u>1,828,324</u>	<u>1,648,992</u>	<u>1,781,642</u>	<u>1,375,412</u>	<u>1,179,967</u>
	<u>18,924,530</u>	<u>4,923,767</u>	<u>2,897,669</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 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	10,434,204	395,000	240,000	570,000	2,242,000	6,737,204	250,000	2,949
Foreign exchange related contracts:								
Forward exchange contracts	2,517,188	1,333,171	396,273	545,669	149,227	92,848	-	497
Cross currency swaps	385,335	-	-	-	113,334	272,001	-	456
Malaysian Government Securities futures	65,000	-	65,000	-	-	-	-	2
Total	14,346,677	1,728,171	1,129,223	1,261,669	2,725,561	7,252,053	250,000	6,741

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 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 RM1,972,309 (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 11 November 2005, the amounts of counterparty credit risk, measured in term of the cost to replace the profitable contracts of the Group was RM8,560,548 (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.

The Group 30.9.05	<-----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				
ASSETS										
Cash and short-term funds	1,410,201	-	-	-	-	-	561,385	-	1,971,586	2.97
Securities purchased under resale agreements	212,291	-	-	-	-	-	-	-	212,291	2.50
Deposits and placements with banks and other financial institutions	-	953,972	37,690	75,380	-	-	320,000	-	1,387,042	3.15
Securities held-for-trading	-	-	-	-	-	-	-	4,825,007	4,825,007	3.66
Securities available-for-sale	74,867	-	19,082	29,994	545,004	348,770	-	-	1,017,717	2.87
Securities held-to-maturity	61,659	160,750	-	1,997	412,783	240,048	499,937	-	1,377,174	8.78
Loans, advances and financing:										
- performing	2,347,117	1,193,987	120,459	58,458	243,114	26,648	415,664	-	4,405,447	6.11
- non-performing *	-	-	-	-	-	-	270,592	-	270,592	-
Amount due from Originators	-	-	5,028	4,893	100,762	-	-	-	110,683	4.29
Other non-interest sensitive balances	-	-	-	-	-	-	900,116	-	900,116	-
TOTAL ASSETS	4,106,135	2,308,709	182,259	170,722	1,301,663	615,466	2,967,694	4,825,007	16,477,655	
LIABILITIES AND SHAREHOLDERS' FUNDS										
Deposits from customers	2,542,831	1,979,760	548,984	309,764	300	3,000	447,556	-	5,832,195	2.40
Deposits and placements of banks and other financial institutions	1,743,146	786,579	619,639	335,102	934,173	599,308	341,078	-	5,359,025	2.74
Obligations on securities sold under repurchase agreements	1,552,535	192,859	171	-	-	-	-	-	1,745,565	2.63

The Group 30.9.05	<-----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					
Acceptances payable	597	2,569	91	-	-	-	-	-	-	3,257	4.89
Recourse obligations on loans sold to Cagamas Berhad	-	-	5,028	4,893	100,762	-	-	-	-	110,683	4.29
Term loans	-	-	282,662	-	-	-	-	-	-	282,662	3.93
Subordinated certificates of deposits	-	-	-	199,266	-	-	-	-	-	199,266	8.85
Redeemable unsecured subordinated bonds	-	-	-	-	-	460,000	-	-	-	460,000	6.00
Other non-interest sensitive balances	-	-	-	-	-	-	446,946	-	-	446,946	-
Total Liabilities	5,839,109	2,961,767	1,456,575	849,025	1,035,235	1,062,308	1,235,580	-	-	14,439,599	
Minority interests	-	-	-	-	-	-	544	-	-	544	-
Shareholders' funds	-	-	-	-	-	-	2,037,512	-	-	2,037,512	-
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	5,839,109	2,961,767	1,456,575	849,025	1,035,235	1,062,308	3,273,636	-	-	16,477,655	
On-balance sheet interest sensitivity gap	(1,732,974)	(653,058)	(1,274,316)	(678,303)	266,428	(446,842)	(305,942)	4,825,007	-	-	
Off-balance sheet interest sensitivity gap	(1,153,393)	(854,343)	(479,014)	140,094	351,472	1,997,040	-	1,854	3,710	3,710	
Total interest sensitivity gap	(2,886,367)	(1,507,401)	(1,753,330)	(538,209)	617,900	1,550,198	(305,942)	4,826,861	3,710	3,710	
Cumulative interest rate sensitivity gap	(2,886,367)	(4,393,768)	(6,147,098)	(6,685,307)	(6,067,407)	(4,517,209)	(4,823,151)	3,710	-	-	

