

AmMerchant Bank Berhad
and its subsidiary companies
(23742-V)(Incorporated in Malaysia. Licensed Merchant Bank)
(A Member of the AmBank Group)

UNAUDITED BALANCE SHEETS AS AT 30 SEPTEMBER 2005

	Note	Group		Bank	
		30.9.2005 RM'000	31.3.2005 RM'000	30.9.2005 RM'000	31.3.2005 RM'000
ASSETS					
Cash and short-term funds		1,932,460	2,579,909	1,868,632	2,329,913
Securities purchased under resale agreements		19,110	9,671	-	-
Deposits and placements with banks and other financial institutions		1,387,042	392,923	1,442,405	428,400
Securities held-for-trading	8	4,721,066	3,576,932	4,698,666	3,554,660
Securities available-for-sale	9	1,017,717	853,330	694,467	565,282
Securities held-to-maturity	10	1,322,776	1,400,801	1,224,946	1,267,000
Loans, advances and financing	11	4,678,668	4,528,871	4,498,211	4,350,433
Other assets	12	233,091	288,656	221,643	276,996
Goodwill on consolidation		37,377	-	-	-
Deferred tax assets		70,549	76,736	70,549	76,736
Statutory deposit with Bank Negara Malaysia		248,765	244,294	248,765	244,294
Investments in subsidiary companies		-	-	83,407	38,617
Investments in associated companies		40,705	39,432	21,950	21,950
Property and equipment		40,794	40,565	38,214	37,912
TOTAL ASSETS		15,750,120	14,032,120	15,111,855	13,192,193
LIABILITIES AND SHAREHOLDER'S FUNDS					
Deposits from customers	13	5,832,195	5,294,436	5,386,236	4,705,300
Deposits and placements of banks and other financial institutions	14	5,360,118	4,591,416	5,540,941	4,713,020
Obligations on securities sold under repurchase agreements		1,759,961	1,463,910	1,759,961	1,463,910
Acceptances payable		3,257	3,186	3,257	3,186
Recourse obligations on loans sold to Cagamas Berhad		110,683	132,798	110,683	132,798
Other liabilities	15	86,396	92,563	73,251	76,444
Term loans		282,690	285,000	-	-
Subordinated certificates of deposits		199,266	198,768	199,266	198,768
Redeemable unsecured subordinated bonds		460,000	460,000	460,000	460,000
Total Liabilities		14,094,566	12,522,077	13,533,595	11,753,426
Minority interests		61	6,083	-	-
Share capital		310,000	300,000	310,000	300,000
Interest Bearing Irredeemable Convertible Unsecured Loan Socks 2002/2007		120,000	120,000	120,000	120,000
Reserves		1,225,493	1,083,960	1,148,260	1,018,767
Shareholder's funds		1,655,493	1,503,960	1,578,260	1,438,767
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS		15,750,120	14,032,120	15,111,855	13,192,193

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UNAUDITED BALANCE SHEETS AS AT 30 SEPTEMBER 2005 (CONTD.)

	Note	Group		Bank	
		30.9.2005 RM'000	31.3.2005 RM'000	30.9.2005 RM'000	31.3.2005 RM'000
COMMITMENTS AND CONTINGENCIES	26	18,922,556	14,821,270	18,803,562	14,807,056
NET TANGIBLE ASSETS PER SHARE (RM)		7.67	7.48	7.52	7.19
NET TANGIBLE ASSETS PER SHARE, AFTER DEDUCTING THE NOMINAL AMOUNTS OF ICULS 2002/2007 AND PREFERENCE SHARE CAPITAL (RM)		6.62	6.38	6.47	6.09
CAPITAL ADEQUACY	30				
Before deducting proposed final dividend					
Core Capital Ratio		11.09%	13.49%	11.40%	13.28%
Risk-Weighted Capital Ratio		14.15%	17.46%	13.88%	16.61%
After deducting proposed final dividend					
Core Capital Ratio		11.09%	13.12%	11.40%	12.90%
Risk-Weighted Capital Ratio		14.15%	16.91%	13.88%	16.04%

The Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 March 2005.

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**UNAUDITED INCOME STATEMENTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005**

Group	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		244,038	229,545	494,052	404,718
Interest income	16	133,189	130,855	269,609	269,786
Interest expense	17	(111,710)	(109,458)	(208,291)	(208,934)
Net interest income		21,479	21,397	61,318	60,852
Income from Islamic banking operations		21,656	13,836	45,128	28,473
Other operating income	18	89,193	84,854	179,315	106,459
Net income		132,328	120,087	285,761	195,784
Other operating expenses	19	(35,483)	(31,167)	(76,147)	(63,399)
Operating profit		96,845	88,920	209,614	132,385
Allowance for losses on loans and financing Impairment writeback/(loss) on:	20	(7,084)	(12,576)	(36,210)	(11,985)
Securities held-to-maturity		6,226	(390)	5,014	(358)
Assets acquired in exchange of debts		-	-	(660)	-
Transfer from/(to) profit equalisation reserve		580	(2,301)	1,469	(3,073)
Allowance for doubtful sundry receivables - net		(62)	(739)	(61)	(1,182)
Provision for commitments		(502)	-	(439)	-
Profit before share in results of associated companies		96,003	72,914	178,727	115,787
Share in results of associated companies		807	1,252	1,630	3,193
Profit before taxation		96,810	74,166	180,357	118,980
Taxation		(25,235)	(21,262)	(48,618)	(33,719)
Profit after taxation but before minority interests		71,575	52,904	131,739	85,261
Minority shareholders' interests in results of subsidiary companies		(611)	(641)	(1,391)	(1,106)
Net profit attributable to shareholder of the Bank		70,964	52,263	130,348	84,155
EARNINGS PER SHARE (SEN)					
Basic		32.93	25.23	61.03	40.27
Fully diluted		20.87	15.84	38.60	25.50

The Income Statements should be read in conjunction with the audited financial statements for for the year ended 31 March 2005.

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UNAUDITED INCOME STATEMENTS FOR THE (CONTD.)
SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005

Bank	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		227,455	218,304	460,932	385,580
Interest income	16	127,889	127,112	257,091	261,604
Interest expense	17	(107,455)	(106,322)	(197,790)	(203,714)
Net interest income		20,434	20,790	59,301	57,890
Income from Islamic banking operations		21,250	13,836	44,722	28,473
Other operating income	18	78,316	77,356	159,119	95,503
Net income		120,000	111,982	263,142	181,866
Other operating expenses	19	(29,454)	(26,070)	(64,208)	(53,219)
Operating profit		90,546	85,912	198,934	128,647
Allowance for losses on loans and financing Impairment (loss)/writeback on:	20	(6,981)	(10,956)	(36,252)	(10,054)
Securities held-to-maturity		2,898	-	1,686	32
Assets acquired in exchange of debts		-	-	(660)	-
Transfer from/(to) profit equalisation reserve		755	(2,301)	1,765	(3,073)
Allowance for doubtful sundry receivables - net		(62)	(1,158)	(61)	(1,182)
Provision for commitments		(502)	-	(439)	-
Profit before taxation		86,654	71,497	164,973	114,370
Taxation		(24,672)	(20,601)	(46,779)	(32,263)
Net profit attributable to shareholder of the Bank		61,982	50,896	118,194	82,107
EARNINGS PER SHARE (SEN)					
Basic		28.65	24.55	55.18	39.25
Fully diluted		18.23	15.42	35.00	24.90

The Income Statements should be read in conjunction with the audited financial statements for for the year ended 31 March 2005.

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

Group	Non-distributable						Distributable		Total RM'000
	Share capital RM'000	ICULS RM'000	Capital reserve RM'000	Share premium RM'000	Statutory reserve RM'000	Available-for- sale reserve RM'000	Exchange fluctuation reserve RM'000	Unappropriated profits RM'000	
At 1 April 2004									
As previously stated	300,000	120,000	2,815	60,284	300,000	-	29,618	709,107	1,521,824
Prior year adjustments	-	-	-	-	-	-	-	1,831	1,831
At 1 April 2004 (restated)	300,000	120,000	2,815	60,284	300,000	-	29,618	710,938	1,523,655
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	-	(18,565)	-	-	(18,565)
Profit for the period	-	-	-	-	-	-	-	84,155	84,155
Interest on ICULS	-	-	-	-	-	-	-	(3,610)	(3,610)
Proposed final ordinary dividend	-	-	-	-	-	-	-	(36,000)	(36,000)
At 30 September 2004	300,000	120,000	2,815	60,284	300,000	(18,565)	29,618	755,483	1,549,635
At 1 April 2005									
As previously stated	300,000	120,000	2,815	60,284	300,000	-	29,617	704,090	1,516,806
Prior year adjustments	-	-	-	-	-	(16,639)	-	3,793	(12,846)
At 1 April 2005 (restated)	300,000	120,000	2,815	60,284	300,000	(16,639)	29,617	707,883	1,503,960
Issued during the period	10,000	-	-	40,000	-	-	-	-	50,000
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	-	11,388	-	-	11,388
Profit for the period	-	-	-	-	-	-	-	130,348	130,348
Interest on ICULS	-	-	-	-	-	-	-	(3,610)	(3,610)
Proposed final ordinary dividend	-	-	-	-	-	-	-	(36,000)	(36,000)
Transfer from income statements	-	-	-	-	29,549	-	-	(29,549)	-
Exchange fluctuation adjustments	-	-	-	-	-	-	(593)	-	(593)
At 30 September 2005	310,000	120,000	2,815	100,284	329,549	(5,251)	29,024	769,072	1,655,493

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2005.

