

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

**UNAUDITED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2005**

		<b>The Group</b>	
	<b>Note</b>	<b>31.12.05</b>	<b>31.3.05</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
Cash and short-term funds		1,775,140	2,678,552
Securities purchased under resale agreements		213,230	139,931
Deposits and placements with banks and other financial institutions		1,181,034	393,133
Securities held-for-trading	A8	5,968,868	3,599,318
Securities available-for-sale	A9	666,071	853,330
Securities held-to-maturity	A10	1,867,828	1,393,539
Loans, advances and financing	A11	4,196,153	4,536,049
Other assets	A12	493,835	565,054
Goodwill on consolidation		113,177	79,805
Deferred tax assets		70,673	76,865
Statutory deposit with Bank Negara Malaysia		200,000	244,294
Investments in associated companies		41,432	40,098
Property and equipment		48,168	45,326
<b>TOTAL ASSETS</b>		<b>16,835,609</b>	<b>14,645,294</b>
<b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>			
Deposits from customers	A13	5,357,822	5,294,436
Deposits and placements of banks and other financial institutions	A14	5,628,966	4,567,758
Obligations on securities sold under repurchase agreements		2,141,372	1,427,791
Acceptances payable		3,179	3,186
Recourse obligation on loans sold to Cagamas Berhad		101,096	132,798
Other liabilities	A15	414,665	631,259
Term loans		283,500	285,000
Subordinated certificates of deposits		199,644	198,768
Redeemable unsecured subordinated bonds		595,000	460,000
<b>Total Liabilities</b>		<b>14,725,244</b>	<b>13,000,996</b>
Minority interests		486	6,594
Share capital		1,320,000	1,109,442
Reserves		789,879	528,262
Shareholders' funds		2,109,879	1,637,704
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<b>16,835,609</b>	<b>14,645,294</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A25	21,801,590	14,824,997

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

**UNAUDITED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2005 (CONTD.)**

		<b>The Group</b>	
		<b>31.12.05</b>	<b>31.3.05</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>CAPITAL ADEQUACY</b>	A29		
Core Capital Ratio		14.24%	14.45%
Risk-Weighted Capital Ratio		17.19%	17.04%
		<hr/>	<hr/>
<b>NET TANGIBLE ASSETS PER SHARE (RM)</b>		<b>1.51</b>	<b>1.40</b>
		<hr/>	<hr/>

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 31 DECEMBER 2005**

		<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
		<b>31.12.05</b>	<b>31.12.04</b>	<b>31.12.05</b>	<b>31.12.04</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue		251,849	259,352	786,238	714,796
Interest income	A16	167,549	174,273	444,868	454,995
Interest expense	A17	(110,535)	(97,470)	(318,583)	(306,825)
Net interest income		57,014	76,803	126,285	148,170
Net income from Islamic Banking Operations		19,185	12,928	64,313	41,401
Other operating income	A18	65,115	72,151	277,057	218,400
Net income		141,314	161,882	467,655	407,971
Other operating expenses	A19	(47,472)	(46,202)	(146,474)	(135,832)
Operating profit		93,842	115,680	321,181	272,139
Allowance for losses on loans and financing	A20	(3,970)	(35,102)	(42,180)	(47,087)
Impairment writeback/(loss) on:					
Securities held-to-maturity		2,806	(7,790)	7,516	(9,272)
Assets acquired in exchange of debts		-	-	(660)	-
Transfer (to)/from profit equalisation reserve		(917)	198	552	(2,875)
Writeback of allowance/(Allowance) for doubtful sundry receivables - net		3,133	2,241	(5,061)	2,415
Writeback of provision for commitments		502	-	63	-
Profit before share in results of associated companies		95,396	75,227	281,411	215,320
Share in results of associated companies		169	8,145	1,931	11,464
Profit before taxation		95,565	83,372	283,342	226,784
Taxation	B5	(24,679)	(20,403)	(74,022)	(59,650)
Profit after taxation but before minority interests		70,886	62,969	209,320	167,134
Minority shareholders' interests in results of subsidiary companies		58	(1,667)	(1,305)	(2,059)
Profit attributable to Shareholders'		70,944	61,302	208,015	165,075
Basic earnings per share (sen)	B13	5.37	5.36	16.12	14.39
Interim ordinary dividends (sen)					
Gross		-	-	4.00	-
Net		-	-	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 31 DECEMBER 2005**

The Group	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	
<b>At date of incorporation</b>								
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	-	-	-	-	(15,540)	-	-	(15,540)
Profit for the period	-	-	-	-	-	-	165,075	165,075
Translation adjustments	-	-	-	-	-	(4,061)	-	(4,061)
Interest on ICULS	-	-	-	-	-	-	(5,424)	(5,424)
Dividends paid	-	-	-	-	-	-	(66,600)	(66,600)
<b>At 31 December 2004</b>	<b>1,109,442</b>	<b>-</b>	<b>60,284</b>	<b>300,000</b>	<b>(15,540)</b>	<b>(4,061)</b>	<b>328,519</b>	<b>1,778,644</b>
<b>At 1 April 2005</b>								
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	-	(3,702)	-	-	-	-	-	(3,702)
Transfer from unappropriated profits	-	-	-	29,549	-	-	(29,549)	-
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	8,396	-	-	8,396
Profit for the period	-	-	-	-	-	-	208,015	208,015
Translation adjustments	-	-	-	-	-	2,701	-	2,701
Dividends paid	-	-	-	-	-	-	(38,016)	(38,016)
<b>At 31 December 2005</b>	<b>1,320,000</b>	<b>80,521</b>	<b>60,284</b>	<b>329,549</b>	<b>(8,243)</b>	<b>(1,818)</b>	<b>329,586</b>	<b>2,109,879</b>

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 PERIOD ENDED 31 DECEMBER 2005**

	<b>Cumulative Quarter</b>	
	<b>31.12.05</b>	<b>31.12.04</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation	283,342	226,784
Add adjustments for non-operating and non cash items	(108,921)	(24,892)
Operating profit before working capital changes	174,421	201,892
Increase in operating assets	(2,440,105)	(125,011)
Increase/(Decrease) in operating liabilities	1,753,671	(2,082,075)
Cash used in operations	(512,013)	(2,005,194)
Taxation paid	(54,119)	(49,048)
Net cash used in operating activities	(566,132)	(2,054,242)
Net cash (used in)/generated from investing activities	(544,617)	1,241,437
Net cash generated from/(used in) financing activities	256,765	(72,888)
	(287,852)	1,168,549
Net decrease in cash and cash equivalents	(853,984)	(885,693)
Cash and cash equivalents at beginning of period	2,501,053	2,671,762
Cash and cash equivalents at end of period	1,647,069	1,786,069

**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:

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.12.04</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and short term funds	1,775,140	1,817,106
Less: Cash and bank balances and deposits held in trust	(127,853)	(30,792)
	1,647,287	1,786,314
Effects of exchange rate differences	(218)	(245)
	1,647,069	1,786,069

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 31 December 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**

During the financial period, the following dividend was paid:

- (I) An interim dividend of 4%, less 28% tax;
- (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 were determined on the basis of the Record of Depositors as at close of business on 8 December 2005.

