

AmMerchant Bank Berhad
and its subsidiary companies
(23742-V)(Incorporated in Malaysia. Licensed Merchant Bank)

UNAUDITED BALANCE SHEETS AS AT 30 SEPTEMBER 2006

		Group		Bank	
	Note	30.9.06 RM'000	31.3.06 RM'000	30.9.06 RM'000	31.3.06 RM'000
ASSETS					
Cash and short-term funds		1,841,149	3,106,184	1,526,069	2,992,725
Securities purchased under resale agreements		436,070	529,267	420,085	504,464
Deposits and placements with banks and other financial institutions		1,309,242	1,223,624	1,302,175	1,223,056
Securities held-for-trading	8	4,465,950	7,053,649	4,444,523	7,032,722
Securities available-for-sale	9	3,418,567	831,821	3,392,693	806,218
Securities held-to-maturity	10	1,219,400	1,807,667	1,139,317	1,723,419
Loans, advances and financing	11	4,218,413	4,198,168	4,102,761	4,041,939
Other assets	12	450,358	259,445	309,498	251,184
Statutory deposit with Bank Negara Malaysia		179,920	244,130	179,920	244,130
Investments in subsidiary companies		-	-	154,822	83,103
Investments in associated companies		2,522	41,100	138	21,950
Property and equipment		36,200	36,321	32,709	34,506
Deferred tax assets		63,630	66,644	63,245	66,644
Intangible assets		50,190	40,182	2,870	3,164
TOTAL ASSETS		17,691,611	19,438,202	17,070,825	19,029,224
LIABILITIES AND SHAREHOLDER'S EQUITY					
Deposits from customers	13	4,522,566	6,432,177	4,123,383	6,230,392
Deposits and placements of banks and other financial institutions	14	7,527,738	7,516,897	7,792,633	7,682,121
Obligations on securities sold under repurchase agreements		2,627,821	2,590,281	2,627,821	2,590,281
Acceptances payable		2,847	3,103	2,847	3,103
Recourse obligations on loans sold to Cagamas Berhad		73,282	89,694	73,282	89,694
Other liabilities	15	322,441	223,864	197,985	203,880
Term loans		276,563	276,233	-	-
Redeemable unsecured subordinated bonds		595,000	595,000	595,000	595,000
Total Liabilities		15,948,258	17,727,249	15,412,951	17,394,471
Share capital		310,000	310,000	310,000	310,000
Interest Bearing Irredeemable Convertible Unsecured Loan Stocks 2002/2007		120,000	120,000	120,000	120,000
Reserves		1,313,353	1,280,953	1,227,875	1,204,753
Shareholder's equity		1,743,353	1,710,953	1,657,875	1,634,753
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		17,691,611	19,438,202	17,070,825	19,029,224

AmMerchant Bank Berhad
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UNAUDITED BALANCE SHEETS AS AT 30 SEPTEMBER 2006 (CONTD.)

	Note	Group		Bank	
		30.9.06	31.3.06	30.9.06	31.3.06
		RM'000	RM'000	RM'000	RM'000
COMMITMENTS AND CONTINGENCIES	26	41,509,816	25,493,220	41,506,170	25,444,861
NET ASSETS PER ORDINARY SHARE (RM)		8.30	8.15	7.89	7.78
NET ASSETS PER ORDINARY SHARE, AFTER DEDUCTING THE NOMINAL AMOUNTS OF ICULS 2002/2007 AND PREFERENCE SHARE CAPITAL (RM)		7.25	7.10	6.85	6.74
CAPITAL ADEQUACY	30				
Before deducting proposed dividends					
Core Capital Ratio		11.56%	12.15%	11.96%	12.22%
Risk-Weighted Capital Ratio		16.89%	14.39%	16.49%	14.05%
After deducting proposed dividends					
Core Capital Ratio		11.33%	11.69%	11.72%	11.76%
Risk-Weighted Capital Ratio		16.66%	13.92%	16.25%	13.59%

The Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 March 2006.

AmMerchant Bank Berhad
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UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2006

Group	Note	Individual Quarter		Cumulative Quarter	
		30.9.06 RM'000	30.9.05 RM'000	30.9.06 RM'000	30.9.05 RM'000
Revenue		340,093	244,038	558,786	494,052
Interest income	16	187,234	133,189	374,799	269,609
Interest expense	17	(155,487)	(111,710)	(298,743)	(208,291)
Net interest income		31,747	21,479	76,056	61,318
Income from Islamic banking business		10,951	21,656	15,268	45,128
Other operating income	18	141,908	89,193	168,719	179,315
Net income		184,607	132,328	260,044	285,761
Other operating expenses	19	(41,999)	(35,483)	(81,163)	(76,147)
Operating profit		142,608	96,845	178,881	209,614
Allowance for losses on loans and financing	20	(23,984)	(7,084)	(19,928)	(36,210)
Impairment (loss)/writeback on:					
Securities		(31,743)	6,226	(30,858)	5,014
Assets acquired in exchange of debts		(936)	-	(936)	(660)
Transfer (to)/from profit equalisation reserve		(56)	580	125	1,469
Allowance for doubtful sundry receivables - net		(66)	(62)	(290)	(61)
(Provision)/Writeback of provision for commitments		(6)	(502)	318	(439)
Profit before share in results of associated companies		85,818	96,003	127,313	178,727
Share in results of associated companies		122	760	1,045	1,583
Profit before taxation		85,940	96,763	128,358	180,310
Taxation		(24,834)	(25,188)	(36,133)	(48,571)
Profit for the period		61,105	71,575	92,224	131,739
Attributable to :					
Equity holder of the Bank		61,105	70,964	92,224	130,348
Minority interests		-	611	-	1,391
Profit for the period		61,105	71,575	92,224	131,739
EARNINGS PER SHARE (SEN)					
Basic		25.46	29.57	38.43	54.84
Fully diluted		17.97	20.87	27.12	38.60

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2006.

AmMerchant Bank Berhad
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UNAUDITED CONSOLIDATED INCOME STATEMENTS (CONTD.)
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2006

Bank	Note	Individual Quarter		Cumulative Quarter	
		30.9.06 RM'000	30.9.05 RM'000	30.9.06 RM'000	30.9.05 RM'000
Revenue		321,661	227,455	521,653	460,932
Interest income	16	183,229	127,889	367,315	257,091
Interest expense	17	(152,684)	(107,455)	(293,599)	(197,790)
Net interest income		30,545	20,434	73,716	59,301
Income from Islamic banking business		10,608	21,250	14,757	44,722
Other operating income	18	127,824	78,316	139,581	159,119
Net income		168,977	120,000	228,054	263,142
Other operating expenses	19	(32,174)	(29,454)	(64,081)	(64,208)
Operating profit		136,803	90,546	163,973	198,934
Allowance for losses on loans and financing	20	(23,232)	(6,981)	(18,713)	(36,252)
Impairment (loss)/writeback on:					
Securities		(28,327)	2,898	(27,442)	1,686
Assets acquired in exchange of debts		(936)	-	(936)	(660)
Transfer from profit equalisation reserve		-	755	181	1,765
Allowance for doubtful sundry receivables - net		(93)	(62)	(317)	(61)
(Provision)/Writeback of provision for commitments		(6)	(502)	318	(439)
Profit before taxation		84,209	86,654	117,064	164,973
Taxation		(23,683)	(24,672)	(34,004)	(46,779)
Net profit attributable to shareholder of the Bank		60,526	61,982	83,060	118,194
EARNINGS PER SHARE (SEN)					
Basic		25.22	25.83	34.61	49.72
Fully diluted		17.80	18.23	24.43	35.00

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2006.

AmMerchant Bank Berhad
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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2006

Group	<-----Attributable to equity holder of the Bank----->										
	Non-distributable						Distributable		Total shareholder's equity RM'000	Minority interests RM'000	Total equity 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 2005	300,000	120,000	2,815	60,284	300,000	(15,548)	29,618	707,883	1,505,052	6,083	1,511,135
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	-	10,297	-	-	10,297	-	10,297
Interest on ICULS	-	-	-	-	-	-	-	(3,610)	(3,610)	-	(3,610)
Net income/(expense) recognised directly in equity	-	-	-	-	-	10,297	-	(3,610)	6,687	-	6,687
Profit for the period	-	-	-	-	-	-	-	130,348	130,348	1,391	131,739
Total recognised income and expense for the period	-	-	-	-	-	10,297	-	126,738	137,035	1,391	138,426
Issued during the period	10,000	-	-	40,000	-	-	-	-	50,000	-	50,000
Ordinary dividends paid	-	-	-	-	-	-	-	(36,000)	(36,000)	-	(36,000)
Transfer from income statements	-	-	-	-	29,549	-	-	(29,549)	-	-	-
Exchange fluctuation adjustments	-	-	-	-	-	-	(594)	-	(594)	-	(594)
At 30 September 2005	310,000	120,000	2,815	100,284	329,549	(5,251)	29,024	769,072	1,655,493	7,474	1,662,967
At 1 April 2006	310,000	120,000	2,815	100,284	329,549	(3,055)	27,179	824,181	1,710,953	-	1,710,953
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	-	224	-	-	224	-	224
Interest on ICULS	-	-	-	-	-	-	-	(3,610)	(3,610)	-	(3,610)
Net income/(expense) recognised directly in equity	-	-	-	-	-	224	-	(3,610)	(3,386)	-	(3,386)
Profit for the period	-	-	-	-	-	-	-	92,224	92,224	-	92,224
Total recognised income and expense for the period	-	-	-	-	-	224	-	88,614	88,838	-	88,838
Ordinary dividends paid	-	-	-	-	-	-	-	(55,944)	(55,944)	-	(55,944)
Exchange fluctuation adjustments	-	-	-	-	-	-	(494)	-	(494)	-	(494)
At 30 September 2006	310,000	120,000	2,815	100,284	329,549	(2,831)	26,685	856,851	1,743,353	-	1,743,353

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2006.