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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTD.)
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005

Bank	Share capital RM'000	ICULS RM'000	Non-distributable			Distributable	Total RM'000
			Share premium RM'000	Statutory reserve RM'000	Available-for-sale reserve RM'000	Unappropriated profits RM'000	
At 1 April 2004							
As previously stated	300,000	120,000	60,284	300,000	-	671,485	1,451,769
Prior year adjustments	-	-	-	-	-	1,831	1,831
At 1 April 2004 (restated)	300,000	120,000	60,284	300,000	-	673,316	1,453,600
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	(18,898)	-	(18,898)
Profit for the period	-	-	-	-	-	82,107	82,107
Interest on ICULS	-	-	-	-	-	(3,610)	(3,610)
Proposed final ordinary dividend	-	-	-	-	-	(36,000)	(36,000)
At 30 September 2004	300,000	120,000	60,284	300,000	(18,898)	715,813	1,477,199
At 1 April 2005							
As previously stated	300,000	120,000	60,284	300,000	-	671,666	1,451,950
Prior year adjustments	-	-	-	-	(15,691)	2,508	(13,183)
At 1 April 2005 (restated)	300,000	120,000	60,284	300,000	(15,691)	674,174	1,438,767
Issued during the period	10,000	-	40,000	-	-	-	50,000
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	10,909	-	10,909
Profit for the period	-	-	-	-	-	118,194	118,194
Interest on ICULS	-	-	-	-	-	(3,610)	(3,610)
Proposed final ordinary dividend	-	-	-	-	-	(36,000)	(36,000)
Transfer from income statements	-	-	-	29,549	-	(29,549)	-
At 30 September 2005	310,000	120,000	100,284	329,549	(4,782)	723,209	1,578,260

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2005.

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

	Group		Bank	
	30.9.05 RM'000	30.9.04 RM'000	30.9.05 RM'000	30.9.04 RM'000
Profit before taxation	180,357	118,980	164,973	114,370
Add adjustments for non-operating and non cash items	10,413	51,425	9,994	40,425
Operating profit before working capital changes	190,770	170,405	174,967	154,795
(Increase)/Decrease in operating assets	(2,397,118)	768,003	(2,397,074)	1,251,453
Increase/(Decrease) in operating liabilities	1,517,921	(693,620)	1,718,624	(924,501)
Cash (used in)/generated from operations	(688,427)	244,788	(503,483)	481,747
Taxation paid	(38,380)	(38,380)	(38,380)	(38,380)
Net cash (used in)/generated from operating activities	(726,807)	206,408	(541,863)	443,367
Net cash used in investing activities	(14,865)	(13,207)	(13,641)	(9,664)
Net cash generated from financing activities	94,223	84,223	94,223	84,223
	79,358	71,016	80,582	74,559
Net (decrease)/increase in cash and cash equivalents	(647,449)	277,424	(461,281)	517,926
Cash and cash equivalents at beginning of period	2,579,909	2,635,157	2,329,913	2,159,236
Cash and cash equivalents at end of period	1,932,460	2,912,581	1,868,632	2,677,162

Note 1 : Cash and cash equivalents

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

	Group		Bank	
	30.9.05 RM'000	30.9.04 RM'000	30.9.05 RM'000	30.9.04 RM'000
Cash and short-term funds	1,932,460	2,912,581	1,868,632	2,677,162

The Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2005

EXPLANATORY NOTES :

1. BASIS OF PREPARATION

The unaudited 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 should be read in conjunction with the audited 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 and the Bank which have been applied retrospectively in this unaudited condensed interim financial statements and the details are disclosed in Note 32.

The Group is deemed by Bank Negara Malaysia to be in compliance with the requirements 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 report. The Group's computations for its specific and general allowances are made based on BNM/GP3 requirement and is consistent with adoption made in the previous audited annual financial statements.

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

2. AUDIT QUALIFICATION

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

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

4. UNUSUAL ITEMS

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

5. USE OF ESTIMATES

There were no material change in estimates of amounts reported in the prior financial years that have a material effect on the financial period ended 30 September 2005.

6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

On 14 May 2005, the issued and fully paid-up ordinary share capital of the Bank was increased from 200,000,000 ordinary shares of RM1.00 each to 210,000,000 ordinary shares of RM1.00 each by the issue of a non-renounceable rights issue of 10,000,000 new ordinary shares of RM1.00 each at an issue price of RM5.00 per share to the Bank's holding company, AmInvestment Group Berhad, on the basis of 1 new ordinary share of RM1.00 each for every 20 ordinary shares held. The resulting share premium amounting to RM40,000,000 has been credited to the share premium account.

The Bank has not issued any new debentures during the financial period.

7. DIVIDENDS

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

8. SECURITIES HELD-FOR-TRADING

	Group		Bank	
	30.9.05 RM'000	31.3.05 RM'000	30.9.05 RM'000	31.3.05 RM'000
At Fair Value				
Money Market Securities :				
Treasury Bills	74,116	-	74,116	-
Islamic Treasury Bills	9,706	-	9,706	-
Malaysian Government Securities	959,089	448,830	959,089	448,830
Malaysian Government Investment Certificates	11,450	8,303	11,450	8,303
Cagamas bonds	115,823	90,361	115,823	90,361
Khazanah bonds	27,700	152,276	27,700	152,276
Bank Negara Malaysia bills	245,385	-	245,385	-
Negotiable instruments of deposits	1,661,370	1,646,214	1,661,370	1,646,214
Cagamas Mudharabah bearer bonds	38,140	-	38,140	-
Islamic Bank Negara Malaysia bills	173,910	56,323	173,910	56,323
Negotiable Islamic Debt Certificates	28,356	48,295	28,356	48,295
	<u>3,345,045</u>	<u>2,450,602</u>	<u>3,345,045</u>	<u>2,450,602</u>
Securities Quoted In Malaysia:				
Shares	107,873	69,193	107,873	69,193
Trust units	111,934	1,849	111,934	1,849
Loan stocks	1,115	1,613	1,115	1,613
Corporate bonds	22,400	22,272	-	-
	<u>243,322</u>	<u>94,927</u>	<u>220,922</u>	<u>72,655</u>
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:				
Islamic corporate bonds	689,223	613,174	689,223	613,174
Corporate notes	13,933	72,910	13,933	72,910
Corporate bonds	243,934	239,883	243,934	239,883
Islamic corporate notes	106,604	-	106,604	-
	<u>1,053,694</u>	<u>925,967</u>	<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	68,343	68,564
Islamic corporate notes	10,662	36,872	10,662	36,872
	<u>79,005</u>	<u>105,436</u>	<u>79,005</u>	<u>105,436</u>
Total securities held-for-trading	<u>4,721,066</u>	<u>3,576,932</u>	<u>4,698,666</u>	<u>3,554,660</u>

9. SECURITIES AVAILABLE-FOR-SALE

	Group		Bank	
	30.9.05 RM'000	31.3.05 RM'000	30.9.05 RM'000	31.3.05 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>	<u>-</u>	<u>-</u>
Securities Quoted In Malaysia:				
Corporate bonds	<u>19,084</u>	<u>18,052</u>	<u>-</u>	<u>-</u>
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:				
Corporate bonds	69,934	69,869	69,934	69,869
Islamic corporate notes	122,972	-	122,972	-
	<u>192,906</u>	<u>69,869</u>	<u>192,906</u>	<u>69,869</u>
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated in Malaysia:				
Corporate bonds	501,561	495,413	501,561	495,413
Total securities available-for-sale	<u>1,017,717</u>	<u>853,330</u>	<u>694,467</u>	<u>565,282</u>

10. SECURITIES HELD-TO-MATURITY

	Group		Bank	
	30.9.05 RM'000	31.3.05 RM'000	30.9.05 RM'000	31.3.05 RM'000
At Amortised Cost:				
Money Market Securities:				
Treasury bills	-	28,804	-	-
Quoted Securities:				
In Malaysia:				
Shares	2	2	-	-
Corporate bonds	56,538	57,000	-	-
Outside Malaysia:				
Corporate bonds	-	19,000	-	-
	<u>56,540</u>	<u>76,002</u>	<u>-</u>	<u>-</u>
Investment In Related Licensed Commercial Bank				
Unsecured subordinated term loan:				
Licensed commercial bank	460,000	460,000	460,000	460,000
Unquoted Securities Of Companies Incorporated :				
In Malaysia:				
Shares	60,588	60,589	60,588	60,589
Corporate bonds	100	100	100	100
Outside Malaysia:				
Shares	11,125	11,957	11,125	11,957
	<u>71,813</u>	<u>72,646</u>	<u>71,813</u>	<u>72,646</u>
Debt Equity Converted Securities:				
Quoted in Malaysia:				
Shares	24,694	24,694	19,822	19,822
Loan stocks - collateralised	971	973	-	-
Loan stocks	174,308	194,005	174,308	194,005
Unquoted securities of companies incorporated:				
In Malaysia:				
Shares	1,679	1,679	-	-
Corporate bonds	508,248	533,649	464,236	486,674
Outside Malaysia:				
Shares	15,439	15,565	-	-
	<u>725,339</u>	<u>770,565</u>	<u>658,366</u>	<u>700,501</u>
Unquoted Private Debt Securities Of Companies Incorporated:				
In Malaysia:				
Corporate bonds	86,105	86,813	86,105	86,813
Corporate bonds and notes denominated in USD	113,070	114,000	113,070	114,000
	<u>199,175</u>	<u>200,813</u>	<u>199,175</u>	<u>200,813</u>