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

# **A8. SECURITIES HELD-FOR-TRADING**

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At Fair Value</b>		
<b>Money Market Securities</b>		
Treasury Bills	29,800	-
Islamic Treasury Bills	27,746	-
Malaysian Government Securities	967,448	448,830
Malaysian Government Investment Certificates	11,495	8,303
Cagamas bonds	114,840	90,361
Khazanah bonds	2,695	152,276
Bank Negara Malaysia bills	225,429	-
Negotiable instruments of deposits	2,386,183	1,646,214
Cagamas Mudharabah bearer bonds	170,811	-
Islamic Bank Negara Malaysia bills	7,032	56,323
Negotiable Islamic Debt Certificates	62,345	48,295
	<u>4,005,824</u>	<u>2,450,602</u>
<b>Securities Quoted</b>		
In Malaysia:		
Shares	83,293	76,859
Loan stocks	976	1,613
Corporate bonds	22,261	22,272
Trust units	167,081	8,160
Warrants	60	-
	<u>273,671</u>	<u>108,904</u>
<b>Securities Quoted Outside Malaysia:</b>		
Shares	<u>4,943</u>	<u>4,088</u>
<b>Unquoted Securities In Malaysia:</b>		
Shares	2,200	4,321
Trust units	89,822	-
	<u>92,022</u>	<u>4,321</u>
<b>Unquoted Private Debt Securities</b>		
<b>Of Companies Incorporated</b>		
<b>In Malaysia:</b>		
Islamic corporate bonds	771,348	613,174
Corporate notes	60,526	72,910
Corporate bonds	555,120	239,883
Islamic corporate notes	120,881	-
	<u>1,507,875</u>	<u>925,967</u>
<b>Unquoted Guaranteed Private Debt</b>		
<b>Securities Of Companies</b>		
<b>Incorporated in Malaysia:</b>		
Corporate bonds	67,803	68,564
Islamic corporate notes	16,730	36,872
	<u>84,533</u>	<u>105,436</u>
Total securities held-for-trading	<u>5,968,868</u>	<u>3,599,318</u>



**A9. SECURITIES AVAILABLE-FOR-SALE**

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At Fair Value</b>		
<b>Money Market Securities:</b>		
Malaysian Government Securities	<u>-</u>	<u>269,996</u>
<b>Quoted Securities In Malaysia:</b>		
Corporate bonds	<u>19,128</u>	<u>18,052</u>
<b>Unquoted Private Debt Securities</b>		
<b>    Of Companies Incorporated</b>		
<b>        In Malaysia:</b>		
Corporate bonds	79,275	69,869
Islamic corporate notes	136,981	-
Islamic corporate bonds	<u>18,578</u>	<u>-</u>
	<u>234,834</u>	<u>69,869</u>
<b>Unquoted Guaranteed Private Debt</b>		
<b>    Securities Of Companies</b>		
<b>        Incorporated in Malaysia:</b>		
Corporate bonds	<u>412,109</u>	<u>495,413</u>
<b>Total securities available-for-sale</b>	<u><u>666,071</u></u>	<u><u>853,330</u></u>

# **A10. SECURITIES HELD-TO-MATURITY**

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At Amortised Cost</b>		
<b>Money Market Securities:</b>		
Treasury bills	-	28,804
<b>Quoted Securities:</b>		
In Malaysia:		
Shares	2	2
Corporate bonds	56,700	57,000
Outside Malaysia:		
Corporate bonds	-	19,000
	<u>56,702</u>	<u>76,002</u>
<b>Investment In Related Licensed Commercial Bank</b>		
Unsecured subordinated term loan:		
Licensed commercial bank	460,000	460,000
<b>Unquoted securities:</b>		
In Malaysia:		
Shares	60,988	60,989
Corporate bonds	100	100
Outside Malaysia:		
Shares	10,143	11,957
	<u>71,231</u>	<u>73,046</u>
<b>Debt Equity Conversion Securities:</b>		
Quoted in Malaysia:		
Shares	24,695	24,693
Loan stocks - collateralised	971	973
Loan stocks	488,795	194,005
Unquoted securities of companies incorporated:		
In Malaysia:		
Shares	1,680	1,679
Corporate bonds	463,390	533,650
Outside Malaysia:		
Shares	3,047	7,904
	<u>982,578</u>	<u>762,904</u>
<b>Unquoted Private Debt Securities Of Companies Incorporated:</b>		
In Malaysia:		
Corporate bonds	85,698	86,813
Corporate bonds and notes denominated in USD	113,355	114,000
Islamic corporate bonds	197,447	-
	<u>396,500</u>	<u>200,813</u>
<b>Unquoted Guaranteed Private Debt Securities Of Companies Incorporated in Malaysia:</b>		
Corporate bonds	83,583	-
Total	2,050,594	1,601,569
Accumulated impairment losses	(182,766)	(208,030)
Total securities held-to-maturity	<u>1,867,828</u>	<u>1,393,539</u>

## A11. LOANS, ADVANCES AND FINANCING

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
Term loans and revolving credits	4,432,952	4,725,144
Staff loans	28,281	34,309
Claims on customers under acceptance credits	3,179	3,407
	<hr/>	<hr/>
Gross loans, advances and financing	4,464,412	4,762,860
	<hr/>	<hr/>
Less:		
Allowance for bad and doubtful debts and financing:		
General	66,056	69,091
Specific	202,203	157,720
	<hr/>	<hr/>
	268,259	226,811
	<hr/>	<hr/>
Net loans, advances and financing	4,196,153	4,536,049
	<hr/>	<hr/>