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

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	
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		3.63
Securities available-for-sale	-	-	18,999	-	581,644	252,687	-	-	853,330		3.65
Securities held-to-maturity	-	-	85,803	118,467	430,592	266,431	492,246	-	1,393,539		8.63
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	-----Non-trading book ----->							Trading book	Total	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
31.3.05										
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	6.00
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 September 2005 is analysed as follows:

	30.9.05	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	(5,251)	-
Exchange fluctuation reserve	(6,208)	(4,519)
Unappropriated profit at end of period	288,191	185,343
Minority interests	544	6,594
	<u>2,038,056</u>	<u>1,657,144</u>
Less:		
Goodwill	(114,754)	(79,805)
Deferred tax assets, net	(69,800)	(77,909)
Total Tier 1 capital	<u>1,853,502</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	73,236	69,091
Total Tier 2 capital	<u>731,886</u>	<u>727,741</u>
Total capital funds	2,585,388	2,227,171
Less: Investment in capital of related financial institutions	(460,000)	(460,000)
Capital base	<u>2,125,388</u>	<u>1,767,171</u>
Capital Ratios:		
Core capital ratio	13.76%	14.45%
Risk-weighted capital ratio	<u>15.78%</u>	<u>17.04%</u>

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

	30.9.05		31.3.05	
	Principal	Risk- Weighted	Principal	Risk- Weighted
	Amount	Amount	Amount	Amount
	RM'000	RM'000	RM'000	RM'000
0%	3,469,837	-	3,589,931	-
10%	1,904	190	84,684	8,468
20%	1,651,608	330,322	4,610,521	922,104
50%	247,483	123,742	258,419	129,210
100%	7,121,421	7,121,421	9,310,824	9,310,824
	<u>12,492,253</u>	<u>7,575,675</u>	<u>17,854,379</u>	<u>10,370,606</u>
Add: Total RWA equivalent to market risk		5,894,110		
		<u>13,469,785</u>		

A30. OPERATIONS OF ISLAMIC BANKING

**UNAUDITED 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	540,291	581,950
Deposit and placements with banks and other financial institutions	320,000	33,100
Securities held-for-trading	74,109	166,024
Securities available-for-sale	19,299	-
Securities held-to-maturity	57,349	-
Financing, advances and other loans	415,664	511,940
Statutory deposit with Bank Negara Malaysia	14,500	14,500
Other receivables, deposits and prepayments	1,669	3,218
Deferred tax assets	1,705	2,678
Property and equipment	33	41
TOTAL ASSETS	1,444,619	1,313,451
LIABILITIES AND ISLAMIC BANKING FUNDS		
Deposits from customers	388,728	311,881
Deposits and placements of banks and other financial institutions	411,893	355,623
Converted fund	301,979	301,677
Other liabilities	108,871	139,545
Total Liabilities	1,211,471	1,108,726
ISLAMIC BANKING FUNDS		
Capital funds	100,942	100,000
Reserves	132,206	104,725
Islamic Banking Funds	233,148	204,725
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	1,444,619	1,313,451
COMMITMENTS AND CONTINGENCIES	2,907,730	2,287,399

**UNAUDITED INCOME STATEMENTS
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	4,950	13,113	14,043	25,640
Allowance for losses on financing	(3,700)	(1,568)	(5,782)	(10,492)
Transfer from/(to) profit equalisation reserve	580	(2,301)	1,469	(3,073)
Total attributable income	1,830	9,244	9,730	12,075
Income attributable to depositors	(6,935)	(10,259)	(14,148)	(19,119)
Loss attributable to the Group	(5,105)	(1,015)	(4,418)	(7,044)
Income derived from investment of				
Islamic Banking Funds	23,641	10,982	45,233	21,952
Total net income	18,536	9,967	40,815	14,908
Other operating expenses	(826)	(774)	(1,667)	(1,668)
Profit before taxation	17,710	9,193	39,148	13,240
Taxation	(5,911)	(1,133)	(11,903)	(2,222)
Profit after taxation	11,799	8,060	27,245	11,018