10. SECURITIES HELD-TO-MATURITY (CONTD.)

	Group		Bank	
	30.9.05	31.3.05	30.9.05	31.3.05
	RM'000	RM'000	RM'000	RM'000
Total	1,512,867	1,608,830	1,389,354	1,433,960
Accumulated impairment losses	(190,091)	(208,029)	(164,408)	(166,960)
Total securities held-to-maturity	<u>1,322,776</u>	<u>1,400,801</u>	<u>1,224,946</u>	<u>1,267,000</u>

11. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	30.9.05	31.3.05	30.9.05	31.3.05
	RM'000	RM'000	RM'000	RM'000
Term loans and revolving credits	4,913,453	4,725,144	4,727,295	4,540,204
Staff loans	27,039	27,131	26,233	26,421
Claims on customers under acceptance credits	3,257	3,407	3,257	3,407
Gross loans, advances and financing	<u>4,943,749</u>	<u>4,755,682</u>	<u>4,756,785</u>	<u>4,570,032</u>
Less:				
Allowance for bad and doubtful debts and financing:				
General	71,236	69,091	68,500	66,278
Specific	193,845	157,720	190,074	153,321
	<u>265,081</u>	<u>226,811</u>	<u>258,574</u>	<u>219,599</u>
Net loans, advances and financing	<u>4,678,668</u>	<u>4,528,871</u>	<u>4,498,211</u>	<u>4,350,433</u>

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

	Group		Bank	
	30.9.05	31.3.05	30.9.05	31.3.05
	RM'000	RM'000	RM'000	RM'000
Construction	1,160,476	1,116,209	1,133,495	1,089,007
Purchase of securities	872,874	703,865	872,874	703,865
Investment holdings	736,836	782,084	696,395	782,084
Manufacturing	521,345	414,888	477,472	367,566
General commerce	452,867	463,679	449,164	459,041
Transport, storage and communication	311,906	199,211	270,446	156,034
Agriculture	259,360	318,178	250,092	304,675
Real estate	206,360	225,941	206,360	225,941
Electricity, gas and water	143,818	259,772	143,818	259,772
Finance, insurance and business services	131,788	148,867	127,995	113,896
Purchase of landed property:				
(a) Residential	24,125	22,433	23,454	21,841
(b) Non-residential	61,906	60,729	55,739	54,562
Mining and quarrying	266	610	266	610
Others	59,822	39,216	49,215	31,138
Gross loans, advances and financing	<u>4,943,749</u>	<u>4,755,682</u>	<u>4,756,785</u>	<u>4,570,032</u>

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

	Group		Bank	
	30.9.05	31.3.05	30.9.05	31.3.05
	RM'000	RM'000	RM'000	RM'000
Domestic :				
Other non-bank financial institutions:				
Stockbroking companies	-	12,437	-	-
Others	50,540	38,073	50,540	50,510
Business enterprises:				
Small medium enterprises	501,179	579,056	501,179	579,056
Others	4,103,042	3,850,220	4,002,998	3,768,323
Government and statutory bodies	57,537	38,004	19,141	-
Individuals	90,935	89,636	90,128	88,926
Foreign entities	140,516	148,256	92,799	83,217
	<u>4,943,749</u>	<u>4,755,682</u>	<u>4,756,785</u>	<u>4,570,032</u>

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

	Group		Bank	
	30.9.05 RM'000	31.3.05 RM'000	30.9.05 RM'000	31.3.05 RM'000
Variable rate				
Cost-plus	3,848,064	3,190,981	3,761,134	3,113,418
Other variable rates	290,205	405,755	191,173	300,579
Fixed rate				
Housing loans	23,794	23,909	23,454	23,317
Hire purchase receivables	2,882	3,177	2,785	3,059
Other fixed rates	778,804	1,131,860	778,239	1,129,659
	<u>4,943,749</u>	<u>4,755,682</u>	<u>4,756,785</u>	<u>4,570,032</u>

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

	Group		Bank	
	30.9.05 RM'000	31.3.05 RM'000	30.9.05 RM'000	31.3.05 RM'000
Balance at beginning of period/year	839,225	1,087,507	805,858	984,310
Non-performing during the period/year	59,866	270,282	59,853	258,642
Reclassification to performing loans, advances and financing	(315,026)	(350,424)	(315,026)	(341,197)
Recoveries	(45,806)	(65,220)	(45,806)	(12,300)
Amount written off	(78)	(24,602)	(78)	(15,919)
Debt equity conversion	-	(78,318)	-	(67,678)
Exchange fluctuation adjustments	(508)	-	(274)	-
Balance at end of period/year	<u>537,673</u>	<u>839,225</u>	<u>504,527</u>	<u>805,858</u>
Specific allowance	<u>(193,845)</u>	<u>(157,720)</u>	<u>(190,074)</u>	<u>(153,321)</u>
Non-performing loans, advances and financing - net	<u>343,828</u>	<u>681,505</u>	<u>314,453</u>	<u>652,537</u>
Ratios of non-performing loans, advances and financing to total loans, advances and financing - net	<u>7.24%</u>	<u>14.82%</u>	<u>6.89%</u>	<u>14.77%</u>

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

	Group		Bank	
	30.9.05 RM'000	31.3.05 RM'000	30.9.05 RM'000	31.3.05 RM'000
Construction	143,650	122,732	116,668	95,530
Purchase of securities	69,795	56,924	69,795	56,924
Manufacturing	58,246	156,385	58,246	156,385
General commerce	92,544	114,373	92,544	114,373
Transport, storage and communication	-	54,936	-	54,936
Agriculture	16,366	14,324	16,366	14,324
Real estate	42,452	124,417	42,452	124,417
Finance, insurance and business services	4,194	88,789	4,194	88,789
Purchase of non-residential landed property	9,976	12,242	3,808	6,075
Mining and quarrying	-	144	-	144
Investment holdings	96,045	87,623	96,045	87,623
Others	4,405	6,336	4,409	6,338
	<u>537,673</u>	<u>839,225</u>	<u>504,527</u>	<u>805,858</u>

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

	Group		Bank	
	30.9.05 RM'000	31.3.05 RM'000	30.9.05 RM'000	31.3.05 RM'000
General allowance				
Balance at beginning of period/year	69,091	80,404	66,278	77,788
Reversal of allowance during the period/year	2,176	(11,313)	2,233	(11,510)
Exchange fluctuation adjustments	(31)	-	(11)	-
Balance at end of period/year	<u>71,236</u>	<u>69,091</u>	<u>68,500</u>	<u>66,278</u>
% of total loans, advances and financing less specific allowances	<u>1.50%</u>	<u>1.50%</u>	<u>1.50%</u>	<u>1.50%</u>
Specific allowance				
Balance at beginning of period/year	<u>157,720</u>	<u>378,375</u>	<u>153,321</u>	<u>362,969</u>
Allowance during the period/year	<u>56,106</u>	<u>106,361</u>	<u>56,091</u>	<u>104,495</u>
Amount written back in respect of recoveries and reversals	<u>(19,262)</u>	<u>(5,925)</u>	<u>(19,261)</u>	<u>(5,135)</u>
Net charge to income statements	<u>36,844</u>	<u>100,436</u>	<u>36,830</u>	<u>99,360</u>
Amount written off	(683)	(321,628)	(77)	(309,008)
Exchange fluctuation adjustments	(36)	-	-	-
Reclassification from sundry receivables	-	4,192	-	-
Debt equity conversion	-	(3,655)	-	-
Balance at end of period/year	<u>193,845</u>	<u>157,720</u>	<u>190,074</u>	<u>153,321</u>

12. OTHER ASSETS

	Group		Bank	
	30.9.05 RM'000	31.3.05 RM'000	30.9.05 RM'000	31.3.05 RM'000
Other receivables, deposits and prepayments, net of allowance for doubtful debts	50,386	69,920	39,820	63,311
Interest/Dividends receivable	47,920	42,495	44,711	35,243
Amount due from Originators	110,683	132,798	110,683	132,798
Amount due from brokers	2,268	10,496	2,268	10,496
Amount due from:				
Holding company	138	194	138	194
Subsidiary company	-	-	-	2,074
Related companies	11,752	17,274	14,079	17,401
Assets acquired in exchange of debts, net of impairment loss	9,944	15,479	9,944	15,479
	<u>233,091</u>	<u>288,656</u>	<u>221,643</u>	<u>276,996</u>

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

Amounts due from subsidiary companies and other related companies are unsecured, interest-free and represent expenses paid on behalf and interests receivable.

13. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30.9.05 RM'000	31.3.05 RM'000	30.9.05 RM'000	31.3.05 RM'000
Term/Investment deposits	4,699,465	4,911,612	4,253,506	4,322,476
Negotiable instruments of deposits	1,132,730	382,824	1,132,730	382,824
	<u>5,832,195</u>	<u>5,294,436</u>	<u>5,386,236</u>	<u>4,705,300</u>
The deposits are sourced from the following types of customers:				
Business enterprises	3,758,846	4,153,137	3,313,629	3,564,809
Individuals	8,381	4,714	7,011	3,906
Government	1,350,064	626,842	1,350,064	626,842
Others	714,904	509,743	715,532	509,743
	<u>5,832,195</u>	<u>5,294,436</u>	<u>5,386,236</u>	<u>4,705,300</u>

14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30.9.05 RM'000	31.3.05 RM'000	30.9.05 RM'000	31.3.05 RM'000
Licensed banks:				
Subsidiary	-	-	388,883	159,604
Related	1,048,461	39,105	1,002,477	39,105
Others	728,774	836,461	566,698	798,461
Licensed merchant banks	50,786	90,265	50,786	90,265
Related licensed finance companies	-	528,702	-	528,702
Other financial institutions	3,532,097	3,096,883	3,532,097	3,096,883
	<u>5,360,118</u>	<u>4,591,416</u>	<u>5,540,941</u>	<u>4,713,020</u>

15. OTHER LIABILITIES

	Group		Bank	
	30.9.05 RM'000	31.3.05 RM'000	30.9.05 RM'000	31.3.05 RM'000
Trade payables	3,917	9,918	-	-
Other payables and accruals	80,879	72,290	72,140	66,832
Provision for commitments	502	63	502	63
Amount due to :				
Holding company	1	1	-	-
Subsidiary company	-	-	-	31
Related companies	150	95	141	85
Associated companies	-	149	-	-
Taxation payable	(109)	420	-	-
Zakat payable	38	38	38	38
Profit equalisation reserve	725	2,195	430	2,195
Preference dividend payable to shareholder	-	7,200	-	7,200
Deferred tax liabilities	293	194	-	-
	<u>86,396</u>	<u>92,563</u>	<u>73,251</u>	<u>76,444</u>

Amount due to holding company represents expenses paid on behalf.

Amount due to subsidiary company and related companies represent interest payable on deposit placements.

The movements in profit equalisation reserve are as follows:

	Group		Bank	
	30.9.05 RM'000	31.3.05 RM'000	30.9.05 RM'000	31.3.05 RM'000
Balance at beginning of period/year	2,195	-	2,195	-
Provision during the period/year	3,495	6,042	3,200	6,042
Amount written back	(4,965)	(3,847)	(4,965)	(3,847)
Balance at end of period/year	<u>725</u>	<u>2,195</u>	<u>430</u>	<u>2,195</u>

16. INTEREST INCOME

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
Short-term funds and deposits with				
financial institutions	19,851	18,542	37,766	32,902
Securities held-for-trading	29,486	52,634	69,804	94,975
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	49,324	41,435	94,678	98,926
- Recoveries from NPLs	12,773	9,457	30,334	23,887
Others	2,503	4,142	4,908	8,451
Gross interest income	133,114	137,502	271,700	285,646
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	133,189	130,855	269,609	269,786
Bank				
Short-term funds and deposits with				
financial institutions	19,776	19,642	34,992	34,614
Securities held-for-trading	29,186	52,627	69,203	94,943
Securities available-for-sale	6,823	44	6,872	8,506
Securities held-to-maturity	10,067	10,782	22,782	17,085
Loans and advances				
- Interest income other than recoveries from NPL	46,694	42,373	90,258	96,837
- Recoveries from NPLs	12,773	7,246	30,334	21,676
Others	2,494	4,098	4,880	8,361
Gross interest income	127,813	136,812	259,321	282,022
Amortisation of premiums less accretion of discounts	96	(9,509)	(2,172)	(18,317)
Interest suspended	(20)	(191)	(58)	(2,101)
Total after net interest suspension	127,889	127,112	257,091	261,604

17. INTEREST EXPENSE

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
Deposits from customers	64,161	64,134	125,190	130,484
Deposit of banks and other financial institutions	8,726	10,494	19,370	17,054
Securities sold under repurchase agreements	10,572	8,713	20,036	17,711
Subordinated deposits and term loans	7,237	6,314	13,481	12,335
Redeemable unsecured bonds	7,536	7,536	14,991	14,991
Others	13,478	12,267	15,223	16,359
	111,710	109,458	208,291	208,934

Bank	Individual Quarter		Cumulative Quarter	
	30.9.05 RM'000	30.9.04 RM'000	30.9.05 RM'000	30.9.04 RM'000
Deposits from customers	62,082	58,354	117,965	121,430
Deposit of banks and other financial institutions	9,375	13,748	21,237	22,671
Securities sold under repurchase agreements	10,572	8,519	20,036	17,703
Subordinated deposits and term loans	4,423	5,660	8,520	11,116
Redeemable unsecured bonds	7,536	7,536	14,991	14,991
Others	13,467	12,505	15,041	15,803
	107,455	106,322	197,790	203,714

18. OTHER OPERATING INCOME

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
Fee income:				
Fees on loans and advances	5,077	3,021	17,383	4,802
Corporate advisory fees	5,007	5,552	11,091	11,897
Guarantee fees	2,842	2,106	4,280	4,146
Underwriting commissions	972	2,172	1,618	3,439
Portfolio management fees	1,797	2,336	3,835	4,816
Unit trust management fees	7,060	5,721	14,553	9,174
Property trust management fees	494	490	988	980
Other fee income	1,317	1,781	3,348	3,847
	<u>24,566</u>	<u>23,179</u>	<u>57,096</u>	<u>43,101</u>
Investment and trading income:				
Net gain from sale of securities held-for-trading	13,374	26,048	62,234	38,294
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/(Loss) on redemption of investment	6,318	(1,203)	7,162	773
Gross dividend income from:				
Securities held-for-trading	1,050	1,737	1,575	2,715
Securities held-to-maturity	10,517	11,437	11,130	12,618
(Loss)/Gain on revaluation of derivatives	376	2,299	(852)	1,989
Gain/(Loss) on revaluation of securities held-for-trading	24,900	20,951	31,652	6,286
	<u>61,030</u>	<u>61,347</u>	<u>118,190</u>	<u>62,762</u>
Other income:				
Realised foreign exchange gain/(loss)	3,167	59	3,167	(21)
Gain on disposal of property and equipment - net	172	14	346	112
Rental income	215	175	437	365
Other non-operating income	43	80	79	140
	<u>3,597</u>	<u>328</u>	<u>4,029</u>	<u>596</u>
	<u>89,193</u>	<u>84,854</u>	<u>179,315</u>	<u>106,459</u>

18. OTHER OPERATING INCOME (CONTD.)

Bank	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	4,982	2,781	17,121	4,410
Corporate advisory fees	4,767	5,419	10,701	11,623
Guarantee fees	1,937	1,770	3,328	2,959
Underwriting commissions	972	2,172	1,618	3,439
Other fee income	2,166	2,658	5,170	4,663
	<u>14,824</u>	<u>14,800</u>	<u>37,938</u>	<u>27,094</u>
Investment and trading income:				
Net gain from sale of securities held-for-trading	13,374	24,098	62,234	38,600
Net gain from sale of securities held-to-maturity	4,434	22	5,223	29
Gain on redemption of investment	7,162	773	7,162	773
(Loss)/Gain on revaluation of derivatives	(1,194)	2,299	(541)	1,989
Gross dividend income from:				
Unquoted subsidiary company	1,700	1,250	1,700	1,250
Unquoted associated company	-	190	-	3,673
Securities held-for-trading	1,050	1,737	1,575	2,715
Securities held-to-maturity	10,517	11,437	11,130	12,618
Unrealised gain on revaluation of securities held-for-trading	25,471	20,561	31,344	6,286
	<u>62,514</u>	<u>62,367</u>	<u>119,827</u>	<u>67,933</u>
Other income:				
Unrealised foreign exchange gain	599	-	599	-
Gain on disposal of property and equipment - net	172	14	346	111
Rental income	207	175	409	365
	<u>978</u>	<u>189</u>	<u>1,354</u>	<u>476</u>
	<u>78,316</u>	<u>77,356</u>	<u>159,119</u>	<u>95,503</u>

19. OTHER OPERATING EXPENSES

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	15,195	12,865	32,729	27,393
- Others	7,109	6,588	15,054	12,985
Establishment costs				
- Depreciation	1,879	3,074	3,866	6,428
- Computerisation costs	2,143	868	3,776	1,717
- Rental	744	1,037	1,594	1,668
- Others	1,020	1,146	2,061	2,288
Marketing and communication expenses				
- Sales commission	198	349	733	653
- Advertising	2,025	299	2,487	506
- Travel and entertainment	402	296	797	695
- Others	1,244	1,335	2,287	2,312
Administration and general expenses				
- Amortisation of goodwill	156	319	311	637
- Professional fees	1,775	1,213	3,000	2,542
- Others	1,593	1,778	7,452	3,575
	35,483	31,167	76,147	63,399
Bank				
Personnel/Staff costs				
- Salaries, allowances and bonuses	12,460	10,805	27,346	22,890
- Others	6,218	5,950	13,288	11,641
Establishment costs				
- Depreciation	1,710	2,882	3,506	6,030
- Computerisation costs	1,910	572	3,285	1,094
- Rental	337	617	818	920
- Others	896	1,021	1,812	2,028
Marketing and communication expenses				
- Commission	394	347	725	650
- Advertising	1,449	126	1,894	380
- Travel and entertainment	510	342	848	675
- Others	785	1,053	1,510	1,875
Administration and general expenses				
- Professional fees	1,529	1,027	2,452	2,242
- Others	1,256	1,328	6,724	2,794
	29,454	26,070	64,208	53,219