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

	<b>The Group</b>			
	<b>31.12.05</b>		<b>31.3.05</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
Construction	990,961	22.2	1,116,209	23.4
Purchase of securities	890,923	20.0	703,865	14.9
Manufacturing	519,569	11.6	414,888	8.7
Investment holdings	470,466	10.5	782,084	16.4
General commerce	434,620	9.6	463,679	9.7
Transport, storage and communication	359,776	8.1	199,211	4.2
Agriculture	289,173	6.5	318,178	6.7
Real estate	229,154	5.1	225,941	4.7
Electricity, gas and water	106,628	2.4	259,772	5.5
Finance, insurance and business services	58,554	1.3	148,867	3.1
Purchase of landed property:				
(a) Residential	25,254	0.6	29,021	0.6
(b) Non-residential	61,865	1.4	60,729	1.3
Mining and quarrying	190	0.1	610	0.0
Others	27,279	0.6	39,806	0.8
	<hr/>		<hr/>	
Gross loans, advances and financing	4,464,412	100.0	4,762,860	100.0
	<hr/>		<hr/>	

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

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic :		
Other non-bank financial institutions:		
Stockbroking companies	-	12,437
Others	47,066	50,510
Business enterprises:		
Small medium enterprises	205,696	579,056
Others	3,988,481	3,850,220
Government and statutory bodies	46,765	38,004
Individuals	93,119	96,814
Foreign entities	83,285	135,819
	<u>4,464,412</u>	<u>4,762,860</u>

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

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
Variable rate		
Cost-plus	3,766,133	3,190,981
Other variable rates	266,498	405,755
Fixed rate		
Housing loans	21,671	30,509
Hire purchase receivables	92	3,755
Other fixed rates	410,018	1,131,860
	<u>4,464,412</u>	<u>4,762,860</u>

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

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance at beginning of period/date of incorporation	839,225	1,087,507
Non-performing during the period	61,610	270,282
Reclassification to performing loans, advances and financing	(315,419)	(350,424)
Recoveries	(47,886)	(65,220)
Exchange fluctuation adjustments	(342)	-
Amount written off	(96)	(24,602)
Debt equity conversion	-	(78,318)
Balance at end of period	<u>537,092</u>	<u>839,225</u>
Specific allowance	<u>(202,203)</u>	<u>(157,720)</u>
Non-performing loans, advances and financing - net	<u>334,889</u>	<u>681,505</u>
Ratio of non-performing loans, advances and financing to total loans, advances and financing - net	<u>7.86%</u>	<u>14.80%</u>

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

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
Construction	139,337	122,732
Investment holdings	96,217	87,623
General commerce	96,020	114,373
Purchase of securities	69,836	56,924
Manufacturing	58,119	156,385
Real estate	42,457	124,417
Agriculture	15,983	14,324
Purchase of non-residential landed property	10,945	12,242
Finance, insurance and business services	3,771	88,789
Transport, storage and communication	-	54,936
Mining and quarrying	-	144
Others	4,407	6,336
	<u>537,092</u>	<u>839,225</u>

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

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>General allowance</b>		
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	(3,019)	(11,313)
Exchange fluctuation adjustments	(16)	-
Balance at end of period	<u>66,056</u>	<u>69,091</u>
% of total loans, advances and financing less specific allowances	<u>1.55%</u>	<u>1.50%</u>
<b>Specific allowance</b>		
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	66,675	106,361
Amount written back in respect of recoveries and reversals	(21,359)	(5,925)
Net charge to income statements	45,316	100,436
Amount written off	(810)	(321,628)
Exchange fluctuation adjustments	(23)	-
Reclassification from sundry receivables	-	4,192
Debt equity conversion	-	(3,655)
Balance at end of period	<u>202,203</u>	<u>157,720</u>

## A12. OTHER ASSETS

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade receivables, net of allowance for doubtful debts	203,731	259,695
Other receivables, deposits and prepayments, net of allowance for doubtful debts	61,914	81,643
Interest/Dividends receivable	72,605	42,508
Amount due from Originators	101,096	132,798
Amount due from brokers	16,458	17,447
Amount due from:		
Holding company	151	194
Related companies	28,137	15,290
Assets acquired in exchange of debts, net of impairment loss	9,743	15,479
	<u>493,835</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

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
Comprise of :		
Term/Investment	4,316,514	4,911,612
Negotiable instruments of deposits	1,041,308	382,824
	<u>5,357,822</u>	<u>5,294,436</u>

The deposits are sourced from the following types of customers:

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
Business enterprises	3,408,757	4,153,137
Individuals	10,415	4,714
Government	836,552	626,842
Others	1,102,098	509,743
	<u>5,357,822</u>	<u>5,294,436</u>

#### A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks:		
Related	1,069,225	39,105
Others	1,025,141	836,461
Licensed merchant banks	51,139	90,265
Licensed finance companies		
Related	-	528,702
Others	587	-
Other financial institutions	3,482,874	3,073,225
	<u>5,628,966</u>	<u>4,567,758</u>

#### A15. OTHER LIABILITIES

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade payables	282,746	257,535
Other payables and accruals	128,283	123,944
Provision for commitments	-	63
Amount due to :		
Holding company	207	214,401
Related companies	(334)	1,037
Associated companies	-	(1,042)
Bank overdraft	-	31,568
Taxation payable	1,215	752
Zakat payable	38	38
Profit equalisation reserve	1,643	2,195
Deferred tax liabilities	867	768
	<u>414,665</u>	<u>631,259</u>

**A16. INTEREST INCOME**

<b>The Group</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.12.05</b>	<b>31.12.04</b>	<b>31.12.05</b>	<b>31.12.04</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Short-term funds and deposits with financial institutions	17,897	15,942	57,812	50,297
Securities held-for-trading	40,754	43,555	110,558	138,531
Securities available for sale	9,894	181	21,235	8,970
Securities held-to-maturity	19,039	23,215	41,908	40,931
Loans and advances				
- Interest income other than recoveries from NPL	54,770	47,082	149,376	145,995
- Recoveries from NPLs	15,393	37,115	45,727	61,002
Others	3,675	8,694	14,216	26,640
Gross interest income	161,422	175,784	440,832	472,366
Amortisation of premiums less accretion of discounts	6,127	(1,404)	4,094	(15,163)
Interest suspended	-	(107)	(58)	(2,208)
Total after net interest suspension	167,549	174,273	444,868	454,995