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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTD.)
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2006

Bank	<-----Attributable to equity holder of the Bank----->							
	Non-distributable					Distributable		Total shareholder's equity
	Share capital RM'000	ICULS 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	RM'000
At 1 April 2005	300,000	120,000	60,284	300,000	(14,817)	-	674,174	1,439,641
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	10,035	-	-	10,035
Interest on ICULS	-	-	-	-	-	-	(3,610)	(3,610)
Net income/(expense) recognised directly in equity	-	-	-	-	10,035	-	(3,610)	6,425
Profit for the period	-	-	-	-	-	-	118,194	118,194
Total recognised income and expense for the period	-	-	-	-	10,035	-	114,584	124,619
Issued during the period	10,000	-	40,000	-	-	-	-	50,000
Ordinary dividends paid	-	-	-	-	-	-	(36,000)	(36,000)
Transfer to 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
At 1 April 2006	310,000	120,000	100,284	329,549	(3,410)	-	778,330	1,634,753
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	(177)	-	-	(177)
Interest on ICULS	-	-	-	-	-	-	(3,610)	(3,610)
Net expense recognised directly in equity	-	-	-	-	(177)	-	(3,610)	(3,787)
Profit for the period	-	-	-	-	-	-	83,060	83,060
Total recognised income and expense for the period	-	-	-	-	(177)	-	79,450	79,273
Ordinary dividends paid	-	-	-	-	-	-	(55,944)	(55,944)
Exchange fluctuation adjustments	-	-	-	-	-	(207)	-	(207)
At 30 September 2006	310,000	120,000	100,284	329,549	(3,587)	(207)	801,836	1,657,875

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2006.

AmMerchant Bank Berhad
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UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2006

	Group		Bank	
	30.9.06	30.9.05	30.9.06	30.9.05
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	128,358	180,310	117,064	164,973
Add adjustments for non-operating and non cash items	14,360	10,460	(65,204)	9,994
Operating profit before working capital changes	142,718	190,770	51,860	174,967
Decrease/(Increase) in operating assets	2,610,784	(2,397,118)	2,586,255	(2,397,074)
(Decrease)/Increase in operating liabilities	(1,843,628)	1,517,921	(1,974,028)	1,718,624
Cash used in operations	909,874	(688,427)	664,087	(503,483)
Taxation paid	(37,245)	(38,380)	(35,979)	(38,380)
Net cash generated/(used in) operating activities	872,629	(726,807)	628,108	(541,863)
Net cash used in investing activities	(2,047,451)	(14,865)	(2,028,010)	(13,641)
Net cash (used in)/generated from financing activities	(90,213)	94,223	(66,754)	94,223
	(2,137,664)	79,358	(2,094,764)	80,582
Net decrease in cash and cash equivalents	(1,265,035)	(647,449)	(1,466,656)	(461,281)
Cash and cash equivalents at beginning of period	3,106,184	2,579,909	2,992,725	2,329,913
Cash and cash equivalents at end of period	1,841,149	1,932,460	1,526,069	1,868,632

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 net of bank overdraft. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Group		Bank	
	30.9.06	30.9.05	30.9.06	30.9.05
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	1,841,149	1,932,460	1,526,069	1,868,632

The Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2006.

Note 1 : Acquisition of Frasers International Pte. Ltd ("FIPL")

The fair values of assets and liabilities assumed arising from the acquisition of the remaining 51.0% equity interest in FIPL, during the financial period ended 30 September 2006 were as follows:

	Unaudited As at 31 August 2006 RM'000
Net assets acquired:	
Cash and short term funds	48,603
Deposits and placements with banks and other financial institutions	3,578
Property and equipment	1,740
Other assets	119,233
Other liabilities	(94,000)
Net assets acquired	<u>79,154</u>
Goodwill on acquisition	<u>10,376</u>
	89,530
Less: Amount accounted for as an associate	<u>(39,622)</u>
Purchase price paid	49,908
Less: Cash and short term funds	<u>(48,603)</u>
Cash flow on acquisition, net of cash acquired	<u>1,305</u>

The Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2006.

EXPLANATORY NOTES :

1. ACCOUNTING POLICIES AND METHOD OF COMPUTATION

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 2006.

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 new and revised FRS issued by MASB that are effective for the Group's and the Bank's first FRS annual reporting date, 31 March 2007. The adoption of the new and revised FRS have resulted in changes in the accounting policies of the Group and the Bank and are disclosed in Note 32.

The specific and general allowances for loans, advances and financing of the Group and the Bank are computed based on the requirement of BNM's guidelines on the "Classification of Non-Performing Loans and Provisions for Substandard, Bad and Doubtful Debts" ("BNM/GP3") requirements. No values are assigned to property collaterals for loans, which are in arrears for more than seven years, although the realisable values based on independant valuers are available.

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

2. AUDIT QUALIFICATION

There were no audit qualification in the audited annual financial statements for the year ended 31 March 2006.

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The operations of the Group and the Bank are not materially affected by any seasonal or cyclical fluctuation in the current financial quarter and period.

4. UNUSUAL ITEMS

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

5. USE OF ESTIMATES

There was no material change in estimates of amounts reported in the prior financial years that have a material effect on the financial quarter ended 30 September 2006 other than the adoption of the new and revised Financial Reporting Standards ("FRS") issued by MASB that are effective for the Group's and the Bank's first FRS annual reporting date, 31 March 2007.

6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

The Bank has not issued any new shares or debentures during the financial quarter and period.

There were no share buy-back, share cancellation, shares held as treasury shares nor resale of treasury shares by the Bank during the financial quarter and period.

7. DIVIDENDS

During the current financial quarter, the Bank paid a final ordinary dividend of 37.0%, less 27% taxation, and a preference dividend of 10.0%, less 27% taxation, in respect of the previous financial year amounting to RM55,944,000 and RM7,200,000 for the ordinary and preference shares, respectively, which amount has been dealt with in the directors' report for that financial year.

The directors now recommend the payment of an interim ordinary dividend of 20.0%, less 27% taxation, amounting to RM30,660,000. The interim financial statements for the current financial period do not reflect the proposed interim ordinary dividend which is declared after the balance sheet date, 30 September 2006. The dividend will be accounted for in the shareholder's equity as an appropriation of unappropriated profits in the next financial quarter ending 31 December 2006.

8. SECURITIES HELD-FOR-TRADING

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
At Fair Value				
Money Market Securities :				
Treasury bills	13,317	34,282	13,317	34,282
Islamic Treasury bills	-	146	-	146
Malaysian Government Securities	428,126	1,306,817	428,126	1,306,817
Malaysian Government Investment				
Certificates	113,179	27,088	113,179	27,088
Cagamas bonds	19,836	100,021	19,836	100,021
Khazanah bonds	2,377	912	2,377	912
Cagamas Mudharabah bearer bonds	30,339	264,207	30,339	264,207
Negotiable instruments of deposits	-	2,684,425	-	2,684,425
Negotiable Islamic Debt Certificates	-	23,804	-	23,804
Bank Negara Malaysia bills	175,785	5,143	175,785	5,143
Islamic Bank Negara Malaysia bills	717,207	2,491	717,207	2,491
Sukuk Bank Negara Malaysia	-	95,798	-	95,798
	<u>1,500,166</u>	<u>4,545,134</u>	<u>1,500,166</u>	<u>4,545,134</u>
Securities Quoted				
In Malaysia:				
Shares	92,326	101,313	92,326	101,313
Trust units	73,208	136,728	73,208	136,728
Corporate bonds	21,427	20,927	-	-
Outside Malaysia:				
Shares	16,161	-	16,161	-
	<u>203,122</u>	<u>258,968</u>	<u>181,695</u>	<u>238,041</u>
Unquoted Private Debt Securities				
Of Companies Incorporated				
In Malaysia:				
Islamic corporate bonds	1,603,678	1,305,975	1,603,678	1,305,975
Corporate notes	39,684	38,420	39,684	38,420
Corporate bonds	857,205	709,263	857,205	709,263
Islamic corporate notes	49,223	117,809	49,223	117,809
Outside Malaysia:				
Corporate bonds	7,371	-	7,371	-
	<u>2,557,161</u>	<u>2,171,467</u>	<u>2,557,161</u>	<u>2,171,467</u>

**Unquoted Guaranteed Private Debt
Securities Of Companies
Incorporated In Malaysia:**

Corporate bonds	67,637	67,701	67,637	67,701
Corporate notes	107,152	-	107,152	-
Islamic corporate notes	30,712	10,379	30,712	10,379
	<u>205,501</u>	<u>78,080</u>	<u>205,501</u>	<u>78,080</u>
Total securities held-for-trading	<u>4,465,950</u>	<u>7,053,649</u>	<u>4,444,523</u>	<u>7,032,722</u>

9. SECURITIES AVAILABLE-FOR-SALE

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
At Fair Value				
Money Market Securities :				
Negotiable instruments of deposits	2,378,504	-	2,378,504	-
Quoted Securities In Malaysia:				
Corporate bonds	18,555	18,576	-	-
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:				
Corporate bonds	150,639	134,250	150,639	134,250
Islamic corporate notes	-	18,729	-	18,729
Islamic corporate bonds	436,141	217,183	436,141	217,183
	<u>586,780</u>	<u>370,162</u>	<u>586,780</u>	<u>370,162</u>
Debt Equity Converted Securities				
Quoted in Malaysia				
Shares - with options	15,172	19,822	15,172	19,822
Shares	4,584	4,882	3,520	4,103
Loan stocks - collateralised	-	1,064	-	1,064
Unquoted securities outside Malaysia				
Shares	6,255	6,248	-	-
	<u>26,011</u>	<u>32,016</u>	<u>18,692</u>	<u>24,989</u>
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:				
Corporate bonds	408,717	411,067	408,717	411,067
Total securities available-for-sale	<u>3,418,567</u>	<u>831,821</u>	<u>3,392,693</u>	<u>806,218</u>

10. SECURITIES HELD-TO-MATURITY

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
At Amortised Cost:				
Quoted Securities:				
In Malaysia:				
Shares	2	2	-	-
Corporate bonds	55,313	55,247	-	-
	<u>55,315</u>	<u>55,249</u>	<u>-</u>	<u>-</u>
Investment In Related Licensed				
Commercial Bank:				
Unsecured subordinated term loan:	-	460,000	-	460,000
	<u>-</u>	<u>460,000</u>	<u>-</u>	<u>460,000</u>
Unquoted Securities Of Companies				
Incorporated:				
In Malaysia:				
Shares	60,589	60,588	60,589	60,588
Corporate bonds	101	100	101	100
Outside Malaysia:				
Shares	8,524	8,693	8,524	8,693
	<u>69,214</u>	<u>69,381</u>	<u>69,214</u>	<u>69,381</u>
Debt Equity Converted Securities:				
Quoted in Malaysia:				
Loan stocks - collateralised	971	971	-	-
Loan stocks	427,076	470,380	427,076	470,379
Unquoted securities of companies				
incorporated in Malaysia:				
Shares	1,679	1,679	-	-
Corporate bonds	412,147	461,939	374,142	423,146
	<u>841,873</u>	<u>934,969</u>	<u>801,218</u>	<u>893,525</u>
Unquoted Private Debt Securities Of				
Companies Incorporated:				
In Malaysia:				
Islamic corporate bonds	195,186	196,703	195,186	196,703
Corporate bonds and notes				
denominated in USD	68,755	68,674	68,755	68,674
Outside Malaysia:				
Corporate bonds and notes				
denominated in USD	110,625	110,493	110,625	110,493
	<u>374,566</u>	<u>375,870</u>	<u>374,566</u>	<u>375,870</u>