20. ALLOWANCE FOR LOSSES ON LOANS AND FINANCING

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
<i>Allowance during the period</i>	17,721	27,099	56,106	41,118
<i>Amount written back in respect of recoveries and reversals</i>	-	-	-	-
General allowance	(14,490)	(174)	(19,262)	(4,214)
Bad debts and financing	5,487	(7,080)	2,176	(11,851)
Written off	-	-	70	252
Recovered	70	-	70	252
	(1,704)	(7,269)	(2,880)	(13,320)
	7,084	12,576	36,210	11,985
Bank	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	3,230	26,119	36,830	36,098
<i>Allowance during the period</i>	17,719	26,291	56,091	40,310
<i>Amount written back in respect of recoveries and reversals</i>	-	-	-	-
General allowance	(14,489)	(172)	(19,261)	(4,212)
Bad debts and financing	5,387	(7,903)	2,233	(12,985)
Written off	-	-	70	252
Recovered	70	-	70	252
	(1,706)	(7,260)	(2,881)	(13,311)
	6,981	10,956	36,252	10,054

21. 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	222,138	213,178	455,386	382,710
Profit before taxation	87,906	71,240	167,629	115,015
Offshore banking				
Revenue	15,025	12,729	25,337	23,645
Profit before taxation	6,353	(458)	5,539	335
Unit trust management				
Revenue	4,757	3,791	9,947	6,511
Profit before taxation	1,697	1,521	3,948	1,954
Asset management				
Revenue	3,252	3,406	6,694	6,662
Profit before taxation	1,494	1,757	2,990	3,479
Property trust management				
Revenue	552	548	1,104	1,094
Profit before taxation	356	342	686	672
Investment consultant				
Revenue	134	137	277	282
Profit before taxation	49	100	131	116
Others				
Revenue	2	-	3	1
Profit before taxation	1	-	1	-
Total before consolidation adjustments:				
Revenue	245,860	233,789	498,748	420,905
Profit before taxation	97,856	74,502	180,924	121,571
Consolidation adjustments				
Revenue	(1,822)	(4,244)	(4,696)	(16,187)
Profit before taxation	(1,046)	(336)	(567)	(2,591)
Total after consolidation adjustments				
Revenue	244,038	229,545	494,052	404,718
Profit before taxation	96,810	74,166	180,357	118,980

21. SEGMENTAL INFORMATION (CONTD.)

Included in the above is Islamic banking operations profit before taxation of RM39.1 million for the six month period ended 30 September 2005.

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

22. VALUATIONS OF PROPERTY AND EQUIPMENTS

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

23. 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 and the Bank for the current financial quarter and period.

24. CHANGES IN THE COMPOSITION OF THE GROUP AND THE BANK

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

25. BORROWINGS

The maturity structure of deposits and placements of customers and financial institutions and debt securities are as follows:

	Group		Bank	
	30.9.05 RM'000	31.3.05 RM'000	30.9.05 RM'000	31.3.05 RM'000
(i) Deposits from customers				
Due within six months	5,513,855	5,161,661	5,067,896	4,572,525
Six months to one year	315,040	132,275	315,040	132,275
One year to three years	-	200	-	200
Three years to five years	3,300	300	3,300	300
	<u>5,832,195</u>	<u>5,294,436</u>	<u>5,386,236</u>	<u>4,705,300</u>
(ii) Deposits and placements of banks and other financial institutions				
Due within six months	3,474,500	2,909,423	3,658,324	3,031,027
Six months to one year	349,137	363,196	349,137	363,196
One year to three years	929,173	514,537	929,173	514,537
Three years to five years	607,308	804,260	604,308	804,260
Total	<u>5,360,118</u>	<u>4,591,416</u>	<u>5,540,942</u>	<u>4,713,020</u>
<i>Recap :</i>				
<i>Interbank lendings</i>	<i>3,311,552</i>	<i>2,931,424</i>	<i>3,308,439</i>	<i>2,733,709</i>
<i>Interbank borrowings</i>	<i>(1,481,267)</i>	<i>(273,140)</i>	<i>(1,662,090)</i>	<i>(394,744)</i>
<i>Net interbank lendings</i>	<u><i>1,830,285</i></u>	<u><i>2,658,284</i></u>	<u><i>1,646,349</i></u>	<u><i>2,338,965</i></u>
(iii) Term loans				
Due within one year				
Secured	<u>282,690</u>	<u>285,000</u>	<u>-</u>	<u>-</u>
(iv) Unsecured subordinated certificate of deposits				
More than one year	<u>199,266</u>	<u>198,768</u>	<u>199,266</u>	<u>198,768</u>
(v) Redeemable unsecured subordinated bonds				
More than one year	<u>460,000</u>	<u>460,000</u>	<u>460,000</u>	<u>460,000</u>

26. 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:

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	5	550,000	-	-
Interest rate swaps:						
Related companies	1,800,000	32,758	6,552	1,700,000	34,063	6,813
Others	7,438,190	174,541	36,991	5,868,115	118,218	26,931
Foreign exchange related contracts:						
Forward exchange contracts	1,669,633	24,472	4,894	1,543,738	17,490	3,498
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>260,526</u>	<u>54,188</u>	<u>10,153,353</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
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>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	826,348
Underwriting liabilities	1,395,641	697,821	686,621	315,434	157,717	137,317
Certain transaction-related contingent items	536,161	268,081	227,464	495,392	247,696	216,302
	<u>2,793,237</u>	<u>1,827,337</u>	<u>1,648,992</u>	<u>1,780,007</u>	<u>1,374,594</u>	<u>1,179,967</u>
	<u>18,922,556</u>	<u>4,955,538</u>	<u>2,904,227</u>	<u>14,821,270</u>	<u>3,602,403</u>	<u>2,323,709</u>

Bank	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	583,450	-	-	550,000	-	-
Interest rate swaps:						
Related companies	1,800,000	32,758	6,552	1,702,092	34,160	6,832
Others	7,438,190	141,783	30,439	5,868,115	118,216	26,931
Foreign exchange related contracts:						
Forward exchange contracts	1,619,650	24,472	4,894	1,543,738	17,490	3,498
Cross currency swaps	384,438	28,728	5,746	463,600	32,512	6,502
Malaysian Government securities futures	50,200	-	-	27,900	-	-
	<u>11,875,928</u>	<u>227,741</u>	<u>47,631</u>	<u>10,155,445</u>	<u>202,378</u>	<u>43,763</u>
Commitments						
Irrevocable commitments to extend credit maturing:						
within one year	1,193,426	-	-	747,783	-	-
more than one year	193,400	96,700	96,457	202,255	101,128	100,812
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>4,138,955</u>	<u>2,848,829</u>	<u>1,182,201</u>	<u>2,860,962</u>	<u>2,012,052</u>	<u>1,086,524</u>
Contingent Liabilities						
Guarantees given on behalf of customers	856,877	856,877	730,349	979,823	979,823	835,548
Underwriting liabilities	1,395,641	697,821	686,621	315,434	157,717	137,317
Certain transaction-related contingent items	536,161	268,081	227,464	495,392	247,696	217,744
	<u>2,788,679</u>	<u>1,822,779</u>	<u>1,644,434</u>	<u>1,790,649</u>	<u>1,385,236</u>	<u>1,190,609</u>
	<u>18,803,562</u>	<u>4,899,349</u>	<u>2,874,266</u>	<u>14,807,056</u>	<u>3,599,666</u>	<u>2,320,896</u>

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

As required, the Bank has given a continuing guarantee to Bank Negara Malaysia on behalf of AmInternational to meet all its liabilities and financial obligations and requirements.

27. RELATED PARTY TRANSACTIONS

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

28. DERIVATIVE FINANCIAL INSTRUMENTS

As at 30 September 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	610,211	-	253,211	18,000	109,000	230,000	-	2,421
Interest rate swaps	9,238,190	225,000	550,000	555,000	1,352,000	6,306,190	250,000	2,959
Foreign exchange related contracts :								
Forward exchange contracts	1,669,633	536,117	531,367	339,258	262,891	-	-	391
Cross currency swaps	384,438	-	-	-	113,070	271,368	-	459
Malaysian Government Securities futures	50,200	-	50,200	-	-	-	-	2
Total	11,952,672	761,117	1,384,778	912,258	1,836,961	6,807,558	250,000	6,232

28. DERIVATIVE FINANCIAL INSTRUMENTS (CONTD.)

The Bank

Items	Principial 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	583,450	-	-	226,450	18,000	109,000	230,000	2,421
Interest rate swaps	9,238,190	225,000	550,000	555,000	1,352,000	6,306,190	250,000	2,959
Foreign exchange related contracts :								
Forward exchange contracts	1,619,650	486,134	531,367	339,258	262,891	-	-	391
Cross currency swaps	384,438	-	-	-	113,070	271,368	-	459
Malaysian Government Securities futures	50,200	-	50,200	-	-	-	-	2
Total	11,875,928	711,134	1,131,567	1,120,708	1,745,961	6,686,558	480,000	6,232

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.

28. DERIVATIVE FINANCIAL INSTRUMENTS (CONTD.)

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 30 September 2005, value at risk of foreign exchange-related derivatives contracts used for trading purposes of the Group was RM1,648,491 (RM25,849 as at 31 March 2005) and the Bank was RM1,648,491 (RM25,849 as at 31 March 2005)

The value at risk of the interest rate derivatives related contracts used for trading purposes of the Group was RM2,024,312 (RM5,392,001 as at 31 March 2005) and the Bank was RM2,024,312 (RM5,391,992 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 30 September 2005, the amounts of counterparty credit risk, measured in term of the cost to replace the profitable contracts of the Group was RM4,505,876 (RM20,257,362 as at 31 March 2005) and the Bank was RM4,505,876 (RM20,286,719 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.