**A17. INTEREST EXPENSE**

<b>The Group</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.12.05</b>	<b>31.12.04</b>	<b>31.12.05</b>	<b>31.12.04</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers	62,048	61,727	187,223	192,211
Deposit of banks and other financial institutions	18,109	8,764	37,479	25,471
Securities sold under repurchase agreements	13,008	8,951	32,582	26,432
Subordinated deposits and term loans	7,257	6,310	20,741	18,645
Redeemable unsecured subordinated bonds	8,935	7,536	23,926	22,527
Others	1,178	4,182	16,632	21,539
	110,535	97,470	318,583	306,825



**A18. OTHER OPERATING INCOME**

<b>The Group</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.12.05</b>	<b>31.12.04</b>	<b>31.12.05</b>	<b>31.12.04</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fee income:				
Fees on loans and advances	7,674	3,701	25,057	8,503
Corporate advisory fees	3,542	6,950	14,179	18,847
Guarantee fees	3,462	3,698	7,742	7,844
Underwriting commissions	2,610	558	4,527	4,334
Portfolio management fees	2,305	2,484	6,140	7,300
Unit trust management fees	4,876	4,714	19,229	13,888
Property trust management fees	495	494	1,483	1,474
Brokerage fees and commissions	8,320	12,578	30,091	36,822
Other fee income	5,800	7,251	12,921	14,242
	<u>39,084</u>	<u>42,428</u>	<u>121,369</u>	<u>113,254</u>
Investment and trading income:				
Net gain from sale of securities held-for-trading	26,369	9,351	95,562	48,383
Net gain from sale of securities available-for-sale	31	-	92	-
Net gain on redemption of securities held-to-maturity	15,124	3,168	27,514	4,028
Gross dividend income from:				
Securities held-for-trading	1,792	760	3,467	4,079
Securities held-to-maturity	310	13,605	11,701	26,268
Gain on revaluation of derivatives	2,044	2,256	1,187	4,234
(Loss)/Gain on revaluation of securities held-for-trading	(20,761)	(2,634)	10,891	3,652
	<u>24,909</u>	<u>26,506</u>	<u>150,414</u>	<u>90,644</u>
Other income:				
Unrealised foreign exchange (loss)/gain	(49)	2,810	2,728	101
Gain on disposal of property and equipment - net	25	1	528	367
Rental income	536	208	973	573
Capital gain arising from receipt of shares in Bursa Malaysia Berhad	-	-	-	12,727
Other non-operating income	609	198	1,045	734
	<u>1,121</u>	<u>3,217</u>	<u>5,274</u>	<u>14,502</u>
	<u>65,115</u>	<u>72,151</u>	<u>277,057</u>	<u>218,400</u>

**A19. OTHER OPERATING EXPENSES**

<b>The Group</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.12.05</b>	<b>31.12.04</b>	<b>31.12.05</b>	<b>31.12.04</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personnel/Staff costs				
- Salaries, allowances and bonuses	22,279	19,686	65,035	56,899
- Others	6,888	7,698	23,821	22,686
Establishment costs				
- Depreciation	2,252	3,384	7,205	11,301
- Computerisation costs	2,034	1,463	7,791	5,608
- Rental	2,573	1,928	6,482	5,510
- Others	380	1,283	3,069	4,258
Marketing and communication expenses				
- Sales commission	1,074	841	2,936	2,250
- Advertising	1,293	1,576	4,027	2,136
- Travel and entertainment	753	697	1,892	1,567
- Others	1,923	1,959	5,617	5,765
Administration and general expenses				
- Amortisation of goodwill	1,837	1,533	4,576	4,598
- Professional fees	2,137	2,366	7,639	7,109
- Others	2,049	1,788	6,384	6,145
Overheads	47,472	46,202	146,474	135,832

**A20. ALLOWANCE FOR LOSSES ON LOANS AND FINANCING**

<b>The Group</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.12.05</b>	<b>31.12.04</b>	<b>31.12.05</b>	<b>31.12.04</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowance/(Reversal of allowance) for bad and doubtful debts and financing:				
Specific allowance - net	8,472	39,113	45,316	76,017
Allowance during the period	10,569	39,688	66,675	80,806
Amount written back in respect of recoveries and reversals	(2,097)	(575)	(21,359)	(4,789)
General allowance	(7,195)	(1,276)	(3,019)	(13,127)
Bad debts and financing				
Written off	5,225	-	5,295	252
Recovered	(1,651)	(2,735)	(4,531)	(16,055)
Recoveries of value impairment on amount recoverable from Danaharta	(881)	-	(881)	-
	3,970	35,102	42,180	47,087

**A21. SEGMENTAL INFORMATION****(A) BY BUSINESS SEGMENT**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.12.05</b>	<b>31.12.04</b>	<b>31.12.05</b>	<b>31.12.04</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Merchant banking				
Revenue	221,500	234,244	685,646	613,613
Profit before taxation	87,261	63,807	258,047	178,231
Offshore banking				
Revenue	13,493	23,114	38,830	46,759
Profit before taxation	3,329	6,276	8,868	6,611
Funds management				
Revenue	8,616	6,730	25,257	19,903
Profit before taxation	3,535	2,345	10,473	7,778
Broking				
Revenue	14,623	15,416	45,935	62,581
Profit before taxation	1,789	9,513	5,155	37,091
Others				
Revenue	2,265	9	7,231	86
Profit/(Loss) before taxation	1,933	(27)	6,475	(172)
Total before consolidation adjustments				
Revenue	260,497	279,513	802,899	742,942
Profit before taxation	97,847	81,914	289,018	229,539
Consolidation adjustments				
Revenue	(8,648)	(20,161)	(16,661)	(28,146)
Profit/(Loss) before taxation	(2,282)	1,458	(5,676)	(2,755)
Total after consolidation adjustments				
Revenue	251,849	259,352	786,238	714,796
Profit before taxation	95,565	83,372	283,342	226,784

Included in the above is Islamic banking business profit before taxation of RM17.5 million for the quarter and RM56.7 million for the period ended 31 December 2005 (RM1.2 million for the quarter and RM14.4 million for the period ended 31 December 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, PT AmCapital Indonesia and AmSecurities (H.K) Limited, activities of which are principally conducted in Singapore, Indonesia and Hong Kong, respectively. These activities in Singapore, Indonesia and Hong Kong 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**

On 7 February 2006, the Company has acquired 100% of the equity of AmPrivate Equity Sdn Bhd ("AmPrivate Equity"), comprising two (2) ordinary shares of RM1.00 each.

The acquisition of AmPrivate Equity is in conjunction with the launch of a RM100 million closed-end private equity fund (the "Fund") with a charter life of ten (10) years under AmPrivate Equity.