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

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Unquoted Guaranteed Private Debt				
Securities Of Companies				
Incorporated In Malaysia:				
Corporate bonds	80,984	82,729	80,984	82,729
Total	1,421,952	1,978,198	1,325,982	1,881,505
Accumulated impairment losses	(202,552)	(170,531)	(186,665)	(158,086)
Total securities held-to-maturity	1,219,400	1,807,667	1,139,317	1,723,419

11. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Term loans and revolving credits				
Customers	4,480,986	4,417,198	4,351,480	4,245,930
Related companies	45,186	56,052	45,186	56,052
Staff loans	21,808	21,724	18,420	20,764
Claims on customers under acceptance credits	2,957	3,103	2,957	3,103
Gross loans, advances and financing	4,550,937	4,498,077	4,418,043	4,325,849
Less:				
Allowance for bad and doubtful debts and financing:				
General	64,373	63,925	62,619	61,553
Specific	268,151	235,984	252,663	222,357
	332,524	299,909	315,282	283,910
Net loans, advances and financing	4,218,413	4,198,168	4,102,761	4,041,939

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

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Working capital	1,819,509	1,821,871	1,705,923	1,689,488
Construction	842,519	870,073	842,519	870,073
Purchase of securities	460,559	399,685	447,987	384,382
Fixed assets	287,456	59,882	287,456	58,911
Merger and acquisition	261,422	404,571	261,422	404,571
Non-residential landed properties	182,558	194,289	176,391	185,484
Residential landed properties	95,327	88,342	94,834	87,929
Personal use	5,391	5,390	5,391	5,390
Purchase of transport vehicles	2,455	2,318	2,420	2,230
Other purpose	593,741	651,656	593,700	637,391
Gross loans, advances and financing	<u>4,550,937</u>	<u>4,498,077</u>	<u>4,418,043</u>	<u>4,325,849</u>

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

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Domestic :				
Other non-bank financial institutions	30,456	30,019	30,456	30,019
Business enterprises:				
Small medium enterprises	1,238,589	172,695	1,238,589	172,695
Others	2,899,477	3,994,094	2,833,839	3,897,858
Government and statutory bodies	60,932	83,693	24,046	46,856
Individuals	107,974	89,698	107,446	88,738
Foreign entities	213,509	127,878	183,667	89,683
	<u>4,550,937</u>	<u>4,498,077</u>	<u>4,418,043</u>	<u>4,325,849</u>

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

	Group		Bank	
	30.9.06 RM'000	31.3.06 RM'000	30.9.06 RM'000	31.3.06 RM'000
Variable rate				
Cost-plus	3,742,861	3,695,542	3,679,962	3,616,377
Other variable rates	360,592	269,058	291,607	181,172
	<u>4,103,453</u>	<u>3,964,600</u>	<u>3,971,569</u>	<u>3,797,549</u>
Fixed rate				
Housing loans	19,326	21,171	18,420	20,758
Hire purchase receivables	2,482	88	2,420	-
Other fixed rates	425,676	512,218	425,634	507,542
	<u>447,484</u>	<u>533,477</u>	<u>446,474</u>	<u>528,300</u>
	<u>4,550,937</u>	<u>4,498,077</u>	<u>4,418,043</u>	<u>4,325,849</u>

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

	Group		Bank	
	30.9.06 RM'000	31.3.06 RM'000	30.9.06 RM'000	31.3.06 RM'000
Balance at beginning of period/year	530,269	839,225	497,739	805,858
Non-performing during the period/year	43,174	172,302	41,208	172,302
Reclassification to performing loans, advances and financing	(4,264)	(386,729)	(4,264)	(386,729)
Recoveries	(40,493)	(92,643)	(40,493)	(92,643)
Amount written off	-	(96)	-	(96)
Exchange fluctuation adjustment	(769)	(1,790)	(2)	(953)
Balance at end of period/year	<u>527,917</u>	<u>530,269</u>	<u>494,188</u>	<u>497,739</u>
Specific allowance	<u>(268,151)</u>	<u>(235,984)</u>	<u>(252,663)</u>	<u>(222,357)</u>
Non-performing loans, advances and financing - net	<u>259,766</u>	<u>294,285</u>	<u>241,525</u>	<u>275,382</u>
Ratios of non-performing loans, advances and financing to total loans, advances and financing - net	<u>6.07%</u>	<u>6.90%</u>	<u>5.80%</u>	<u>6.71%</u>

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

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Working capital	188,745	184,540	161,183	158,177
Construction	172,667	169,675	172,667	169,675
Merger and acquisition	58,394	58,311	58,394	58,311
Purchase of securities	34,836	5,525	34,836	5,525
Non-residential landed properties	26,333	26,327	20,166	20,160
Personal use	4,390	4,389	4,390	4,389
Fixed assets	1,072	1,072	1,072	1,072
Purchase of transport vehicles	20	20	20	20
Other purpose	41,460	80,410	41,460	80,410
	<u>527,917</u>	<u>530,269</u>	<u>494,188</u>	<u>497,739</u>

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

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
General allowance				
Balance at beginning of period/year	63,925	69,091	61,553	66,278
Reversal of allowance during the period/year	440	(5,028)	1,055	(4,663)
Exchange fluctuation adjustments	8	(138)	11	(62)
Balance at end of period/year	<u>64,373</u>	<u>63,925</u>	<u>62,619</u>	<u>61,553</u>
 % of total loans, advances and financing less specific allowances	 1.50%	 1.50%	 1.50%	 1.50%

Specific allowance

Balance at beginning of period/year	235,984	157,720	222,357	153,321
Allowance during the period/year	37,522	105,270	35,692	91,504
Amount written back in respect of recoveries and reversals	(5,352)	(25,721)	(5,352)	(22,265)
Net charge to income statements	32,170	79,549	30,340	69,239
Amount written off	(30)	(1,044)	(30)	(203)
Exchange fluctuation adjustments	27	(241)	(4)	-
Balance at end of period/year	<u>268,151</u>	<u>235,984</u>	<u>252,663</u>	<u>222,357</u>

12. OTHER ASSETS

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Other receivables, deposits and prepayments, net of allowance for doubtful debts	285,870	77,784	144,664	59,386
Interest/Dividends receivable	73,445	77,064	71,865	85,834
Amount due from Originators	73,282	89,694	73,282	89,694
Amount due from brokers	1,346	2,048	1,346	2,048
Amount due from:				
Ultimate holding company	241	272	241	272
Subsidiary companies	-	-	1,935	1,227
Related companies	7,645	2,961	7,636	3,101
Assets acquired in exchange of debts, net of impairment loss	8,529	9,622	8,529	9,622
	<u>450,358</u>	<u>259,445</u>	<u>309,498</u>	<u>251,184</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	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Term/Investment deposits	4,522,266	5,510,235	4,123,083	5,308,450
Negotiable instruments of deposits	300	921,942	300	921,942
	<u>4,522,566</u>	<u>6,432,177</u>	<u>4,123,383</u>	<u>6,230,392</u>

The deposits are sourced from the following types of customers:

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Business enterprises	2,977,061	4,330,012	2,580,050	4,128,981
Individuals	9,222	6,677	7,050	5,300
Government	877,162	1,469,518	877,162	1,469,518
Others	659,121	625,970	659,121	626,593
	<u>4,522,566</u>	<u>6,432,177</u>	<u>4,123,383</u>	<u>6,230,392</u>

14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Licensed banks:				
Subsidiary	-	-	338,645	210,584
Related	3,143,459	2,475,800	3,143,459	2,475,800
Others	839,408	1,689,849	802,532	1,644,489
Bank Negara Malaysia	9,195	2,801	9,196	2,801
Other financial institutions	3,535,676	3,348,447	3,498,801	3,348,447
	<u>7,527,738</u>	<u>7,516,897</u>	<u>7,792,633</u>	<u>7,682,121</u>

15. OTHER LIABILITIES

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Trade payables	86,370	5,904	-	-
Other payables and accruals	136,468	118,289	101,146	104,546
Provision for commitments	7	324	7	324
Amount due to :				
Ultimate holding company	2	-	-	-
Subsidiary companies	-	-	-	59
Related companies	11	-	-	-
Taxation payable	2,695	103	-	-
Zakat payable	38	38	38	38
Profit equalisation reserve	151	276	95	276
Securities sold not yet-repurchased	96,699	91,437	96,699	91,437
Proposed preference dividends	-	7,200	-	7,200
Deferred tax liabilities	-	293	-	-
	322,441	223,864	197,985	203,880

Amount due to ultimate 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	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Balance at beginning of period/year	276	2,195	276	2,195
Amount written back	(125)	(1,919)	(181)	(1,919)
Balance at end of period/year	151	276	95	276

16. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.9.06 RM'000	30.9.05 RM'000	30.9.06 RM'000	30.9.05 RM'000
Short-term funds and deposits with				
financial institutions	32,353	19,851	69,206	37,766
Securities held-for-trading	49,718	29,486	105,328	69,804
Securities available for sale	36,214	9,040	47,996	11,341
Securities held-to-maturity	1,717	10,137	8,323	22,869
Loans and advances				
- Interest income other than				
recoveries from NPLs	60,493	48,555	117,385	94,678
- Recoveries from NPLs	5,279	12,773	15,939	30,334
Others	424	2,502	685	4,908
Gross interest income	186,198	132,344	364,862	271,700
Amortisation of premiums less accretion				
of discounts	1,036	96	9,937	(2,033)
Interest suspended	-	749	-	(58)
Total after net interest suspension	187,234	133,189	374,799	269,609

Bank	Individual Quarter		Cumulative Quarter	
	30.9.06 RM'000	30.9.05 RM'000	30.9.06 RM'000	30.9.05 RM'000
Short-term funds and deposits with				
financial institutions	30,656	19,776	66,382	34,992
Securities held-for-trading	49,411	29,186	104,728	69,203
Securities available-for-sale	36,214	6,823	47,996	6,872
Securities held-to-maturity	1,717	10,067	8,323	22,782
Loans and advances				
- Interest income other than				
recoveries from NPLs	58,556	46,694	113,391	90,258
- Recoveries from NPLs	5,279	12,773	15,939	30,334
Others	360	2,494	619	4,880
Gross interest income	182,193	127,813	357,378	259,321
Amortisation of premiums less accretion				
of discounts	1,036	96	9,937	(2,172)
Interest suspended	-	(20)	-	(58)
Total after net interest suspension	183,229	127,889	367,315	257,091

17. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	30.9.06 RM'000	30.9.05 RM'000	30.9.06 RM'000	30.9.05 RM'000
Deposits from customers	62,790	64,161	145,119	125,190
Deposit of banks and other financial institutions	56,365	8,726	81,278	19,370
Securities sold under repurchase agreements	22,295	10,572	43,570	20,036
Subordinated deposits and term loans	4,076	7,237	7,644	13,481
Securities sold not yet-repurchased	(97)	-	534	-
Redeemable unsecured bonds	9,153	7,536	18,206	14,991
Others	905	13,478	2,392	15,223
	<u>155,487</u>	<u>111,710</u>	<u>298,743</u>	<u>208,291</u>

Bank	Individual Quarter		Cumulative Quarter	
	30.9.06 RM'000	30.9.05 RM'000	30.9.06 RM'000	30.9.05 RM'000
Deposits from customers	59,966	62,082	139,907	117,965
Deposit of banks and other financial institutions	60,466	9,375	88,989	21,237
Securities sold under repurchase agreements	22,276	10,572	43,570	20,036
Subordinated deposits and term loans	-	4,423	-	8,520
Securities sold not yet-repurchased	(97)	-	534	-
Redeemable unsecured bonds	9,153	7,536	18,206	14,991
Others	920	13,467	2,393	15,041
	<u>152,684</u>	<u>107,455</u>	<u>293,599</u>	<u>197,790</u>

18. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.9.06 RM'000	30.9.05 RM'000	30.9.06 RM'000	30.9.05 RM'000
Fee income:				
Fees on loans and advances	2,242	5,077	7,363	17,383
Corporate advisory fees	3,366	5,007	7,370	11,091
Guarantee fees	3,564	2,842	9,827	4,280
Underwriting commissions	6,899	972	9,373	1,618
Portfolio management fees	2,968	1,797	5,339	3,835
Unit trust management fees	9,054	7,060	17,352	14,553
Property trust management fees	540	494	1,047	988
Other fee income	5,701	1,317	6,886	3,348
	<u>34,334</u>	<u>24,566</u>	<u>64,557</u>	<u>57,096</u>
Investment and trading income:				
Net gain from sale of securities held-for-trading	18,031	13,374	6,637	62,234
Net gain from sale of securities available-for-sale	2,457	61	2,457	61
Net gain on redemption of securities held-to-maturity	19,037	4,434	33,923	5,228
(Loss)/Gain on revaluation of derivatives	(4,571)	6,694	9,270	6,310
Gross dividend income from:				
Securities held-for-trading	3,282	1,050	4,081	1,575
Securities held-to-maturity	10,365	10,517	10,978	11,130
Gain on revaluation of securities held-for-trading	58,529	24,900	35,619	31,652
	<u>107,130</u>	<u>61,030</u>	<u>102,965</u>	<u>118,190</u>
Other income:				
Realised foreign exchange (loss)/gain	(191)	3,167	(148)	3,167
Gain on disposal of property and equipment - net	35	172	48	346
Rental income	485	215	1,005	437
Other non-operating income	115	43	292	79
	<u>444</u>	<u>3,597</u>	<u>1,197</u>	<u>4,029</u>
	<u>141,908</u>	<u>89,193</u>	<u>168,719</u>	<u>179,315</u>

18. OTHER OPERATING INCOME (CONTD.)

Bank	Individual Quarter		Cumulative Quarter	
	30.9.06 RM'000	30.9.05 RM'000	30.9.06 RM'000	30.9.05 RM'000
Fee income:				
Fees on loans and advances	2,214	4,982	7,287	17,121
Corporate advisory fees	3,185	4,767	7,059	10,701
Guarantee fees	2,003	1,937	3,062	3,328
Underwriting commissions	6,899	972	9,373	1,618
Other fee income	4,286	2,166	6,789	5,170
	<u>18,587</u>	<u>14,824</u>	<u>33,570</u>	<u>37,938</u>
Investment and trading income:				
Net gain from sale of securities held-for-trading	18,452	13,374	7,058	62,234
Net gain from sale of securities available-for-sale	2,457	-	2,457	-
Net gain on redemption of securities held-to-maturity	18,862	11,596	33,699	12,385
(Loss)/Gain on revaluation of derivatives	(1,928)	(1,194)	11,906	(541)
Gross dividend income from:				
Unquoted subsidiary companies	247	1,700	247	1,700
Securities held-for-trading	3,282	1,050	4,081	1,575
Securities held-to-maturity	10,365	10,517	10,978	11,130
Gain on revaluation of securities held-for-trading	57,238	25,471	34,782	31,344
	<u>108,975</u>	<u>62,514</u>	<u>105,208</u>	<u>119,827</u>
Other income:				
Realised foreign exchange (loss)/gain	(208)	599	(184)	599
(Loss)/Gain on disposal of property and equipment - net	(2)	172	11	346
Rental income	472	207	976	409
	<u>262</u>	<u>978</u>	<u>803</u>	<u>1,354</u>
	<u>127,824</u>	<u>78,316</u>	<u>139,581</u>	<u>159,119</u>

19. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	30.9.06 RM'000	30.9.05 RM'000	30.9.06 RM'000	30.9.05 RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	21,591	15,195	42,086	32,729
- Others	8,615	7,109	15,511	15,054
Establishment costs				
- Depreciation	1,366	1,879	2,675	3,866
- Computerisation costs	1,768	2,143	3,103	3,776
- Rental	1,057	744	2,250	1,594
- Others	701	1,020	1,743	2,061
Marketing and communication expenses				
- Sales commission	1,198	198	1,716	733
- Advertising	643	2,025	2,079	2,487
- Travel and entertainment	358	402	781	797
- Others	1,152	1,244	2,282	2,287
Administration and general expenses				
- Amortisation of goodwill	-	156	-	311
- Professional fees	1,151	1,775	2,378	3,000
- Others	2,399	1,593	4,559	7,452
	<u>41,999</u>	<u>35,483</u>	<u>81,163</u>	<u>76,147</u>

Bank	Individual Quarter		Cumulative Quarter	
	30.9.06 RM'000	30.9.05 RM'000	30.9.06 RM'000	30.9.05 RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	17,130	12,460	34,944	27,346
- Others	7,209	6,218	13,266	13,288
Establishment costs				
- Depreciation	1,137	1,710	2,283	3,506
- Computerisation costs	1,562	1,910	2,577	3,285
- Rental	535	337	1,356	818
- Others	276	896	569	1,812
Marketing and communication expenses				
- Sales commission	613	394	1,112	725
- Advertising	405	1,449	1,094	1,894
- Travel and entertainment	255	510	622	848
- Others	707	785	1,452	1,510
Administration and general expenses				
- Professional fees	543	1,529	1,356	2,452
- Others	1,802	1,256	3,450	6,724
	<u>32,174</u>	<u>29,454</u>	<u>64,081</u>	<u>64,208</u>

20. ALLOWANCE FOR LOSSES ON LOANS AND FINANCING

Group	Individual Quarter		Cumulative Quarter	
	30.9.06 RM'000	30.9.05 RM'000	30.9.06 RM'000	30.9.05 RM'000
Allowance/(Reversal of allowance) for bad and doubtful debts and financing:				
Specific allowance - net	27,115	3,231	32,170	36,844
Allowance during the period	31,138	17,721	37,522	56,106
Amount written back in respect of recoveries and reversals	(4,023)	(14,490)	(5,352)	(19,262)
General allowance	(262)	5,487	440	2,176
Bad debts and financing				
Written off	-	70	11	70
Recovered	(2,621)	(1,704)	(12,438)	(2,880)
(Recoveries of)/Allowance for value impairment on amount recoverable from Danaharta	(248)	-	(255)	-
	23,984	7,084	19,928	36,210

Bank	Individual Quarter		Cumulative Quarter	
	30.9.06 RM'000	30.9.05 RM'000	30.9.06 RM'000	30.9.05 RM'000
Allowance/(Reversal of allowance) for bad and doubtful debts and financing:				
Specific allowance- net	26,013	3,229	30,340	36,830
Allowance during the period	30,034	17,718	35,692	56,091
Amount written back in respect of recoveries and reversals	(4,021)	(14,489)	(5,352)	(19,261)
General allowance	88	5,387	1,055	2,233
Bad debts and financing				
Written off	-	70	11	70
Recovered	(2,621)	(1,705)	(12,438)	(2,881)
(Recoveries of)/Allowance for value impairment on amount recoverable from Danaharta	(248)	-	(255)	-
	23,232	6,981	18,713	36,252

21. SEGMENTAL INFORMATION

(A) BY BUSINESS SEGMENT

	Individual Quarter		Cumulative Quarter	
	30.9.06	30.9.05	30.9.06	30.9.05
	RM'000	RM'000	RM'000	RM'000
Merchant banking				
Revenue	313,180	220,511	510,719	455,386
Profit before taxation	85,835	89,120	122,675	167,629
Offshore banking				
Revenue	17,001	15,025	30,677	25,337
(Loss)/Profit before taxation	(5,151)	6,353	(4,124)	5,539
Unit trust management				
Revenue	6,749	4,757	12,370	9,947
Profit before taxation	3,796	1,697	6,146	3,948
Asset management				
Revenue	4,606	3,252	8,497	6,694
Profit before taxation	1,052	1,494	1,941	2,990
Real estate management				
Revenue	601	552	1,173	1,104
Profit before taxation	382	356	726	686
Investment consultant				
Revenue	131	134	258	277
Profit before taxation	49	49	80	131
Stockbroking				
Revenue	2,482	-	2,482	-
Profit before taxation	108	-	108	-
Others				
Revenue	5,584	2	5,595	3
Profit before taxation	827	1	1,716	1
Total before consolidation adjustments				
Revenue	350,334	244,233	571,771	498,748
Profit before taxation	86,898	99,070	129,268	180,924
Consolidation adjustments				
Revenue	(10,241)	(195)	(12,985)	(4,696)
Profit before taxation	(958)	(2,307)	(910)	(614)
Total after consolidation adjustments				
Revenue	340,093	244,038	558,786	494,052
Profit before taxation	85,940	96,763	128,358	180,310

21. SEGMENTAL INFORMATION (CONTD.)

Included in the above is Islamic banking business profit before taxation for the Group and the Bank of RM10.0 million and RM9.8 million, respectively for the quarter ended 30 September 2006 and RM13.7 million and RM13.3 million, respectively for the period ended 30 September 2006 (RM17.7 million and RM17.6 million respectively, for the quarter ended 30 September 2005 and RM39.2 million and RM39.0 million, respectively for the 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, activities of which are principally conducted in Singapore, respectively. These activities in Singapore are not significant (less than 1% of revenue and profit before taxation) 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.