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 ----->							Trading Book	Total	Effective interest rate
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years	Non-interest sensitive			
30.9.05	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS										
Cash and short-term funds	1,384,529	-	-	-	-	-	547,931	-	1,932,460	2.97
Securities purchased under resale agreements	19,110	-	-	-	-	-	-	-	19,110	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	-	-	-	-	-	-	-	4,721,066	4,721,066	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	-	160,750	-	1,997	412,383	240,048	507,598	-	1,322,776	8.78
Loans, advances and financing:										
- performing	2,347,117	1,193,987	120,459	58,458	242,361	28,030	415,664	-	4,406,076	6.11
- non-performing *	-	-	-	-	-	-	272,592	-	272,592	-
Amount due from Originators	-	-	5,028	4,893	100,762	-	-	-	110,683	4.29
Other non-interest sensitive balances	-	-	-	-	-	-	560,598	-	560,598	-
TOTAL ASSETS	3,825,623	2,308,709	182,259	170,722	1,300,510	616,848	2,624,383	4,721,066	15,750,120	
LIABILITIES AND SHAREHOLDER'S FUNDS										
Deposits from customers	2,601,658	1,979,760	548,984	309,765	300	3,000	388,728	-	5,832,195	2.40
Deposits and placements of banks and other financial institutions	1,744,239	786,579	619,639	335,102	934,173	599,308	341,078	-	5,360,118	2.74
Obligations on securities sold under repurchase agreements	1,566,931	192,859	171	-	-	-	-	-	1,759,961	2.63
Acceptances payable	597	2,569	91	-	-	-	-	-	3,257	4.89
Amount due to Cagamas Berhad	-	-	5,028	4,893	100,762	-	-	-	110,683	4.29
Term loans	-	-	282,690	-	-	-	-	-	282,690	3.93
Subordinated certificates of deposits	-	-	-	199,266	-	-	-	-	199,266	8.85

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				
30.9.05	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Redeemable unsecured subordinated bonds	-	-	-	-	-	460,000	-	-	460,000	6.00	
Other non-interest sensitive balances	-	-	-	-	-	-	86,396	-	86,396	-	
Total Liabilities	5,913,425	2,961,767	1,456,603	849,026	1,035,235	1,062,308	816,202	-	14,094,566		
Minority interests	-	-	-	-	-	-	61	-	61		
Share capital	-	-	-	-	-	-	310,000	-	310,000		
Interest Bearing Irredeemable Convertible Unsecured Loan Stocks 2002/2007	-	-	-	-	120,000	-	-	-	120,000		
Reserves	-	-	-	-	-	-	1,225,493	-	1,225,493		
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS	5,913,425	2,961,767	1,456,603	849,026	1,155,235	1,062,308	2,351,756	-	15,750,120		
On-balance sheet interest sensitivity gap	(2,087,802)	(653,058)	(1,274,344)	(678,304)	145,275	(445,460)	272,627	4,721,066	-		
Off-balance sheet interest sensitivity gap	(1,153,393)	(854,343)	(479,014)	140,094	351,472	1,997,040	-	1,854	3,710		
Total interest sensitivity gap	(3,241,195)	(1,507,401)	(1,753,358)	(538,210)	496,747	1,551,580	272,627	4,722,920	3,710		
Cumulative interest rate sensitivity gap	(3,241,195)	(4,748,596)	(6,501,954)	(7,040,164)	(6,543,417)	(4,991,837)	(4,719,210)	3,710			

<-----Non-trading book ----->

Group	Non-trading book						Non-interest sensitive	Trading Book	Total	Effective interest rate
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years				
31.3.05	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS										
Cash and short-term funds	1,959,224	-	-	-	-	-	620,685	-	2,579,909	3.05
Securities purchased under resale agreements	9,671	-	-	-	-	-	-	-	9,671	2.87
Deposits and placements with banks and other financial institutions	-	321,823	38,000	-	-	-	33,100	-	392,923	2.87
Securities held-for-trading	-	-	-	-	-	-	166,024	3,410,908	3,576,932	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	499,508	-	1,400,801	8.63
Loans, advances and financing:										
- performing	2,270,516	301,276	102,739	439,854	199,868	102,389	499,815	-	3,916,457	6.20
- non-performing *	-	-	-	-	-	-	612,414	-	612,414	-
Amount due from Originators	-	3,361	-	7,684	121,753	-	-	-	132,798	4.29
Other non-interest sensitive balances	-	-	-	-	-	-	556,885	-	556,885	-
TOTAL ASSETS	4,239,411	626,460	245,541	566,005	1,333,857	621,507	2,988,431	3,410,908	14,032,120	
LIABILITIES AND SHAREHOLDER'S 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	1,204,973	660,229	698,548	362,784	709,999	599,260	355,623	-	4,591,416	3.39
Obligations on securities sold under repurchase agreements	1,460,482	3,327	101	-	-	-	-	-	1,463,910	2.59
Acceptances payable	996	1,456	734	-	-	-	-	-	3,186	4.91
Amount due to Cagamas Berhad	-	3,361	-	7,684	121,753	-	-	-	132,798	4.29
Term loans	-	-	285,000	-	-	-	-	-	285,000	2.98
Subordinated certificates of deposits	-	-	-	198,768	-	-	-	-	198,768	8.85
Redeemable unsecured subordinated bonds	-	-	-	-	460,000	-	-	-	460,000	6.50

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	
Other non-interest sensitive balances	-	-	-	-	-	-	-	92,563	-	92,563	-
Total Liabilities	5,575,157	2,157,594	1,461,879	675,868	1,292,252	599,260	-	760,067	-	12,522,077	-
Minority interests	-	-	-	-	-	-	-	6,083	-	6,083	-
Share capital	-	-	-	-	-	-	-	300,000	-	300,000	-
Interest Bearing Irredeemable Convertible Unsecured Loan											
Stocks 2002/2007	-	-	-	-	120,000	-	-	-	-	120,000	6.00
Reserves	-	-	-	-	-	-	-	1,083,960	-	1,083,960	-
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS	5,575,157	2,157,594	1,461,879	675,868	1,412,252	599,260	-	2,150,110	-	14,032,120	
On-balance sheet interest sensitivity gap	(1,335,746)	(1,531,134)	(1,216,338)	(109,863)	(78,395)	22,247	-	838,321	3,410,908	-	
Off-balance sheet interest sensitivity gap	(1,015,814)	(36,184)	(300,342)	47,985	1,052,866	251,489	-	-	-	-	
Total interest sensitivity gap	(2,351,560)	(1,567,318)	(1,516,680)	(61,878)	974,471	273,736	-	838,321	3,410,908	-	
Cumulative interest rate sensitivity gap	(2,351,560)	(3,918,878)	(5,435,558)	(5,497,436)	(4,522,965)	(4,249,229)	(3,410,908)	-	-	-	

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

<-----Non-trading book ----->

Bank	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years	Non- interest sensitive	Trading Book	Total	Effective interest rate
30.9.05	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS										
Cash and short-term funds	1,326,034	-	-	-	-	-	542,598	-	1,868,632	2.80
Securities purchased under resale agreements	-	-	-	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	971,645	75,380	75,380	-	-	320,000	-	1,442,405	3.05
Securities held-for-trading	-	-	-	-	-	-	-	4,698,666	4,698,666	3.65
Securities available-for-sale	-	-	-	29,994	315,704	348,769	-	-	694,467	3.90
Securities held-to-maturity	-	104,207	-	1,997	378,396	240,048	500,298	-	1,224,946	9.08
Loans, advances and financing:										
- performing	2,288,001	1,169,791	53,489	58,447	242,213	24,653	415,664	-	4,252,258	6.15
- non-performing *							245,953	-	245,953	-
Amount due from Originators	-	-	5,028	4,893	100,762	-	-	-	110,683	4.29
Other non-interest sensitive balances	-	-	-	-	-	-	573,845	-	573,845	-
TOTAL ASSETS	3,614,035	2,245,643	133,897	170,711	1,037,075	613,470	2,598,358	4,698,666	15,111,855	
LIABILITIES AND SHAREHOLDER'S FUNDS										
Deposits from customers	2,156,990	1,978,554	548,899	309,764	300	3,000	388,729	-	5,386,236	2.28
Deposits and placements of banks and other financial institutions	1,827,340	921,990	581,949	335,102	934,173	599,308	341,079	-	5,540,941	2.68
Obligations on securities sold under repurchase agreements	1,566,931	192,859	171	-	-	-	-	-	1,759,961	2.63
Acceptances payable	597	2,569	91	-	-	-	-	-	3,257	4.89
Amount due to Cagamas Berhad	-	-	5,028	4,893	100,762	-	-	-	110,683	4.29
Subordinated certificates of deposits	-	-	-	199,266	-	-	-	-	199,266	8.85
Redeemable unsecured subordinated bonds	-	-	-	-	-	460,000	-	-	460,000	6.00