AmPrivate Equity was incorporated in Malaysia on 6 September 2005 as a private limited company. It is registered with the Securities Commission as a venture capital corporation.

The authorised capital of AmPrivate Equity is RM150,000, divided into 100,000 ordinary shares of RM1.00 each and 5,000,000 redeemable preference shares of RM0.01 each ("RPS"). Its present paid-up capital is RM2.00, comprising two (2) ordinary shares.

The RM100 million fund size of AmPrivate Equity will be constituted by way of the issue of 15,000 ordinary shares at an issue price of RM1.00 each and 1,250,000 RPS at an issue price of RM79.988 each.

Presently, the committed investors in the Fund are:-

- (a) the Company, with a cash subscription commitment for 80% of the Fund amounting to RM80 million, comprising 12,000 ordinary shares and 1,000,000 RPS; and
- (b) a major Malaysian pension fund, with a cash subscription commitment for 20% of the Fund amounting to RM20 million, comprising 3,000 ordinary shares and 250,000 RPS.

AmPrivate Equity will undertake medium and long term investments principally in Malaysia with the objective of achieving capital appreciation in its investments. It will focus on key sectors such as manufacturing industries, business services, environmental and energy services and information and communications technology companies.

Malaysian Ventures Management Incorporated Sdn Bhd, a registered venture capital management corporation and a subsidiary of the Company, is the manager of the Fund.

**A25.COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the merchant banking subsidiary company, AmMerchant Bank Berhad 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 31 December 2005, the commitments and contingencies outstanding are as follows:

<b>TheGroup</b>	<b>31.12.05</b>			<b>31.3.05</b>		
	<b>Principal Amount RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Amount RM'000</b>	<b>Principal Amount RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Amount RM'000</b>
<b>Derivative Financial Instruments</b>						
Interest rate related contracts:						
Interest rate futures	526,000	-	-	550,000	-	-
Interest rate swaps:						
Related company	3,384,072	54,282	10,856	1,700,000	34,063	6,813
Others	9,804,190	167,179	35,190	5,870,207	118,218	26,931
Foreign exchange related contracts:						
Forward exchange contracts						
Related company	286,811	7,243	1,449	448,257	4,800	960
Others	1,707,167	23,585	4,717	1,095,481	12,690	2,538
Cross currency swaps	385,406	28,471	5,450	463,600	32,512	6,502
Malaysian Government securities futures	10,000	-	-	27,900	-	-
	<u>16,103,646</u>	<u>280,760</u>	<u>57,662</u>	<u>10,155,445</u>	<u>202,283</u>	<u>43,744</u>
<b>Commitments</b>						
Irrevocable commitments to extend credit maturing :						
- within one year	800,919	-	-	747,783	-	-
- more than one year	326,081	163,041	162,854	229,203	114,602	114,286
Sale and buy back agreements	2,226,328	2,226,328	954,193	1,797,884	1,797,884	965,427
Forward purchase commitments	30,693	30,693	30,693	113,040	113,040	20,285
	<u>3,384,021</u>	<u>2,420,062</u>	<u>1,147,740</u>	<u>2,887,910</u>	<u>2,025,526</u>	<u>1,099,998</u>
<b>Contingent Liabilities</b>						
Guarantees given on behalf of customers	897,579	897,579	785,559	969,181	969,181	824,906
Underwriting liabilities	968,600	484,300	459,758	317,069	158,535	137,317
Certain transaction-related contingent items	447,744	223,872	185,350	495,392	247,696	217,744
	<u>2,313,923</u>	<u>1,605,751</u>	<u>1,430,667</u>	<u>1,781,642</u>	<u>1,375,412</u>	<u>1,179,967</u>
	<u>21,801,590</u>	<u>4,306,573</u>	<u>2,636,069</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 6 February 2006, 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	656,980	-	138,980	67,000	161,000	290,000	-	1,233
Interest rate swaps	14,481,279	150,000	410,000	407,000	2,880,000	10,424,279	210,000	4,003
Foreign exchange related contracts:								
Forward exchange contracts	2,694,348	1,136,885	606,591	505,097	445,775	-	-	565
Cross currency swaps	385,407	-	-	113,355	-	272,052	-	469
Malaysian Government Securities futures	40,000	40,000	-	-	-	-	-	-
Total	18,258,014	1,326,885	1,155,571	1,092,452	3,486,775	10,986,331	210,000	6,270

### 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 6 February 2006, value at risk of foreign exchange-related derivatives contracts used for trading purposes of the Group was RM1,540,249 (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 RM4,308,090 (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 6 February 2006, the amounts of counterparty credit risk, measured in term of the cost to replace the profitable contracts of the Group was RM13,862,694 (RM20,257,362 as at 31 March 2005). This amount will increase or decrease over the life of the contracts, mainly as a function of movement in market rates and time.

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

**A28. INTEREST/PROFIT RATE RISK**

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

	<-----Non-trading book ----->									
The Group 31.12.05	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
ASSETS										
Cash and short-term funds	1,376,047	-	-	-	-	-	399,093	-	1,775,140	3.47
Securities purchased under resale agreements	213,230	-	-	-	-	-	-	-	213,230	2.97
Deposits and placements with banks and other financial institutions	-	620,046	227,633	113,355	-	-	220,000	-	1,181,034	3.21
Securities held-for-trading	-	-	-	-	-	-	258,058	5,710,810	5,968,868	3.64
Securities available-for-sale	19,126	-	-	48,573	226,084	372,288	-	-	666,071	4.06
Securities held-to-maturity	-	-	56,678	86,051	895,526	327,674	501,899	-	1,867,828	6.90
Loans, advances and financing:										
- performing	2,216,673	1,047,347	183,519	145,920	264,778	67,427	1,656	-	3,927,320	6.13
- non-performing *	-	-	-	-	-	-	268,833	-	268,833	-
Amount due from Originators	574	3,095	1,218	25,347	70,862	-	-	-	101,096	4.28
Other non-interest sensitive balances	-	-	-	-	-	-	866,189	-	866,189	-
TOTAL ASSETS	3,825,650	1,670,488	469,048	419,246	1,457,250	767,389	2,515,728	5,710,810	16,835,609	
LIABILITIES AND SHAREHOLDERS' FUNDS										
Deposits from customers	2,478,218	1,998,105	389,937	95,247	5,300	-	391,015	-	5,357,822	2.91
Deposits and placements of banks and other financial institutions	1,731,185	1,075,293	565,722	594,431	841,600	604,332	216,403	-	5,628,966	2.96
Obligations on securities sold under repurchase agreements	2,107,070	33,356	99	847	-	-	-	-	2,141,372	2.82