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

On 31 August 2006, the Bank completed the acquisition of 6,599,592 ordinary shares of S\$1.00 each in Frasers International Pte Ltd ("FIPL"), representing 44.42% of the issued and paid-up share capital of FIPL not already owned by the Bank, for an aggregate cash purchase consideration of S\$18,519,705, thus making it a 93.42%-owned subsidiary of the Bank.

Further thereto, the Bank had on 8 September 2006 completed the acquisition of the remaining 977,174 ordinary shares in FIPL, representing a 6.58% equity interest in FIPL, for an aggregate cash purchase consideration of S\$2,742,135, thereby making FIPL a 100%-owned subsidiary of the Bank.

25. BORROWINGS

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

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
(i) Deposits from customers				
Due within six months	4,221,865	6,247,352	3,822,682	6,045,567
Six months to one year	98,651	175,981	98,651	175,981
One year to three years	200,300	3,844	200,300	3,844
Three years to five years	1,750	5,000	1,750	5,000
Total	<u>4,522,566</u>	<u>6,432,177</u>	<u>4,123,383</u>	<u>6,230,392</u>
(ii) Deposits and placements of banks and other financial institutions				
Due within six months	4,858,616	4,761,236	5,149,324	4,926,461
Six months to one year	329,785	392,857	303,972	392,857
One year to three years	986,602	1,021,829	986,602	1,021,829
Three years to five years	1,352,735	1,340,975	1,352,735	1,340,974
Total	<u>7,527,738</u>	<u>7,516,897</u>	<u>7,792,633</u>	<u>7,682,121</u>
<i>Recap :</i>				
<i>Interbank lendings</i>	3,097,266	4,315,378	2,810,019	4,208,334
<i>Interbank borrowings</i>	(2,899,176)	(1,672,830)	(3,200,945)	(1,838,054)
<i>Net interbank lendings</i>	<u>198,090</u>	<u>2,642,548</u>	<u>(390,926)</u>	<u>2,370,280</u>
(iii) Term loans				
Due within one year				
Secured	<u>276,563</u>	<u>276,233</u>	<u>-</u>	<u>-</u>
(iv) Redeemable unsecured subordinated bonds				
More than one year	<u>595,000</u>	<u>595,000</u>	<u>595,000</u>	<u>595,000</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 2006, the commitments and contingencies outstanding are as follows:

Group	30.9.06			31.3.06		
	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	172,000	-	-	580,000	-	-
Interest rate swaps:						
Related companies	9,999,880	1,064,408	212,882	3,732,189	56,141	11,228
Others	21,512,349	781,722	94,224	11,951,139	256,104	52,484
Foreign exchange related contracts:						
Forward exchange contracts	3,783,966	76,525	15,305	3,241,064	66,695	13,339
Cross currency swaps	603,127	64,609	12,922	375,676	32,666	6,533
Malaysian Government securities futures	-	-	-	10,000	-	-
Equity related contracts:						
Options	1,310	-	-	-	-	-
	<u>36,072,632</u>	<u>1,987,264</u>	<u>335,333</u>	<u>19,890,068</u>	<u>411,606</u>	<u>83,584</u>
Commitments						
Irrevocable commitments to extend credit maturing :						
within one year	540,671	-	-	642,181	-	-
more than one year	145,392	72,696	72,507	187,253	93,627	93,135
Sell and buy back agreements	2,820,871	2,820,871	1,240,189	2,174,849	2,174,849	915,378
Forward purchase commitments	179,501	179,501	64,765	331,127	331,127	153,377
	<u>3,686,435</u>	<u>3,073,068</u>	<u>1,377,461</u>	<u>3,335,410</u>	<u>2,599,603</u>	<u>1,161,890</u>
Contingent Liabilities						
Guarantees given on behalf of customers	435,519	435,519	358,209	844,067	844,067	727,713
Underwriting liabilities	836,086	418,043	406,043	992,437	496,218	471,819
Certain transaction-related contingent items	479,144	239,572	213,545	431,238	215,619	181,111
	<u>1,750,749</u>	<u>1,093,134</u>	<u>977,797</u>	<u>2,267,742</u>	<u>1,555,904</u>	<u>1,380,643</u>
	<u>41,509,816</u>	<u>6,153,466</u>	<u>2,690,591</u>	<u>25,493,220</u>	<u>4,567,113</u>	<u>2,626,117</u>

Bank	30.9.06			31.3.06		
	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	172,000	-	-	580,000	-	-
Interest rate swaps:						
Related companies	9,999,880	1,064,408	212,882	3,732,189	56,141	11,228
Others	21,512,349	781,722	94,224	11,951,139	256,104	52,484
Foreign exchange related contracts:						
Forward exchange contracts	3,783,966	76,525	15,305	3,241,064	66,695	13,339
Cross currency swaps	603,127	64,609	12,922	375,676	32,666	6,533
Malaysian Government securities futures	-	-	-	10,000	-	-
Equity related contracts:						
Options	1,310	-	-	-	-	-
	<u>36,072,632</u>	<u>1,987,264</u>	<u>335,333</u>	<u>19,890,068</u>	<u>411,606</u>	<u>83,584</u>
Commitments						
Irrevocable commitments to extend credit maturing:						
within one year	540,671	-	-	642,181	-	-
more than one year	145,392	72,696	72,507	141,959	70,980	70,488
Sell and buy back agreements	2,820,871	2,820,871	1,240,189	2,174,849	2,174,849	915,378
Forward purchase commitments	179,501	179,501	64,765	331,127	331,127	153,377
	<u>3,686,435</u>	<u>3,073,068</u>	<u>1,377,461</u>	<u>3,290,116</u>	<u>2,576,956</u>	<u>1,139,243</u>
Contingent Liabilities						
Guarantees given on behalf of customers	431,873	431,873	355,144	841,002	841,002	724,648
Underwriting liabilities	836,086	418,043	406,043	992,437	496,218	471,819
Certain transaction-related contingent items	479,144	239,572	213,545	431,238	215,619	181,111
	<u>1,747,103</u>	<u>1,089,488</u>	<u>974,732</u>	<u>2,264,677</u>	<u>1,552,839</u>	<u>1,377,578</u>
	<u>41,506,170</u>	<u>6,149,820</u>	<u>2,687,526</u>	<u>25,444,861</u>	<u>4,541,401</u>	<u>2,600,405</u>

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

- (a) 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.
- (b) A suit dated 12 December 2005 was filed by Meridian Asset Management Sdn Bhd ("Meridian") against an associated company, AmTrustee Berhad ("AmTrustee") in respect of a claim amounting to RM27,606,169.65 for alleged loss and damage together with interests and costs arising from AmTrustee's provision of custodian services to Meridian.

Malaysian Assurance Alliance Bhd ("MAA") has claimed its portion of the abovementioned alleged loss, being general damages and special damages of RM19,640,178.83, together with interest and costs.

AmTrustee was served on 24 March 2006 with a Writ and Statement of Claim dated 25 January 2006 by solicitors acting for MAA. MAA had appointed Meridian as an external fund manager for certain of its insurance funds, and part of these funds were deposited by Meridian with AmTrustee.

Neither material financial loss nor operational impact on the Group is expected as a result of the writ and statement of claim.

Parties have filed several interim applications which are pending hearing at various dates including as follows:-

- (a) An application by AmTrustee to dismiss the Meridian suit on the grounds of (i) duplicity of action with the MAA suit against AmTrustee and (ii) no loss was suffered by Meridian.
- (b) A separate application by AmTrustee, which is a third party proceedings, to include Meridian in the MAA suit against AmTrustee.
- (c) An application by Meridian to add the Bank, as 2nd Defendant.
- (d) An application by Meridian to increase the alleged loss and damage from RM27,606,169.65 to RM36,967,166.84 together with interest and costs arising from the provision of custodian services by AmTrustee to Meridian.

Case Management in the Meridian and MAA suit is pending the disposal of the interim applications.

Based on solicitors advice, the holding company, AmInvestment Group Berhad ("AIGB") believes Meridian has no reasonable cause of action against AmTrustee or the Bank.

27. RELATED PARTY TRANSACTIONS

On 26 October 2006, AIGB announced that Am ARA REIT Managers Sdn Bhd ("Am ARA"), a 70% owned subsidiary, has entered into an arrangement for the payment of acquisition and divestment fees to ARA Asset Management (Malaysia) Limited ("ARA Malaysia"), a company with a 30% equity interest in Am ARA, pursuant to the provision of services by ARA Malaysia to Am ARA in connection with Am ARA's management of AmFIRST REIT.

28. DERIVATIVE FINANCIAL INSTRUMENTS

As at 30 September 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	172,000	2,000	40,000	60,000	70,000	-	-	524
Interest rate swaps	31,512,229	935,000	600,000	1,375,000	2,775,000	24,988,742	838,487	10,857
Foreign exchange related contracts :								
Forward exchange contracts	3,783,966	1,601,960	1,038,210	223,543	920,253	-	-	1,224
Cross currency swaps	603,127	-	-	-	36,875	566,252	-	12,921
Equity related contracts:								
Options	1,310	-	-	-	-	1,310	-	-
Total	36,072,632	2,538,960	1,678,210	1,658,543	3,802,128	25,556,304	838,487	25,526

The Bank

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	172,000	2,000	40,000	60,000	70,000	-	-	524
Interest rate swaps	31,512,229	935,000	600,000	1,375,000	2,775,000	24,988,742	838,487	10,857
Foreign exchange related contracts :								
Forward exchange contracts	3,783,966	1,601,960	1,038,210	223,543	920,253	-	-	1,224
Cross currency swaps	603,127	-	-	-	36,875	566,252	-	12,921
Equity related contracts:								
Options	1,310	-	-	-	-	1,310	-	-
Total	36,072,632	2,538,960	1,678,210	1,658,543	3,802,128	25,556,304	838,487	25,526

RISK MANAGEMENT POLICY ON FINANCIAL DERIVATIVES

Purpose of engaging in financial derivatives

Financial 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. Derivatives are contracts that transfer risks, mainly market risks. Financial derivatives is one of the financial instruments engaged by the Group both for revenue purposes as well as to manage the Group's own market risk exposure. The Group's involvement in financial derivatives is currently focussed on interest rate derivatives and foreign exchange rate derivatives.