Bank	<-----Non-trading book ----->							Trading Book	Total	Effective interest rate
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years	Non-interest sensitive			
30.9.05	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Other non-interest sensitive balances	-	-	-	-	-	-	73,251	-	73,251	-
Total Liabilities	5,551,858	3,095,972	1,136,138	849,025	1,035,235	1,062,308	803,059	-	13,533,595	
Share capital	-	-	-	-	-	-	310,000	-	310,000	-
Interest Bearing Irredeemable Convertible Unsecured Loan										
Stocks 2002/2007	-	-	-	-	120,000	-	-	-	120,000	6.00
Reserves	-	-	-	-	-	-	1,148,260	-	1,148,260	-
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS	5,551,858	3,095,972	1,136,138	849,025	1,155,235	1,062,308	2,261,319	-	15,111,855	
On-balance sheet interest sensitivity gap	(1,937,823)	(850,329)	(1,002,241)	(678,314)	(118,160)	(448,838)	337,039	4,698,666	-	
Off-balance sheet interest sensitivity gap	(1,153,393)	(854,343)	(479,014)	140,094	351,472	1,997,040	-	1,854	3,710	
Total interest sensitivity gap	(3,091,216)	(1,704,672)	(1,481,255)	(538,220)	233,312	1,548,202	337,039	4,700,520	3,710	
Cumulative interest rate sensitivity gap	(3,091,216)	(4,795,888)	(6,277,143)	(6,815,363)	(6,582,051)	(5,033,849)	(4,696,810)	3,710		

<-----Non-trading book ----->

Bank	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 %
31.3.05										
ASSETS										
Cash and short-term funds	1,723,509	-	-	-	-	-	606,404	-	2,329,913	3.15
Deposits and placements with banks and other financial institutions	-	319,300	38,000	-	-	38,000	33,100	-	428,400	3.15
Securities held-for-trading	-	-	-	-	-	-	166,024	3,388,636	3,554,660	3.62
Securities available-for-sale	-	-	-	-	312,595	252,687	-	-	565,282	3.89
Securities held-to-maturity	-	-	-	117,496	392,635	257,361	499,508	-	1,267,000	9.10
Loans, advances and financing:										
- performing	2,218,216	272,837	31,599	439,836	199,727	102,144	499,815	-	3,764,174	6.40
- non-performing *	-	-	-	-	-	-	586,259	-	586,259	-
Amount due from Originators	-	3,361	-	7,684	121,753	-	-	-	132,798	4.27
Other non-interest sensitive balances	-	-	-	-	-	-	563,707	-	563,707	-
TOTAL ASSETS	3,941,725	595,498	69,599	565,016	1,026,710	650,192	2,954,817	3,388,636	13,192,193	
LIABILITIES AND SHAREHOLDER'S FUNDS										
Deposits from customers	2,320,758	1,488,070	477,459	106,632	500	-	311,881	-	4,705,300	2.83
Deposits and placements of banks and other financial institutions	1,306,471	670,316	708,566	362,784	709,999	599,261	355,623	-	4,713,020	3.32
Obligations on securities sold under repurchase agreements	1,460,482	3,327	101	-	-	-	-	-	1,463,910	2.67
Acceptances payable	996	1,456	734	-	-	-	-	-	3,186	4.94
Amount due to Cagamas Berhad	-	3,361	-	7,684	121,753	-	-	-	132,798	4.27
Term loans	-	-	-	-	-	-	-	-	-	2.29
Subordinated certificates of deposits	-	-	-	198,768	-	-	-	-	198,768	8.00
Redeemable unsecured subordinated bonds	-	-	-	-	460,000	-	-	-	460,000	6.50

Bank	<-----Non-trading book ----->							Non- interest sensitive	Trading Book	Total	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	RM'000				
31.3.05											
Other non-interest sensitive balances	-	-	-	-	-	-	76,444	-	76,444	-	
Total Liabilities	5,088,707	2,166,530	1,186,860	675,868	1,292,252	599,261	743,948	-	11,753,426	-	
Share capital	-	-	-	-	-	-	300,000	-	300,000	-	
Interest Bearing Irredeemable Convertible Unsecured Loan Stocks 2002/2007	-	-	-	-	120,000	-	-	-	120,000	6.00	
Reserves	-	-	-	-	-	-	1,018,767	-	1,018,767	-	
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS	5,088,707	2,166,530	1,186,860	675,868	1,412,252	599,261	2,062,715	-	13,192,193		
On-balance sheet interest sensitivity gap	(1,146,982)	(1,571,032)	(1,117,261)	(110,852)	(385,542)	50,931	892,102	3,388,636	-		
Off-balance sheet interest sensitivity gap	(1,015,814)	(36,184)	(300,342)	47,985	1,052,866	251,489	-	-	-		
Total interest sensitivity gap	(2,162,796)	(1,607,216)	(1,417,603)	(62,867)	667,324	302,420	892,102	3,388,636	-		
Cumulative interest rate sensitivity gap	(2,162,796)	(3,770,012)	(5,187,615)	(5,250,482)	(4,583,158)	(4,280,738)	(3,388,636)	-			

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

30. CAPITAL ADEQUACY

The capital adequacy ratio of the Group and the Bank as at 30 September 2005 is analysed as follows:

	Group		Bank	
	30.9.05 RM'000	31.3.05 RM'000	30.9.05 RM'000	31.3.05 RM'000
Tier 1 capital				
Paid-up ordinary share capital	210,000	200,000	210,000	200,000
Paid-up non-cumulative preference share capital	100,000	100,000	100,000	100,000
Share premium	100,284	60,284	100,284	60,284
Capital reserve	2,815	2,815	-	-
Statutory reserve	329,549	300,000	329,549	300,000
Exchange fluctuation reserve	29,617	29,617	-	-
Unappropriated profit	755,633	704,090	723,209	671,666
Minority interest	61	6,083	-	-
	<u>1,527,959</u>	<u>1,402,889</u>	<u>1,463,042</u>	<u>1,331,950</u>
Less: Goodwill and premium on acquisition	(44,523)	(7,457)	-	-
Deferred tax assets, net	(70,256)	(78,354)	(70,549)	(78,548)
Total Tier 1 capital	<u>1,413,180</u>	<u>1,317,078</u>	<u>1,392,493</u>	<u>1,253,402</u>
Tier 2 capital				
Subordinated certificates of deposits	198,650	198,650	198,650	198,650
Redeemable unsecured subordinated bonds	460,000	460,000	460,000	460,000
Interest bearing ICULS	120,000	120,000	120,000	120,000
General allowance for bad and doubtful debts	71,237	69,091	68,501	66,278
Total	<u>849,887</u>	<u>847,741</u>	<u>847,151</u>	<u>844,928</u>
Less: restriction on subordinated debt capital	-	(111)	-	(31,949)
Total	<u>849,887</u>	<u>847,630</u>	<u>847,151</u>	<u>812,979</u>
Total capital funds	2,263,067	2,164,708	2,239,644	2,066,381
Less: Investment in capital of related financial institutions	460,000	460,000	460,000	460,000
Investment in subsidiary companies	-	-	83,407	38,617
Capital base	<u>1,803,067</u>	<u>1,704,708</u>	<u>1,696,237</u>	<u>1,567,764</u>
Capital Ratios:				
Core capital ratio	11.09%	13.49%	11.40%	13.28%
Risk-weighted capital ratio	14.15%	17.46%	13.88%	16.61%
Core capital ratio (net of proposed final dividend)	11.09%	13.12%	11.40%	12.90%
Risk-weighted capital ratio (net of proposed final dividend)	<u>14.15%</u>	<u>16.91%</u>	<u>13.88%</u>	<u>16.04%</u>

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

Group	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%	3,469,835	-	3,589,931	-
10%	1,904	190	84,684	8,468
20%	1,403,813	280,763	4,525,366	905,073
50%	247,483	123,742	258,419	129,209
100%	6,531,176	6,531,176	8,720,411	8,720,411
	<u>11,654,211</u>	<u>6,935,871</u>	<u>17,178,811</u>	<u>9,763,161</u>

Add: Total Risk Weighted Assets
 Equivalent for market risk

5,805,899
12,741,770

Bank	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%	3,095,612	-	3,224,911	-
10%	1,904	190	84,684	8,468
20%	1,348,498	269,700	4,284,469	856,894
50%	246,812	123,406	257,826	128,913
100%	6,318,285	6,318,285	8,444,280	8,444,280
	<u>11,011,111</u>	<u>6,711,581</u>	<u>16,296,170</u>	<u>9,438,555</u>

Add: Total Risk Weighted Assets
 Equivalent for market risk

5,505,044
12,216,625

31. OPERATIONS OF ISLAMIC BANKING

BALANCE SHEETS AS AT 30 SEPTEMBER 2005

	Group 30.9.05 RM'000	Bank 30.9.05 RM'000	Group and Bank 31.3.05 RM'000
ASSETS			
Cash and short-term funds	540,291	540,291	581,950
Deposit and placements with banks and other financial institutions	320,000	320,000	33,100
Securities held-for-trading	74,109	74,109	166,024
Securities available-for-sale	19,299	-	-
Securities held-to-maturity	57,349	-	-
Financing activities	415,664	415,664	511,940
Statutory deposit with Bank Negara Malaysia	14,500	14,500	14,500
Other receivables, deposits and prepayments	1,669	1,669	3,218
Deferred tax assets	1,705	1,705	2,678
Property and equipment	33	33	41
TOTAL ASSETS	1,444,619	1,367,971	1,313,451
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	388,728	388,728	311,881
Deposits and placements of banks and other financial institutions	411,893	336,828	355,623
Converted fund	301,979	301,979	301,677
Other liabilities	108,871	108,576	139,545
Total Liabilities	1,211,471	1,136,111	1,108,726
ISLAMIC BANKING FUNDS			
Capital funds	100,942	100,000	100,000
Reserves	132,206	131,860	104,725
Islamic Banking Funds	233,148	231,860	204,725
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	1,444,619	1,367,971	1,313,451
COMMITMENTS AND CONTINGENCIES	2,907,730	2,907,730	2,287,399