The Group 31.12.05	<-----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			
Acceptances payable	141	3,038	-	-	-	-	-	-	3,179	4.64
Recourse obligations on loans sold to Cagamas Berhad	574	3,095	1,218	25,347	70,862	-	-	-	101,096	4.28
Term loans	283,500	-	-	-	-	-	-	-	283,500	3.93
Subordinated certificates of deposits	-	199,644	-	-	-	-	-	-	199,644	8.85
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	5.72
Other non-interest sensitive balances	-	-	-	-	-	-	414,665	-	414,665	-
<b>Total Liabilities</b>	<b>6,600,688</b>	<b>3,312,531</b>	<b>956,976</b>	<b>715,872</b>	<b>917,762</b>	<b>1,199,332</b>	<b>1,022,083</b>	<b>-</b>	<b>14,725,244</b>	
Minority interests	-	-	-	-	-	-	486	-	486	-
Shareholders' funds	-	-	-	-	-	-	2,109,879	-	2,109,879	-
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>6,600,688</b>	<b>3,312,531</b>	<b>956,976</b>	<b>715,872</b>	<b>917,762</b>	<b>1,199,332</b>	<b>3,132,448</b>	<b>-</b>	<b>16,835,609</b>	
On-balance sheet interest sensitivity gap	(2,775,038)	(1,642,043)	(487,928)	(296,626)	539,488	(431,943)	(616,720)	5,710,810	-	
Off-balance sheet interest sensitivity gap	(993,440)	2,185,184	267,609	47,878	(1,615,713)	120,286	-	11,804	23,608	
<b>Total interest sensitivity gap</b>	<b>(3,768,478)</b>	<b>543,141</b>	<b>(220,319)</b>	<b>(248,748)</b>	<b>(1,076,225)</b>	<b>(311,657)</b>	<b>(616,720)</b>	<b>5,722,614</b>	<b>23,608</b>	
<b>Cumulative interest rate sensitivity gap</b>	<b>(3,768,478)</b>	<b>(3,225,337)</b>	<b>(3,445,656)</b>	<b>(3,694,404)</b>	<b>(4,770,629)</b>	<b>(5,082,286)</b>	<b>(5,699,006)</b>	<b>23,608</b>		

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

Group	<-----Non-trading book ----->							Trading book	Total	Effective interest rate
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years	Non-interest sensitive			
31.3.05	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>ASSETS</b>										
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	-
<b>TOTAL ASSETS</b>	<b>4,454,770</b>	<b>626,672</b>	<b>245,542</b>	<b>566,034</b>	<b>1,334,172</b>	<b>628,184</b>	<b>3,356,626</b>	<b>3,433,294</b>	<b>14,645,294</b>	
<b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>										
Deposits from customers	2,908,706	1,489,221	477,496	106,632	500	-	311,881	-	5,294,436	2.90
Deposits and placements of banks and other financial institutions	1,181,315	660,229	698,548	362,784	709,999	599,260	355,623	-	4,567,758	3.39
Obligations on securities sold under repurchase agreements	1,424,363	3,327	101	-	-	-	-	-	1,427,791	2.59

Group 31.3.05	<-----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			
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	-
<b>Total Liabilities</b>	<b>5,515,380</b>	<b>2,157,594</b>	<b>1,461,879</b>	<b>675,868</b>	<b>1,292,252</b>	<b>599,260</b>	<b>1,298,763</b>	<b>-</b>	<b>13,000,996</b>	
Minority interests	-	-	-	-	-	-	6,594	-	6,594	-
Shareholders' funds	-	-	-	-	-	-	1,637,704	-	1,637,704	-
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>5,515,380</b>	<b>2,157,594</b>	<b>1,461,879</b>	<b>675,868</b>	<b>1,292,252</b>	<b>599,260</b>	<b>2,943,061</b>	<b>-</b>	<b>14,645,294</b>	
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	(722,886)	(1,090,609)	(104,559)	875,362	776,189	266,503	-	-	-	
<b>Total interest sensitivity gap</b>	<b>(1,783,496)</b>	<b>(2,621,531)</b>	<b>(1,320,896)</b>	<b>765,528</b>	<b>818,109</b>	<b>295,427</b>	<b>413,565</b>	<b>3,433,294</b>	<b>-</b>	
<b>Cumulative interest rate sensitivity gap</b>	<b>(1,783,496)</b>	<b>(4,405,027)</b>	<b>(5,725,923)</b>	<b>(4,960,395)</b>	<b>(4,142,286)</b>	<b>(3,846,859)</b>	<b>(3,433,294)</b>	<b>-</b>		

\* 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 31 December 2005 have incorporated the market risk pursuant to the Bank Negara Malaysia's Market Risk Capital Adequacy Framework which became effective on 1 April 2005 and is analysed as follows:

	<b>31.12.05</b> <b>RM'000</b>	<b>31.3.05</b> <b>RM'000</b>
<b>Tier 1 capital</b>		
Paid-up ordinary share capital	1,320,000	1,109,442
Share premium	80,521	-
Capital reserve	60,284	60,284
Statutory reserve	329,549	300,000
Available for sale reserve	(8,243)	-
Exchange fluctuation reserve	(1,818)	(4,519)
Unappropriated profit at end of period	329,586	185,343
Minority interests	486	6,594
	<u>2,110,365</u>	<u>1,657,144</u>
<b>Less:</b>		
Goodwill	(113,177)	(79,805)
Deferred tax assets, net	(69,806)	(77,909)
<b>Total Tier 1 capital</b>	<u>1,927,382</u>	<u>1,499,430</u>
<b>Tier 2 capital</b>		
Subordinated certificates of deposits	198,650	198,650
Redeemable unsecured subordinated bonds	595,000	460,000
General allowance for bad and doubtful debts	66,056	69,091
<b>Total Tier 2 capital</b>	<u>859,706</u>	<u>727,741</u>
<b>Total capital funds</b>	2,787,088	2,227,171
<b>Less: Investment in capital of related financial institutions</b>	<u>(460,000)</u>	<u>(460,000)</u>
<b>Capital base</b>	<u>2,327,088</u>	<u>1,767,171</u>
<b>Capital Ratios:</b>		
Core capital ratio	14.24%	14.45%
Risk-weighted capital ratio	<u>17.19%</u>	<u>17.04%</u>