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.

For revenue purposes the Group maintains trading positions in these instruments and engages in transactions with customers to satisfy their needs in managing their respective interest rate and foreign exchange rate exposures. Derivative transactions generate income for the Group from the buy-sell spreads. The Group also takes conservative exposures, within acceptable limits, to carry an inventory of these instruments in order to provide market liquidity and to earn potential gains on fluctuations in the value of these instruments.

As part of the asset and liability exposure management, the Group uses derivatives to manage the Group's market risk exposure. As the value of these financial derivatives are principally driven by interest rate and foreign exchange rate factors, the Group uses them to reduce the overall interest rate and foreign exchange rate exposures of the Group. These are performed by entering into an exposure in derivatives that produces opposite value movements vis-à-vis exposures generated by other non-derivative activities of the Group. The Group manages these risks on a portfolio basis. Hence, exposures on derivatives are aggregated or netted against similar exposures arising from other financial instruments engaged by the Group.

Risk associated with financial derivatives

As derivatives are contracts that transfer risks, they expose the holder to the same types of market and credit risk as other financial instruments, and the Group manages these risks in a consistent manner under the overall risk management framework.

Market risk of derivatives used for trading purposes

Market risk arising from the above interest rate-related, foreign exchange-related derivatives and equity related contracts measures the potential losses to the value of these contracts due to changes in market rates/prices. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions.

The contractual amounts of these contracts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Value at risk method is used to measure the market risk from these contracts. Value at risk, is a statistical measure that estimates the potential changes in portfolio value that may occur brought about by potential changes in market rates over a defined period at a 99% confidence level under normal market condition.

As at 30 September 2006, value at risk of foreign exchange-related derivatives contracts used for trading purposes of the Group and the Bank was RM1,782,120 (RM1,049,183 as at 31 March 2006).

The value at risk of the interest rate derivatives related contracts used for trading purposes of the Group and the Bank was RM9,306,213 (RM9,446,292 as at 31 March 2006).

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. Unlike conventional asset instruments, the Group's financial loss is not the entire contracted principal value of the derivatives, but rather a fraction equivalent to the cost to replace the defaulted contract with another in the market. The cost of replacement is equivalent to the difference between the original value of the derivatives at time of contract with the defaulted counter party and the current fair value of a similar substitute at current market prices. The Group will only suffer a replacement cost if the contract carries a fair value gain at time of default.

As at 30 September 2006, the amounts of counterparty credit risk, measured in term of the cost to replace the profitable contracts of the Group and the Bank was RM66,452,182 (RM26,977,165 as at 31 March 2006). 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			
30.9.06	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
ASSETS										
Cash and short-term funds	1,034,272	-	-	-	-	102	806,775	-	1,841,149	4.07
Securities purchased under resale agreements	436,070	-	-	-	-	-	-	-	436,070	3.41
Deposits and placements with banks and other financial institutions	17,614	486,816	55,312	-	-	749,500	-	-	1,309,242	5.98
Securities held-for-trading	-	-	-	-	-	-	-	4,465,950	4,465,950	4.55
Securities available-for-sale	1,053,718	1,053,972	18,555	347,507	437,973	480,830	26,011	-	3,418,567	4.06
Securities held-to-maturity	-	55,313	36,057	154,755	632,808	269,844	70,623	-	1,219,400	6.91
Loans, advances and financing:										
- performing	1,456,136	1,751,402	168,002	111,688	479,003	23,009	33,781	-	4,023,021	6.56
- non-performing *	-	-	-	-	-	-	195,393	-	195,393	-
Amount due from Originators	-	13,310	-	13,475	46,497	-	-	-	73,282	4.25
Other non-interest sensitive balances	-	-	-	-	-	-	709,538	-	709,538	-
TOTAL ASSETS	3,997,810	3,360,813	277,926	627,425	1,596,281	1,523,285	1,842,121	4,465,950	17,691,611	
LIABILITIES AND SHAREHOLDER'S EQUITY										
Deposits from customers	2,699,672	953,942	259,484	97,117	202,050	-	310,301	-	4,522,566	3.69
Deposits and placements of banks and other financial institutions	3,710,367	961,791	323,489	314,807	986,475	998,194	232,615	-	7,527,738	4.20
Obligations on securities sold under repurchase agreements	2,579,425	48,078	318	-	-	-	-	-	2,627,821	3.39
Acceptances payable	524	2,239	84	-	-	-	-	-	2,847	5.44
Recourse obligations on loans sold to Cagamas Berhad	-	13,310	-	13,475	46,497	-	-	-	73,282	4.25
Term loans	-	276,563	-	-	-	-	-	-	276,563	5.79

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			
30.9.06	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	5.63
Other non-interest sensitive balances	-	-	-	-	-	-	322,441	-	322,441	-
Total Liabilities	8,989,988	2,255,923	583,375	425,399	1,235,022	1,593,194	865,357	-	15,948,258	
Share capital	-	-	-	-	-	-	310,000	-	310,000	-
Interest Bearing Irredeemable										
Convertible Unsecured Loan										
Stocks 2002/2007	-	-	-	120,000	-	-	-	-	120,000	6.00
Reserves	-	-	-	-	-	-	1,313,353	-	1,313,353	-
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	8,989,988	2,255,923	583,375	545,399	1,235,022	1,593,194	2,488,710	-	17,691,611	
On-balance sheet interest rate gap sensitivity	(4,992,178)	1,104,890	(305,449)	82,026	361,259	(69,909)	(646,589)	4,465,950	-	
Off-balance sheet interest rate gap sensitivity	(1,812,844)	653,537	(288,867)	(847,263)	1,099,568	1,185,044	-	-	(10,825)	
Total interest rate gap sensitivity	(6,805,022)	1,758,427	(594,316)	(765,237)	1,460,827	1,115,135	(646,589)	4,465,950	(10,825)	
Cumulative interest rate gap sensitivity	(6,805,022)	(5,046,594)	(5,640,910)	(6,406,147)	(4,945,320)	(3,830,185)	(4,476,775)	(10,825)		

* 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			
31.3.06	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
ASSETS										
Cash and short-term funds	2,651,126	-	-	-	-	-	455,058	-	3,106,184	3.44
Securities purchased under resale agreements	498,343	30,924	-	-	-	-	-	-	529,267	3.16
Deposits and placements with banks and other financial institutions	-	567	-	399,895	73,662	749,500	-	-	1,223,624	6.34
Securities held-for-trading	-	-	-	-	-	-	-	7,053,649	7,053,649	3.87
Securities available-for-sale	-	-	67,258	-	294,829	438,782	30,952	-	831,821	5.04
Securities held-to-maturity	-	55,247	1,997	83,708	857,511	327,417	481,787	-	1,807,667	5.52
Loans, advances and financing:										
- performing	1,659,523	1,662,848	129,994	112,509	309,604	23,325	70,005	-	3,967,808	6.30
- non-performing *	-	-	-	-	-	-	230,360	-	230,360	-
Amount due from Originators	816	-	1,967	19,564	67,347	-	-	-	89,694	4.25
Other non-interest sensitive balances	-	-	-	-	-	-	598,128	-	598,128	-
TOTAL ASSETS	4,809,808	1,749,586	201,216	615,676	1,602,953	1,539,024	1,866,290	7,053,649	19,438,202	
LIABILITIES AND SHAREHOLDER'S EQUITY										
Deposits from customers	3,838,547	1,912,142	263,589	161,518	8,844	-	247,537	-	6,432,177	3.18
Deposits and placements of banks and other financial institutions	2,768,877	1,255,054	468,154	387,818	1,026,803	1,335,916	274,275	-	7,516,897	3.95
Obligations on securities sold under repurchase agreements	2,498,936	91,072	273	-	-	-	-	-	2,590,281	3.13
Acceptances payable	964	1,336	803	-	-	-	-	-	3,103	4.81
Recourse obligations on loans sold to Cagamas Berhad	816	-	1,967	19,564	67,347	-	-	-	89,694	4.25
Term loans	-	276,233	-	-	-	-	-	-	276,233	5.15
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	6.10

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			
31.3.06	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Other non-interest sensitive balances	-	-	-	-	-	-	223,864	-	223,864	-
Total Liabilities	9,108,140	3,535,837	734,786	568,900	1,102,994	1,930,916	745,676	-	17,727,249	
Share capital	-	-	-	-	-	-	310,000	-	310,000	-
Interest Bearing Irredeemable										
Convertible Unsecured Loan										
Stocks 2002/2007	-	-	-	120,000	-	-	-	-	120,000	6.00
Reserves	-	-	-	-	-	-	1,280,953	-	1,280,953	-
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	9,108,140	3,535,837	734,786	688,900	1,102,994	1,930,916	2,336,629	-	19,438,202	
On-balance sheet interest rate gap sensitivity	(4,298,332)	(1,786,251)	(533,570)	(73,224)	499,959	(391,892)	(470,339)	7,053,649	-	
Off-balance sheet interest rate gap sensitivity	(1,142,119)	(332,577)	245,061	(686,414)	(13,326)	1,935,098	-	-	5,723	
Total interest rate gap sensitivity	(5,440,451)	(2,118,828)	(288,509)	(759,638)	486,633	1,543,206	(470,339)	7,053,649	5,723	
Cumulative interest rate gap sensitivity	(5,440,451)	(7,559,279)	(7,847,788)	(8,607,426)	(8,120,793)	(6,577,587)	(7,047,926)	5,723		