**UNAUDITED INCOME STATEMENTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005**

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
Income derived from investment of depositors' funds and others	4,940	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	1,820	9,244	9,730	12,075
Income attributable to depositors	(6,935)	(10,259)	(14,148)	(19,119)
Loss attributable to the Group	(5,115)	(1,015)	(4,418)	(7,044)
Income derived from investment of Islamic Banking Funds	23,651	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

**UNAUDITED INCOME STATEMENTS
FOR THE SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2005**

Bank	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	4,880	13,113	13,973	25,640
Allowance for losses and financing	(3,700)	(1,568)	(5,782)	(10,492)
Transfer from/(to) profit equalisation reserve	876	(2,301)	1,765	(3,073)
Total attributable income	2,056	9,244	9,956	12,075
Income attributable to depositors	(5,516)	(10,259)	(12,729)	(19,119)
Loss attributable to the Bank	(3,460)	(1,015)	(2,773)	(7,044)
Income derived from investment of Islamic Banking Funds	21,886	10,982	43,478	21,952
Total net income	18,426	9,967	40,705	14,908
Other operating expenses	(826)	(774)	(1,667)	(1,668)
Profit before taxation	17,600	9,193	39,038	13,240
Taxation	(5,911)	(1,133)	(11,903)	(2,222)
Profit after taxation	11,689	8,060	27,135	11,018

31a. FINANCING ACTIVITIES

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

Movements in non-performing financing are as follows:

Gross

Balance at beginning of period/year	42,273	42,273	45,037
Non-performing during the period/year	19	19	40
Debt equity conversion	-	-	(2,178)
Recoveries	(2,645)	(2,645)	(556)
Reclassified as performing during the period/year	-	-	(70)
Balance at end of period/year	<u>39,647</u>	<u>39,647</u>	<u>42,273</u>
Specific allowance	(29,600)	(29,600)	(22,352)
Net non-performing financing	<u>10,047</u>	<u>10,047</u>	<u>19,921</u>
Ratio of net non-performing financing to total financing			
- net	<u>2.38%</u>	<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/year	7,796	7,796	8,962
Reversal of allowance during the period/year	(1,466)	(1,466)	(1,166)
Balance at end of period/year	<u>6,330</u>	<u>6,330</u>	<u>7,796</u>
% of total financing less specific allowance	<u>1.50%</u>	<u>1.50%</u>	<u>1.50%</u>

Specific Allowance

Balance at beginning of period/year	22,352	22,352	11,452
Allowance made during the period/year	8,155	8,155	32,509
Amount written off	(907)	(907)	(21,609)
Balance at end of period/year	<u>29,600</u>	<u>29,600</u>	<u>22,352</u>

31b. DEPOSITS FROM CUSTOMERS

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

31c. OTHER LIABILITIES

	Group 30.9.05 RM'000	Bank 30.9.05 RM'000	Group and Bank 31.3.05 RM'000
Other payables and accruals	97,178	97,177	92,704
Taxation and zakat payable	10,969	10,969	44,646
Profit equalisation reserve	724	430	2,195
	<u>108,871</u>	<u>108,576</u>	<u>139,545</u>

32. CHANGE IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENTS

(a) CHANGE IN ACCOUNTING POLICIES

During the financial period ended 30 September 2005, the Group and the Bank 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 and the Bank 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 and the Bank 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) 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 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 derivative 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.

(a) CHANGE IN ACCOUNTING POLICIES (CONTD.)

Cash flow hedge

Gains and losses on the hedging instruments, to the extent the the hedge is effective 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.

- 2) 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) PRIOR YEAR ADJUSTMENTS

The changes in accounting policies as described above were applied retrospectively and have the following impact on the opening unappropriated profit of the Group and the Bank:

	Group		Bank	
	31.3.05 RM'000	31.3.04 RM'000	31.3.05 RM'000	31.3.04 RM'000
Effects on unappropriated profits:				
As previously reported	704,090	709,107	671,666	671,485
Effects of adopting fair value accounting for securities held-for-trading	5,015	4,411	5,015	4,411
Effects of adopting effective interest method on financial instruments	(1,222)	(2,580)	(2,507)	(2,580)
At 1 April, as restated	<u>707,883</u>	<u>710,938</u>	<u>674,174</u>	<u>673,316</u>
Effects on available for-sale-reserve:				
As previously reported	-	-	-	-
Effects of adopting fair value accounting for securities	(16,639)	-	(15,691)	-
At 1 April, as restated	<u>(16,639)</u>	<u>-</u>	<u>(15,691)</u>	<u>-</u>

(c) 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
(i) Group			
As at 31 March 2005			
Dealing securities	2,769,827	(2,769,827)	-
Investment securities	3,073,107	(3,073,107)	-
Securities held-for-trading	-	3,576,932	3,576,932
Securities available-for-sale	-	853,330	853,330
Securities held-to-maturity	-	1,400,801	1,400,801
Others assets	287,819	837	288,656
Deferred tax assets	78,548	(1,812)	76,736
Reserves	1,096,806	(12,846)	1,083,960
For the period ended 30 September 2004			
Interest income	(263,825)	(5,961)	(269,786)
Income from Islamic banking operations	(27,691)	(782)	(28,473)
Other operating income	(100,248)	(6,211)	(106,459)
Impairment loss on securities held-to-maturity	-	358	358
Writeback of allowance for diminution in value of investments	(1,180)	1,180	-
Taxation	32,821	898	33,719
(ii) Bank			
As at 31 March 2005			
Dealing securities	2,459,851	(2,459,851)	-
Investment securities	2,939,301	(2,939,301)	-
Securities held-for-trading	-	3,554,660	3,554,660
Securities available-for-sale	-	565,282	565,282
Securities held-to-maturity	-	1,267,000	1,267,000
Others assets	276,157	839	276,996
Deferred tax assets	78,548	(1,812)	76,736
Reserves	1,031,950	(13,183)	1,018,767
For the period ended 30 September 2004			
Interest income	(255,570)	(6,034)	(261,604)
Income from Islamic banking operations	(27,691)	(782)	(28,473)
Other operating income	(89,217)	(6,286)	(95,503)
Impairment writeback on securities held-to-maturity	-	(32)	(32)
Writeback of allowance for diminution in value of investments	(1,570)	1,570	-
Taxation	31,366	897	32,263

33. PERFORMANCE REVIEW ON THE RESULTS OF THE BANK FOR THE PERIOD

The Bank posted a higher pretax profits of RM165.0 million for the period as compared to RM114.4 million for the period ended 30 September 2004, mainly due to higher net gain from sale of securities held-for-trading of RM62.2 million (RM38.6 million for the period ended 30 September 2004) and gain on revaluation of securities held-for-trading of RM31.3 million (RM6.3 million for the period ended 30 September 2004). However, the increase in profits have been reduced by higher allowance for losses on loans and financing of RM36.2 million as compared to RM10.0 million for the period ended 30 September 2004) due to specific allowance for non-performing loans of 7 years and beyond and to improve the loans loss coverage.

34. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP AND THE BANK FOR THE PERIOD

The Group and the Bank reported higher pretax profit of RM180.4 million (RM119.0 million for the period ended 30 September 2004) and RM165.0 million (RM114.4 million for the period ended 30 September 2004), respectively and is attributed to:

- (i) Higher net gain from sale of securities held-for-trading of RM62.2 million (RM38.3 million for the period ended 30 September 2004) for the Group and gain from sale of securities held-for-trading of RM62.2 million (RM38.6 million for the period ended 30 September 2004) for the Bank;
- (ii) Gain on revaluation of securities held-for-trading of RM31.6 million (RM6.3 million for the period ended 30 September 2004) for the Group and gain on revaluation of securities held-for-trading of RM31.3 million (RM6.3 million for the period ended 30 September 2004) for the Bank;
- (iii) Higher net income from Islamic banking operations of RM45.1 million (RM28.5 million for the period ended 30 September 2004) for the Group and RM44.7 million (RM28.5 million for the period ended 30 September 2004) for the Bank;
- (iv) Transfer from profit equalisation reserve of RM1.5 million (transfer to profit equalisation reserve of RM3.1 million for the period ended 30 September 2004) for the Group and RM1.8 million (transfer to profit equalisation reserve of RM3.1 million for the period ended 30 September 2004) for the Bank;

reduced by:

- (v) Allowance for losses on loans and financing of RM36.2 million (RM12.0 million for the period ended 30 September 2004) for the Group and allowance for losses on loans and financing of RM36.2 million (RM10.0 million for the period ended 30 September 2004) for the Bank due to specific allowance for non-performing loans of 7 years and beyond and to improve the loans loss coverage.
- (vi) Higher other operating expenses of RM76.1 million (RM63.4 million for the period ended 30 September 2004) for the Group and RM64.2 million (RM53.2 million for the period ended 30 September 2004) for the Bank arising from higher staff and administration expenses incurred and donations paid.

Shareholder's funds stood at RM1,655.5 million (RM1,504.0 million as at 31 March 2005) for the Group and RM1,578.3 million (RM1,438.8 million as at 31 March 2005) for the Bank.

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

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 and the Bank for the succeeding financial year.

35. CURRENT PERIOD PROSPECTS

The sustained economic growth, coupled with the gradual appreciation of the Ringgit, would provide a supportive environment for the Group to 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 solutions and products to its customers.

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.