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

	<b>31.12.05</b>		<b>31.3.05</b>	
	<b>Principal</b>	<b>Risk-Weighted</b>	<b>Principal</b>	<b>Risk-Weighted</b>
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
0%	1,831,893	-	3,589,931	-
10%	2,272	227	84,684	8,468
20%	2,284,506	456,901	4,610,521	922,104
50%	248,165	124,083	258,419	129,210
100%	7,063,525	7,063,525	9,310,824	9,310,824
	<u>11,430,361</u>	<u>7,644,736</u>	<u>17,854,379</u>	<u>10,370,606</u>
Add: Total RWA equivalent to market risk		5,894,110		
		<u>13,538,846</u>		

### A30. OPERATIONS OF ISLAMIC BANKING

#### UNAUDITED BALANCE SHEET AS AT 31 DECEMBER 2005

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
Cash and short-term funds	361,489	581,950
Deposit and placements with banks and other financial institutions	220,000	33,100
Securities held-for-trading	258,058	166,024
Securities available-for-sale	19,568	-
Securities held-to-maturity	56,768	-
Financing, advances and other loans	73,627	511,940
Statutory deposit with Bank Negara Malaysia	14,500	14,500
Other receivables, deposits and prepayments	5,295	3,218
Deferred tax assets	-	2,678
Property and equipment	33	41
<b>TOTAL ASSETS</b>	<b>1,009,338</b>	<b>1,313,451</b>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>		
Deposits from customers	337,882	311,881
Deposits and placements of banks and other financial institutions	226,226	355,623
Converted fund	79,339	301,677
Other liabilities	118,204	139,545
<b>Total Liabilities</b>	<b>761,651</b>	<b>1,108,726</b>
<b>ISLAMIC BANKING FUNDS</b>		
Capital funds	102,835	100,000
Reserves	144,852	104,725
<b>Islamic Banking Funds</b>	<b>247,687</b>	<b>204,725</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS</b>	<b>1,009,338</b>	<b>1,313,451</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>2,853,308</b>	<b>2,287,399</b>

**UNAUDITED INCOME STATEMENTS  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2005**

<b>The Group</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31.12.05</b>	<b>31.12.04</b>	<b>31.12.05</b>	<b>31.12.04</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds and others	5,902	8,645	19,945	34,285
Allowance for losses on financing	(22)	(10,977)	(5,804)	(21,469)
Transfer from/(to) profit equalisation reserve	(917)	198	552	(2,875)
Total attributable income	4,963	(2,134)	14,693	9,941
Income attributable to depositors	(5,881)	(9,056)	(20,029)	(28,175)
Loss attributable to the Group	(918)	(11,190)	(5,336)	(18,234)
Income derived from investment of Islamic Banking Funds	19,164	13,339	64,397	35,291
Total net income	18,246	2,149	59,061	17,057
Other operating expenses	(700)	(987)	(2,367)	(2,655)
Profit before taxation	17,546	1,162	56,694	14,402
Taxation	(4,889)	(326)	(16,792)	(2,548)
Profit after taxation	12,657	836	39,902	11,854

### A30a FINANCING, ADVANCES AND OTHER LOANS

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
Term financing		
Syndicated financing	20,000	500,660
Other	4,642	7,024
Revolving credit	79,587	34,404
Gross financing, advances and other loans	104,229	542,088
Allowance for bad and doubtful debts and financing :		
-general	(1,121)	(7,796)
-specific	(29,481)	(22,352)
	(30,602)	(30,148)
Net financing, advances and other loans	73,627	511,940

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
	42,273	45,037
Non-performing during the period	19	40
Recoveries	(2,645)	(556)
Debt equity conversion	-	(2,178)
Reclassified as performing during the period	-	(70)
Balance at end of period	39,647	42,273
Specific allowance	(29,481)	(22,352)
Net non-performing financing, advances and other loans	10,166	19,921
Net NPL as % of gross financing, advances and other loans less specific allowance	13.60%	3.83%

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

#### General Allowance

Balance at beginning of period/date of incorporation	7,796	-
Arising on acquisition of related merchant banking and securities company	-	8,962
Reversal of allowance during the period	(6,675)	(1,166)
Balance at end of period	1,121	7,796
% of total financing, advances and other loans less specific allowance	1.50%	1.50%

#### Specific Allowance

Balance at beginning of period/date of incorporation	22,352	-
Arising on acquisition of related merchant banking and securities company	-	11,452
Allowance made during the period	7,254	32,509
Amount written off	(125)	(21,609)
Balance at end of period	29,481	22,352

**A30b DEPOSITS FROM CUSTOMERS**

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
Mudarabah Special Investment deposits	337,882	311,881

**A30c. OTHER LIABILITIES**

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
Other payables and accruals	100,703	92,704
Taxation and zakat payable	15,858	44,646
Profit equalisation reserve	1,643	2,195
	<u>118,204</u>	<u>139,545</u>



### **A31. CHANGE IN ACCOUNTING POLICIES**

#### **(a) Change in Accounting Policies**

During the financial period ended 31 December 2005, the Group 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 :

	<b>As previously reported RM'000</b>	<b>Effect of change RM'000</b>	<b>As restated RM'000</b>
<b>Balance Sheet</b>			
<b>As at 31 March 2005</b>			
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 PERIOD**

The Group reported a pretax profit of RM283.3 million for the period ended 31 December 2005 as compared to RM226.8 million in the corresponding period ended 31 December 2004. Accordingly, the Group net profit for the period was also higher at RM208.0 million, 26.0% up from RM165.1 million for the corresponding period. The improvement in profit is mainly due to improvement in net income from Islamic banking operations, other operating income and impairment writeback on securities held-to-maturity. The increase in other operating income is mainly due to higher investment and trading income mainly arising from higher net gain from sale of securities held-for-trading and fees on loans and advances. The Group's profit before taxation for the quarter ended 31 December 2005 was also higher at RM95.6 million as compared to RM83.4 million for the corresponding quarter.

The Group's risk weighted capital ratio and shareholders' funds stood at 17.19% and RM2.11 billion as at 31 December 2005, respectively. As at 31 December 2005, the Group's net non-performing loans ratio further declined to 7.86% as compared to 14.80% as at 31 March 2005.

The merchant banking operations reported a pretax profit of RM258.0 million for the period, 44.8% up from RM178.2 million for the corresponding period. The improvement in profit is due to the increase in net income from Islamic banking operations, fee income, investment and trading income and lower allowances for losses on loans and financing. For the quarter, the pre-tax profit was also higher at RM87.3 million as compared to RM63.8 million for the corresponding quarter.