A30a FINANCING, ADVANCES AND OTHER LOANS

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Term financing		
Syndicated financing	412,919	500,660
Other	4,645	7,024
Revolving credit	34,030	34,404
Gross financing, advances and other loans	<u>451,594</u>	<u>542,088</u>
Allowance for bad and doubtful debts and financing :		
-general	(6,330)	(7,796)
-specific	(29,600)	(22,352)
	<u>(35,930)</u>	<u>(30,148)</u>
Net financing, advances and other loans	<u>415,664</u>	<u>511,940</u>

Movements in non-performing financing, advances and other loans ("NPL") 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
	<u>42,273</u>	<u>45,037</u>
Non-performing during the period	19	40
Debt equity conversion	-	(2,178)
Recoveries	(2,645)	(556)
Reclassified as performing during the period	-	(70)
Balance at end of period	<u>39,647</u>	<u>42,273</u>
Specific allowance	(29,600)	(22,352)
Net non-performing financing, advances and other loans	<u>10,047</u>	<u>19,921</u>
Net NPL as % of gross financing, advances and other loans less specific allowance	<u>2.38%</u>	<u>3.83%</u>

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	(1,466)	(1,166)
Balance at end of period	<u>6,330</u>	<u>7,796</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/date of incorporation	22,352	-
Arising on acquisition of related merchant banking and securities company	-	11,452
Allowance made during the period	7,248	32,509
Amount written off	-	(21,609)
Balance at end of period	<u>29,600</u>	<u>22,352</u>

A30b DEPOSITS FROM CUSTOMERS

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Mudarabah Special Investment deposits	388,728	311,881

A30c. OTHER LIABILITIES

	The Group	
	30.9.05	31.3.05
	RM'000	RM'000
Other payables and accruals	97,176	92,704
Taxation and zakat payable	10,969	44,646
Profit equalisation reserve	726	2,195
	<u>108,871</u>	<u>139,545</u>

A31. CHANGE IN ACCOUNTING POLICIES

(a) Change in Accounting Policies

During the financial 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 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 reported a pretax profit of RM187.8 million for the period ended 30 September 2005 as compared to RM143.4 million in the corresponding period ended 30 September 2004. Accordingly, the Group net profit for the period was also higher at RM137.1 million, 32.1% up from RM103.8 million for the corresponding period. 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 RM38.2 million in loans loss allowances in respect of non-performing loans. The Group's profit before taxation for the quarter ended 30 September 2005 was also higher at RM99.7 million as compared to RM90.4 million for the corresponding quarter.

The Group's risk weighted capital ratio and shareholders' funds stood at 15.78% and RM2.04 billion as at 30 September 2005, respectively. As at 30 September 2005, the Group's net non-performing loans ratio further declined to 7.24% as compared to 14.80% as at 31 March 2005.

The merchant banking operations reported a pretax profit of RM170.8 million for the period, 49.3% up from RM114.4 million for the corresponding period. The improvement in profit is due to the increase in net income from Islamic banking operations, fee income and investment and trading income. For the quarter, the pre-tax profit was also higher at RM89.2 million as compared to RM70.6 million for the corresponding quarter.

Despite the liberalisation of brokerage commission rates and the poor performance of the stock market, the stockbroking operations reported a pretax profit of RM1.6 million and RM3.4 million for the quarter and period respectively.

Total funds under management, both unit trust and institutional funds stood at RM8.8 billion as at end-September 2005 and the Fund Management Division reported pretax profit of RM3.2 million and RM6.9 million for the quarter and period ended 30 September 2005.

The offshore banking operations of the Group reported a pretax profit of RM6.4 million and RM5.5 million for the quarter and period mainly due to higher guarantee fee income and gain on exchange conversion arising from the de-pegging of Ringgit Malaysia against the US dollar.

In the opinion of the Directors, the results of operations of the Group and the Company for the financial quarter and period have not been substantially affected by any item.

B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION

The Group reported an increase of 13.2% in profit before taxation of RM99.7 million for the second quarter ended 30 September 2005 as compared to RM88.1 million for the first quarter ended 30 June 2005 arising from lower allowances of losses on loans and financing, impairment writeback on securities held to maturity and lower allowance for doubtful sundry receivables. 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 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 stockbrokers, 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. At the Funds 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 second quarter ended 30 September 2005, AIGB Group achieved a profit before taxation and profit after taxation and minority interest of RM187.8 million and RM137.1 million, representing 55.6% and 56.9% of the Prospectus' forecasted profit before taxation of RM337.8 million and RM240.8 million for the full year ending 31 March 2006.