* 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	>1 - 3	>3 - 6	>6 - 12	1 - 5	Over 5	Non-	Trading		Effective
30.9.06	month	months	months	months	years	years	interest	Book	Total	interest
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	sensitive	RM'000	RM'000	rate
							RM'000			%
ASSETS										
Cash and short-term funds	719,844	-	-	-	-	-	806,225	-	1,526,069	3.66
Securities purchased under resale agreements	420,085	-	-	-	-	-	-	-	420,085	3.41
Deposits and placements with banks and other financial institutions	15,800	536,875	-	-	-	749,500	-	-	1,302,175	5.99
Securities held-for-trading	-	-	-	-	-	-	-	4,444,523	4,444,523	4.54
Securities available-for-sale	1,053,778	1,053,972	-	347,507	437,973	480,830	18,633	-	3,392,693	4.04
Securities held-to-maturity	-	-	36,055	154,755	609,725	268,159	70,623	-	1,139,317	6.95
Loans, advances and financing:										
- performing	1,426,164	1,733,337	117,405	111,664	478,725	22,370	34,190	-	3,923,855	6.56
- non-performing *	-	-	-	-	-	-	178,906	-	178,906	-
Amount due from Originators	-	13,310	-	13,475	46,497	-	-	-	73,282	4.25
Other non-interest sensitive balances	-	-	-	-	-	-	669,920	-	669,920	-
TOTAL ASSETS	3,635,671	3,337,494	153,460	627,401	1,572,920	1,520,859	1,778,497	4,444,523	17,070,825	
LIABILITIES AND SHAREHOLDER'S EQUITY										
Deposits from customers	2,301,638	953,395	259,485	96,514	202,050	-	310,301	-	4,123,383	3.54
Deposits and placements of banks and other financial institutions	3,662,428	961,791	323,489	288,994	986,475	1,336,840	232,616	-	7,792,633	4.19
Obligations on securities sold under repurchase agreements	2,579,425	48,078	318	-	-	-	-	-	2,627,821	3.39
Acceptances payable	524	2,239	84	-	-	-	-	-	2,847	5.44
Recourse obligations on loans sold to Cagamas Berhad	-	13,310	-	13,475	46,497	-	-	-	73,282	4.25
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	5.63

Bank 30.9.06	<-----Non-trading book ----->							Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
Other non-interest sensitive balances	-	-	-	-	-	-	197,985	-	197,985	-
Total Liabilities	8,544,015	1,978,813	583,376	398,983	1,235,022	1,931,840	740,902	-	15,412,951	
Share capital	-	-	-	-	-	-	310,000	-	310,000	-
Interest Bearing Irredeemable Convertible Unsecured Loan Stocks 2002/2007	-	-	-	-	-	-	120,000	-	120,000	6.00
Reserves	-	-	-	-	-	-	1,227,875	-	1,227,875	-
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	8,544,015	1,978,813	583,376	398,983	1,235,022	1,931,840	2,398,777	-	17,070,826	
On-balance sheet interest rate gap sensitivity	(4,908,344)	1,358,681	(429,916)	228,418	337,898	(410,980)	(620,280)	4,444,523	-	
Off-balance sheet interest rate gap sensitivity	(1,812,844)	653,537	(288,867)	(847,263)	1,099,568	1,185,044	-	-	(10,825)	
Total interest rate gap sensitivity	(6,721,188)	2,012,218	(718,783)	(618,845)	1,437,466	774,064	(620,280)	4,444,523	(10,825)	
Cumulative interest rate gap sensitivity	(6,721,188)	(4,708,970)	(5,427,753)	(6,046,598)	(4,609,132)	(3,835,068)	(4,455,348)	(10,825)		

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

Bank	<-----Non-trading book ----->							Trading Book	Total	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
31.3.06										
ASSETS										
Cash and short-term funds	2,540,678	-	-	-	-	-	452,047	-	2,992,725	3.33
Securities purchased under resale agreements	473,540	30,924	-	-	-	-	-	-	504,464	3.16
Deposits and placements with banks and other financial institutions	-	-	-	399,895	73,661	749,500	-	-	1,223,056	6.43
Securities held-for-trading	-	-	-	-	-	-	-	7,032,722	7,032,722	3.87
Securities available-for-sale	-	-	48,683	-	294,829	438,781	23,925	-	806,218	5.03
Securities held-to-maturity	-	-	1,997	83,708	828,509	327,418	481,787	-	1,723,419	5.52
Loans, advances and financing:										
- performing	1,578,542	1,646,943	93,155	112,485	309,270	22,743	64,972	-	3,828,110	6.31
- non-performing *	-	-	-	-	-	-	213,829	-	213,829	-
Amount due from Originators	816	-	1,967	19,564	67,347	-	-	-	89,694	4.25
Other non-interest sensitive balances	-	-	-	-	-	-	614,987	-	614,987	-
TOTAL ASSETS	4,593,576	1,677,867	145,802	615,652	1,573,616	1,538,442	1,851,547	7,032,722	19,029,224	
LIABILITIES AND SHAREHOLDER'S EQUITY										
Deposits from customers	3,638,739	1,912,142	263,400	161,518	7,056	-	247,537	-	6,230,392	3.13
Deposits and placements of banks and other financial institutions	2,821,821	1,365,547	468,154	387,818	1,028,589	1,335,917	274,275	-	7,682,121	3.94
Obligations on securities sold under repurchase agreements	2,498,936	91,072	273	-	-	-	-	-	2,590,281	3.13
Acceptances payable	964	1,336	803	-	-	-	-	-	3,103	4.81
Recourse obligation on loans sold to Cagamas Berhad	816	-	1,967	19,564	67,347	-	-	-	89,694	4.25
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	6.10

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			
31.3.06	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Other non-interest sensitive balances	-	-	-	-	-	-	203,880	-	203,880	-
Total Liabilities	8,961,276	3,370,097	734,597	568,900	1,102,992	1,930,917	725,692	-	17,394,471	
Share capital	-	-	-	-	-	-	310,000	-	310,000	-
Interest Bearing Irredeemable										
Convertible Unsecured Loan										
Stocks 2002/2007	-	-	-	120,000	-	-	-	-	120,000	6.00
Reserves	-	-	-	-	-	-	1,204,753	-	1,204,753	-
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	8,961,276	3,370,097	734,597	688,900	1,102,992	1,930,917	2,240,445	-	19,029,224	
On-balance sheet interest rate gap sensitivity	(4,367,700)	(1,692,230)	(588,795)	(73,248)	470,624	(392,475)	(388,898)	7,032,722	-	
Off-balance sheet interest rate gap sensitivity	(1,142,119)	(332,577)	245,061	(686,414)	(13,326)	1,935,098	-	-	5,723	
Total interest rate gap sensitivity	(5,509,819)	(2,024,807)	(343,734)	(759,662)	457,298	1,542,623	(388,898)	7,032,722	5,723	
Cumulative interest rate gap sensitivity	(5,509,819)	(7,534,626)	(7,878,360)	(8,638,022)	(8,180,724)	(6,638,101)	(7,026,999)	5,723		

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

30. CAPITAL ADEQUACY

The capital adequacy ratios of the Group and the Bank (including the operation of AmInternational (L) Ltd) as at 30 September 2006 are analysed as follows:

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Tier 1 capital				
Paid-up ordinary share capital	210,000	210,000	210,000	210,000
Paid-up non-cumulative preference share capital	100,000	100,000	100,000	100,000
Share premium	100,284	100,284	100,284	100,284
Capital reserve	2,815	2,815	-	-
Statutory reserve	329,549	329,549	329,549	329,549
Exchange fluctuation reserve	26,685	27,179	20,663	20,870
Unappropriated profit at end of period/year	856,851	824,181	826,069	802,564
	1,626,184	1,594,008	1,586,565	1,563,267
Less: Deferred tax assets, net	(63,630)	(66,351)	(63,245)	(66,644)
Goodwill	(46,819)	(36,442)	-	-
Total Tier 1 capital	1,515,735	1,491,215	1,523,320	1,496,623
Tier 2 capital				
Redeemable unsecured subordinated bonds	595,000	595,000	595,000	595,000
Interest bearing ICULS	120,000	120,000	120,000	120,000
General allowance for bad and doubtful debts	64,373	63,936	64,379	63,936
Total	779,373	778,936	779,379	778,936
Total capital funds	2,295,108	2,270,151	2,302,699	2,275,559
Less: Investment in capital of related financial institutions	80,523	504,219	80,523	504,219
Investment in subsidiary companies	-	-	121,802	50,083
Capital base	2,214,585	1,765,932	2,100,374	1,721,257
Capital Ratios:				
Core capital ratio	11.56%	12.15%	11.96%	12.22%
Risk-weighted capital ratio	16.89%	14.39%	16.49%	14.05%
Core capital ratio (net of proposed ordinary dividend)	11.33%	11.69%	11.72%	11.76%
Risk-weighted capital ratio (net of proposed ordinary dividend)	16.66%	13.92%	16.25%	13.59%

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

Group	30.9.06		31.3.06	
	Principal	Risk-Weighted	Principal	Risk-Weighted
	Amount RM'000	Amount RM'000	Amount RM'000	Amount RM'000
0%	1,418,109	-	2,644,317	-
10%	21,815	2,182	20,180	2,018
20%	5,881,595	1,176,319	2,626,806	525,361
50%	175,335	87,668	19,368	9,684
100%	6,814,333	6,814,333	5,962,530	5,962,531
	<u>14,311,187</u>	<u>8,080,502</u>	<u>11,273,201</u>	<u>6,499,594</u>
Add: Total Risk Weighted Assets				
Equivalent for market risk		<u>5,032,067</u>		<u>4,773,754</u>
		<u>13,112,569</u>		<u>11,273,348</u>

Bank	30.9.06		31.3.06	
	Principal	Risk-Weighted	Principal	Risk-Weighted
	Amount RM'000	Amount RM'000	Amount RM'000	Amount RM'000
0%	1,418,097	-	2,644,312	-
10%	21,815	2,182	20,180	2,018
20%	5,793,655	1,158,731	2,641,455	528,291
50%	174,915	87,458	248,038	124,019
100%	6,626,613	6,626,613	6,835,504	6,835,504
	<u>14,035,095</u>	<u>7,874,983</u>	<u>12,389,489</u>	<u>7,489,832</u>
Add: Total Risk Weighted Assets				
Equivalent for market risk		<u>4,862,941</u>		<u>4,762,466</u>
		<u>12,737,924</u>		<u>12,252,298</u>

31. OPERATIONS OF ISLAMIC BANKING

BALANCE SHEETS AS AT 30 SEPTEMBER 2006

The state of affairs as at 30 September 2006 and the results for the period ended 30 September 2006 of the Islamic banking business of the Group and the Bank and included in the financial statements after elimination of intercompany transactions and balances are summarised as follows:

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Cash and short-term funds	788,247	444,971	788,244	444,971
Securities held-for-trading	15,900	286,825	15,900	286,825
Securities available-for-sale	18,858	18,830	-	-
Securities held-to-maturity	56,382	56,171	-	-
Financing, advances and other loans	43,527	73,853	43,527	73,853
Statutory deposit with				
Bank Negara Malaysia	14,500	14,500	14,500	14,500
Other receivables, deposits and prepayments	3,845	9,499	3,845	9,499
Property and equipment	29	32	29	32
Deferred tax assets	44	44	44	44
TOTAL ASSETS	941,332	904,725	866,089	829,724
LIABILITIES AND ISLAMIC BANKING FUNDS				
Deposits from customers	310,827	247,537	310,272	247,537
Deposits and placements of banks and other financial institutions	269,892	274,275	232,645	274,275
Converted fund	33,277	71,310	-	-
Other liabilities	60,049	54,407	59,993	54,406
Total Liabilities	674,045	647,529	602,910	576,218
ISLAMIC BANKING FUNDS				
Capital funds	102,839	102,839	100,000	100,000
Reserves	164,448	154,357	163,179	153,506
Islamic Banking Funds	267,287	257,196	263,179	253,506
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	941,332	904,725	866,089	829,724
COMMITMENTS AND CONTINGENCIES				
	3,331,391	2,802,023	3,331,391	2,802,023

**UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2006**

Group	Individual Quarter		Cumulative Quarter	
	30.9.06	30.9.05	30.9.06	30.9.05
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	8,216	4,950	13,950	14,043
(Allowance)/Writeback of allowance for losses on financing	(9)	(3,700)	447	(5,782)
Transfer (to)/from profit equalisation reserve	(56)	580	125	1,469
Total attributable income	8,151	1,830	14,522	9,730
Income attributable to depositors	(7,661)	(6,935)	(14,307)	(14,148)
Income attributable to the Group	490	(5,105)	215	(4,418)
Income derived from investment of Islamic Banking Funds	10,396	23,641	15,625	45,233
Total net income	10,886	18,536	15,840	40,815
Other operating expenses	(842)	(826)	(2,133)	(1,667)
Profit before taxation	10,044	17,710	13,707	39,148
Taxation	(2,600)	(5,911)	(3,578)	(11,903)
Profit after taxation	7,444	11,799	10,129	27,245

**UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2006**

Bank	Individual Quarter		Cumulative Quarter	
	30.9.06	30.9.05	30.9.06	30.9.05
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	6,976	4,880	11,637	13,973
(Allowance)/Writeback of allowance for losses on financing	(9)	(3,700)	447	(5,782)
Transfer from profit equalisation reserve	-	876	181	1,765
Total attributable income	6,967	2,056	12,265	9,956
Income attributable to depositors	(6,659)	(5,516)	(12,346)	(12,729)
Gain/(Loss) attributable to the Bank	308	(3,460)	(81)	(2,773)
Income derived from investment of Islamic Banking Funds	10,291	21,886	15,466	43,478
Total net income	10,599	18,426	15,385	40,705
Other operating expenses	(842)	(826)	(2,133)	(1,667)
Profit before taxation	9,757	17,600	13,252	39,038
Taxation	(2,600)	(5,911)	(3,578)	(11,903)
Profit after taxation	7,157	11,689	9,674	27,135

31a. FINANCING ACTIVITIES

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Term financing				
Syndicated financing	20,030	70,435	20,030	70,435
Other term financing	19,632	499	19,632	499
Revolving credit	34,454	33,955	34,454	33,955
Gross financing	74,116	104,889	74,116	104,889
Allowance for bad and doubtful debts and financing :				
- general	(663)	(1,125)	(663)	(1,125)
- specific	(29,926)	(29,911)	(29,926)	(29,911)
	(30,589)	(31,036)	(30,589)	(31,036)
Net financing	43,527	73,853	43,527	73,853

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

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Gross				
Balance at beginning of period/year	39,920	42,273	39,920	42,273
Non-performing during the period/year	9	449	9	449
Recoveries	-	(2,802)	-	(2,802)
Balance at end of period/year	39,929	39,920	39,929	39,920
Specific allowance	(29,926)	(29,911)	(29,926)	(29,911)
Net non-performing financing	10,003	10,009	10,003	10,009
Ratio of net non-performing financing to total financing - net	22.64%	13.35%	22.64%	13.35%

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

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
General Allowance				
Balance at beginning of period/year	1,125	7,796	1,125	7,796
Reversal of allowance during the period/year	(462)	(6,671)	(462)	(6,671)
Balance at end of period/year	663	1,125	663	1,125
% of total financing less specific allowance	1.50%	1.50%	1.50%	1.50%
Specific Allowance				
Balance at beginning of period/year	29,911	22,352	29,911	22,352
Allowance made during the period/year	15	7,684	15	7,684
Amount written off	-	(125)	-	(125)
Balance at end of period/year	29,926	29,911	29,926	29,911

31b. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Mudarabah				
Special Investment deposits	310,827	247,537	310,272	247,537

31c. OTHER LIABILITIES

	Group		Bank	
	30.9.06	31.3.06	30.9.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Other payables and accruals	39,943	37,754	39,943	37,753
Taxation and zakat payable	19,955	16,377	19,955	16,377
Profit equalisation reserve	151	276	95	276
	60,049	54,407	59,993	54,406

32. CHANGE IN ACCOUNTING POLICIES AND RECLASSIFICATION

(a) CHANGE IN ACCOUNTING POLICIES

During the period ended 30 September 2006, the Group and the Bank have adopted the new and revised FRSs issued by MASB that are applicable for accounting period beginning 1 April 2006 which have resulted in changes in accounting policies as follows:

1) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest and other disclosures. Minority interest is now presented within total equity in the consolidated balance sheet and as an allocation from net profit for the period in the consolidated income statement. The movement of minority interest is now presented in the consolidated statement of changes in equity. The presentation of the comparative financial statements of the Group have been restated to conform with the current period's presentation.

(2) FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets

The adoption of FRS 3 Business Combinations and the consequential changes to FRS 136 Impairment of Assets and FRS 138 Intangible Assets, has resulted in a change in the accounting policy relating to purchased goodwill and premium on acquisition.

Goodwill and premium acquired in a business combination is now stated at cost less any accumulated impairment losses. The adoption of these new FRS has resulted in the Group ceasing annual amortisation of goodwill and premium on acquisition. Instead, goodwill and premium on acquisition are allocated to cash-generating units and the carrying amount is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill and premium on acquisition impairment are determined by comparing its carrying amount against its recoverable amount in accordance with FRS 136. Any impairment loss is recognised in the income statement and subsequent reversal is not allowed.

This change in accounting policy has been accounted for prospectively for business combinations where the agreement date is on or after 1 January 2006. For business combinations entered into prior to that date, the transitional provisions of FRS 3 requires the Group to eliminate the carrying accumulated amortisation of goodwill and premium on acquisition of RM935,000 and RM2,488,000, respectively as at 1 April 2006 against the cost of goodwill and premium on acquisition. The carrying amount of goodwill and premium on acquisition for the Group as at 1 April 2006 of RM36,442,000 and RM6,835,000, respectively ceased to be amortised. This has the effect of reducing the amortisation charge of the Group by RM1,246,000 for the second quarter for the period ended 30 September 2006. No impairment loss on goodwill and premium on acquisition has been recognised in the period ended 30 September 2006.

(a) CHANGE IN ACCOUNTING POLICIES (CONTD.)

Negative goodwill, which represents the excess in fair value of the net identifiable assets acquired over the cost of the acquisition, is now recognised immediately to the income statement. Prior to 1 April 2006, negative goodwill not exceeding the fair values of the non-monetary assets acquired, was recognised in the income statement over the weighted average useful life of those assets that were depreciable/amortisable and negative goodwill in excess of the fair values of the non-monetary assets acquired was recognised in the income statement immediately. The adoption of this accounting policy has not resulted in any financial impact to the Group as there was no negative goodwill as at 1 April 2006.

In addition, the useful lives of other intangible assets are now assessed at the individual asset level as having either a finite or indefinite life. Prior to 1 January 2006, intangible assets were considered to have a finite useful life and were stated at cost less accumulated amortisation and impairment losses. Under the new FRS 138, some of the intangible assets are regarded to have an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. Intangible assets with indefinite useful lives are not amortised but instead, are tested for impairment annually. Other intangible assets of the Group with finite useful lives continue to be stated at cost less accumulated amortisation and impairment losses.

Apart from the above, the adoption of the other revised and new FRS do not have a significant financial impact on the Group and the Bank.

(b) RECLASSIFICATIONS

The following comparative figures as at 31 March 2006 have been reclassified to conform with current period's presentation as a result of changes in accounting policies as disclosed above:

	As previously reported RM'000	As restated RM'000
Property and equipment	40,061	36,321
Goodwill on consolidation	36,442	-
Intangible assets	-	40,182

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

The Bank posted a lower pretax profit of RM84.2 million for the quarter as compared to RM86.7 million for the quarter ended 30 September 2005, mainly due to impairment loss of RM28.3 million as compared to a writeback of RM2.9 million for the quarter ended 30 September 2005 and higher allowance for losses on loans and financing of RM23.2 million as compared to RM7.0 million for the quarter ended 30 September 2005 reduced by higher investment and trading income of RM109.0 million (RM62.5 million for the quarter ended 30 September 2005) and fee income of RM18.6 million (RM14.8 million for the quarter ended 30 September 2005).

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

For the period ended 30 September 2006, the Group and the Bank reported lower pretax profit of RM128.4 million (RM180.3 million for the period ended 30 September 2005) and RM117.1 million (RM165.0 million for the period ended 30 September 2005), respectively and is attributed to:

- (i) Lower investment and trading income due to interest rate hike of RM103.0 million and RM105.2 million for the Group and the Bank, respectively as compared to RM118.2 million and RM119.8 million for the period ended 30 September 2005.
- (ii) Lower fee income of RM33.6 million (RM37.9 million for the period ended 30 September 2005) for the Bank.
- (iii) Lower income from Islamic banking business of RM15.3 million and RM14.8 million for the Group and the Bank, respectively (RM45.1 million for the Group and RM44.7 million for the Bank for the period ended 30 September 2005).
- (iv) Impairment loss of RM31.8 million for the Group (writeback of RM4.4 million for the period ended 30 September 2005) and RM28.4 million for the Bank (writeback of RM1.0 million for the period ended 30 September 2005)

reduced by:

- (v) Lower allowance for losses on loans and financing of RM19.9 million (allowance for losses on loans and financing of RM36.2 million for the period ended 30 September 2005) for the Group and RM18.7 million (RM36.3 million for the period ended 30 September 2005) for the Bank.
- (vi) Higher fee income of RM64.6 million (RM57.1 million for the period ended 30 September 2005) for the Group.

Shareholder's equity stood at RM1,743.4 million (RM1,711.0 million as at 31 March 2006) for the Group and RM1,657.9 million (RM1,634.8 million as at 31 March 2006) 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

Going forward, the Group will continue to improve its core competencies while looking for opportunities to take advantage of market trends and introduce innovative products to suit its customers' financial needs in these prevailing market conditions.