The offshore banking operations of the Group reported a pretax profit of RM3.3 million and RM8.9 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.

Despite the liberalisation of brokerage commission rates and the poor performance of the stock market, the stockbroking operations reported a pretax profit of RM1.8 million and RM5.2 million for the quarter and period respectively.

Total funds under management, both unit trust and institutional funds stood at RM8.9 billion as at end-December 2005 and the Fund Management Division reported pretax profit of RM3.5 million and RM10.5 million for the quarter and period ended 31 December 2005.

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 a decrease of 4.2% in profit before taxation of RM95.6 million for the third quarter ended 31 December 2005 as compared to RM99.7 million for the second quarter ended 30 September 2005 arising from lower net income from Islamic banking operations, lower investment and trading income mainly arising from unrealised loss on revaluation of securities held-for-trading and transfer to profit equalisation reserve. However, this drop had been mitigated by higher net interest income, lower operating expenses, lower allowances for losses on loans and financing and writeback of allowance for doubtful sundry receivables and provision for commitments.

## **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 third quarter ended 31 December 2005, AIGB Group achieved a profit before taxation and profit after taxation and minority interest of RM283.3 million and RM208.0 million, representing 83.9% and 86.4% 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	
	31.12.05 RM'000	31.12.04 RM'000	31.12.05 RM'000	31.12.04 RM'000
Estimated current tax payable	24,642	19,525	67,704	52,164
Share in taxation of associated companies incorporated in Malaysia	37	2,224	131	3,166
Transfer (from)/to deferred tax assets	-	(372)	6,187	(25,447)
Transfer to deferred tax liabilities	-	(974)	-	-
	<u>24,679</u>	<u>20,403</u>	<u>74,022</u>	<u>29,883</u>
Underprovision of current taxation in respect of prior years	-	-	-	29,767
Total	<u>24,679</u>	<u>20,403</u>	<u>74,022</u>	<u>59,650</u>

The total tax charge of the Group for the financial period and quarter ended 31 December 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	
	31.12.05 RM'000	31.12.04 RM'000	31.12.05 RM'000	31.12.04 RM'000
Net gain from sale of securities held-for-trading	26,369	9,351	95,562	48,383
Net gain from sale of securities available-for-sale	31	-	92	-
Net gain from sale of securities held-to-maturity	15,124	3,168	27,514	4,028
Impairment writeback/(loss) on securities held-to-maturity	<u>2,806</u>	<u>(7,790)</u>	<u>7,516</u>	<u>(9,272)</u>

## B7. QUOTED SECURITIES

This note is not applicable to financial institutions.

## B8. CORPORATE PROPOSALS

On 23 December 2005, the Company entered into a Memorandum of Understanding ("MOU") with ARA Private Equities Limited ("ARA"), a company incorporated in Bermuda and a wholly-owned subsidiary of ARA Asset Management Limited, a company incorporated in Bermuda, for the establishment of a joint venture company to undertake the management of real estate investment trusts ("the REIT") to be listed on Bursa Malaysia Securities Berhad.

Pursuant to the MOU, the Company and ARA will work together towards establishing a Proposed Joint Venture Company to act as the management company for the REIT. The Proposed Joint Venture is envisaged to be 70% held by the Company while the remaining 30% by ARA.

## B9. BORROWINGS

	<b>The Group</b>	
	<b>31.12.05</b>	<b>31.3.05</b>
	<b>RM'000</b>	<b>RM'000</b>
(i) Deposits from customers		
Due within six months	5,256,010	5,161,661
Six months to one year	96,512	132,275
One year to three	300	200
Three to five years	5,000	300
	<u>5,357,822</u>	<u>5,294,436</u>
(ii) Deposits and placements of banks and other financial institutions		
Due within six months	3,585,870	2,885,765
Six months to one year	597,165	363,196
One year to three years	841,600	514,537
Three to five years	604,331	804,260
Total	<u>5,628,966</u>	<u>4,567,758</u>
<i>Recap :</i>		
<i>Interbank lendings</i>	2,887,304	2,931,424
<i>Interbank borrowings</i>	(1,196,891)	(273,140)
<b><i>Net interbank lendings</i></b>	<u>1,690,413</u>	<u>2,658,284</u>
(iii) Unsecured subordinated certificate of deposits		
More than one year	<u>199,644</u>	<u>198,768</u>
(iv) Term loans		
Due within one year		
Secured	<u>283,500</u>	<u>285,000</u>
(v) Redeemable unsecured subordinated bonds		
More than one year	<u>595,000</u>	<u>460,000</u>

Pursuant to a Trust Deed dated 27 October 2005, the merchant banking subsidiary company issued RM200,000,000 nominal amount of Redeemable Unsecured Subordinated Bonds ("SubBonds") for the purpose of redemption of RM200.0 million nominal amount of unsecured subordinated certificates of deposits. The unsecured subordinated certificates of deposits will be redeemed on 1 March 2006.

The salient features of the SubBonds are as follows:

- The SubBonds bear interest at 4.75% per annum for the first five years and at 5.25% to 7.25% per annum for years 6 to 10. The interest is payable on a semi-annual basis.
- The SubBonds are redeemable on 31 October 2010 or on each anniversary date thereafter at nominal value together with interest accrued to the date of redemption
- The SubBonds are for a period of ten years maturing on 31 October 2015. However, subject to the prior approval of Bank Negara Malaysia, the merchant banking subsidiary company may redeem the SubBonds on 31 October 2010 or on each anniversary date thereafter.

During the financial period, the merchant banking subsidiary company had purchased and cancelled RM65,000,000 of the SubBonds.

## 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	
	31.12.05 RM'000	31.12.04 RM'000	31.12.05 RM'000	31.12.04 RM'000
Net profit attributable to shareholders of the Company	70,944	61,302	208,015	165,075
Less: Interest on ICULS	-	(1,815)	-	(5,424)
Net profit attributable to shareholders of the Company after interest on ICULS	<u>70,944</u>	<u>59,487</u>	<u>208,015</u>	<u>159,651</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>180,697</u>	<u>-</u>
Weighted average number of ordinary shares in issue	<u>1,320,000</u>	<u>1,109,442</u>	<u>1,290,139</u>	<u>1,109,442</u>
Basic earnings per share (sen)	<u>5.37</u>	<u>5.36</u>	<u>16.12</u>	<u>14.39</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 : 10 February 2006