B5. TAXATION

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
Estimated current tax payable	19,076	15,691	43,062	32,639
Share in taxation of associated companies incorporated in Malaysia	60	(68)	94	942
Transfer to/(from) deferred tax assets	6,187	(25,075)	6,187	(25,075)
Transfer to deferred tax liabilities	-	974	-	974
	<u>25,323</u>	<u>(8,478)</u>	<u>49,343</u>	<u>9,480</u>
Underprovision of current taxation in respect of prior years	-	30,220	-	29,767
Total	<u>25,323</u>	<u>21,742</u>	<u>49,343</u>	<u>39,247</u>

The total tax charge of the Group for the financial period and quarter ended 30 September 2005 and 2004 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.

B6. SALE OF INVESTMENTS AND/OR FORECLOSED PROPERTIES

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
Net gain from sale of securities held-for-trading	14,653	26,436	69,193	39,032
Net gain from sale of securities available-for-sale	61	-	61	-
Net gain from sale of securities held-to-maturity	4,434	78	5,228	87
Impairment writeback/(loss) on securities held-to-maturity	5,922	(1,514)	4,710	(1,482)

B7. QUOTED SECURITIES

This note is not applicable to financial institutions.

B8. CORPORATE PROPOSALS

There were no corporate proposals announced but not completed during the financial quarter.

B9. BORROWINGS

	The Group													
	30.9.05	31.3.05												
	RM'000	RM'000												
(i) Deposits from customers														
Due within six months	5,513,855	5,161,661												
Six months to one year	315,040	132,275												
One year to three	-	200												
Three to five years	3,300	300												
	<u>5,832,195</u>	<u>5,294,436</u>												
(ii) Deposits and placements of banks and other financial institutions														
Due within six months	3,476,407	2,885,765												
Six months to one year	349,137	363,196												
One year to three years	929,173	514,537												
Three to five years	604,308	804,260												
Total	<u>5,359,025</u>	<u>4,567,758</u>												
<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="3" style="padding-left: 20px;"><i>Recap :</i></td> </tr> <tr> <td style="padding-left: 20px;"><i>Interbank lendings</i></td> <td style="text-align: right;">3,308,842</td> <td style="text-align: right;">2,931,424</td> </tr> <tr> <td style="padding-left: 20px;"><i>Interbank borrowings</i></td> <td style="text-align: right;">(1,481,267)</td> <td style="text-align: right;">(273,140)</td> </tr> <tr> <td style="padding-left: 20px;"><i>Net interbank lendings</i></td> <td style="text-align: right;"><u>1,827,575</u></td> <td style="text-align: right;"><u>2,658,284</u></td> </tr> </table>			<i>Recap :</i>			<i>Interbank lendings</i>	3,308,842	2,931,424	<i>Interbank borrowings</i>	(1,481,267)	(273,140)	<i>Net interbank lendings</i>	<u>1,827,575</u>	<u>2,658,284</u>
<i>Recap :</i>														
<i>Interbank lendings</i>	3,308,842	2,931,424												
<i>Interbank borrowings</i>	(1,481,267)	(273,140)												
<i>Net interbank lendings</i>	<u>1,827,575</u>	<u>2,658,284</u>												
(iii) Unsecured subordinated certificate of deposits														
More than one year	<u>199,266</u>	<u>198,768</u>												
On 31 October 2005, AmMerchant Bank Berhad has issued RM200 million nominal value of subordinated bonds for the purpose of redemption of unsecured subordinated certificate of deposits.														
(iv) Term loans														
Due within one year														
Secured	<u>282,662</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	
	30.9.05 RM'000	30.9.04 RM'000	30.9.05 RM'000	30.9.04 RM'000
Net profit attributable to shareholders of the Company	73,861	67,087	137,071	103,773
Less: Interest on ICULS	-	(1,815)	-	(3,610)
Net profit attributable to shareholders of the Company after interest on ICULS	<u>73,861</u>	<u>65,272</u>	<u>137,071</u>	<u>100,163</u>
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	<u>210,558</u>	<u>-</u>	<u>165,685</u>	<u>-</u>
Weighted average number of ordinary shares in issue	<u>1,320,000</u>	<u>1,109,442</u>	<u>1,275,127</u>	<u>1,109,442</u>
Basic earnings per share (sen)	<u>5.60</u>	<u>5.88</u>	<u>10.75</u>	<u>9.03</u>

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 : 18 November 2005