

AmInvestment Bank Berhad
(formerly known as AmMerchant Bank Berhad)
and its subsidiary companies
(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)

UNAUDITED BALANCE SHEETS AS AT 31 DECEMBER 2006

		Group		Bank	
	Note	31.12.06 RM'000	31.3.06 RM'000	31.12.06 RM'000	31.3.06 RM'000
ASSETS					
Cash and short-term funds		2,539,224	3,106,184	2,251,858	2,992,725
Securities purchased under resale agreements		254,251	529,267	241,304	504,464
Deposits and placements with banks and other financial institutions		1,503,955	1,223,624	1,498,320	1,223,056
Securities held-for-trading	8	5,030,246	7,053,649	5,012,892	7,032,722
Securities available-for-sale	9	3,257,033	831,821	3,233,318	806,218
Securities held-to-maturity	10	1,158,388	1,807,667	1,115,596	1,723,419
Loans, advances and financing	11	4,330,445	4,198,168	4,235,014	4,041,939
Other assets	12	569,991	259,445	353,729	251,184
Statutory deposit with Bank Negara Malaysia		171,700	244,130	171,700	244,130
Investments in subsidiary companies		-	-	154,870	83,103
Investments in associated companies		2,598	41,100	138	21,950
Property and equipment		35,272	36,321	31,769	34,506
Deferred tax assets		63,630	66,644	63,245	66,644
Intangible assets		49,692	40,182	2,661	3,164
TOTAL ASSETS		18,966,425	19,438,202	18,366,414	19,029,224
LIABILITIES AND SHAREHOLDER'S EQUITY					
Deposits from customers	13	5,365,552	6,432,177	5,050,395	6,230,392
Deposits and placements of banks and other financial institutions	14	7,816,889	7,516,897	8,063,087	7,682,121
Obligations on securities sold under repurchase agreements		2,623,673	2,590,281	2,623,673	2,590,281
Acceptances payable		84	3,103	84	3,103
Recourse obligations on loans sold to Cagamas Berhad		56,304	89,694	56,304	89,694
Other liabilities	15	396,480	223,864	215,564	203,880
Term loans		264,750	276,233	-	-
Redeemable unsecured subordinated bonds		595,000	595,000	595,000	595,000
Total Liabilities		17,118,732	17,727,249	16,604,107	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		1,417,693	1,280,953	1,332,307	1,204,753
Shareholder's equity		1,847,693	1,710,953	1,762,307	1,634,753
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		18,966,425	19,438,202	18,366,414	19,029,224

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UNAUDITED BALANCE SHEETS AS AT 31 DECEMBER 2006 (CONTD.)

		Group		Bank	
	Note	31.12.06	31.3.06	31.12.06	31.3.06
		RM'000	RM'000	RM'000	RM'000
COMMITMENTS AND CONTINGENCIES	26	42,469,847	25,493,220	42,466,207	25,444,861
NET ASSETS PER ORDINARY SHARE (RM)		8.80	8.15	8.39	7.78
NET ASSETS PER ORDINARY SHARE, AFTER DEDUCTING THE NOMINAL AMOUNTS OF ICULS 2002/2007 AND PREFERENCE SHARE CAPITAL (RM)		7.75	7.10	7.34	6.74
CAPITAL ADEQUACY	30				
Before deducting proposed dividends					
Core Capital Ratio		10.84%	12.15%	11.18%	12.22%
Risk-Weighted Capital Ratio		16.16%	14.39%	15.70%	14.05%
After deducting proposed dividends					
Core Capital Ratio		10.84%	11.69%	11.18%	11.76%
Risk-Weighted Capital Ratio		16.16%	13.92%	15.70%	13.59%

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

AmInvestment Bank Berhad
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**UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2006**

Group	Note	Individual Quarter		Cumulative Quarter	
		31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000
Revenue		407,685	236,439	966,471	730,491
Interest income	16	202,103	164,198	576,902	433,807
Interest expense	17	(147,682)	(110,566)	(446,425)	(318,857)
Net interest income		54,421	53,632	130,477	114,950
Income from Islamic banking business		19,932	19,185	35,200	64,313
Other operating income	18	185,650	53,056	354,369	232,371
Net income		260,003	125,873	520,046	411,634
Other operating expenses	19	(44,576)	(34,328)	(125,739)	(110,475)
Operating profit		215,427	91,545	394,307	301,159
Allowance for losses on loans and financing	20	(54,713)	(3,970)	(74,641)	(40,180)
Impairment (loss)/writeback on:					
Securities		(2,436)	2,874	(33,294)	7,888
Assets acquired in exchange of debts		-	-	(936)	(660)
Transfer (to)/from profit equalisation reserve		(63)	(917)	62	552
Writeback of allowance/(Allowance) for doubtful sundry receivables- net		88	(146)	(202)	(207)
Writeback of provision for commitments		6	502	324	63
Profit before share in results of associated companies		158,309	89,888	285,620	268,615
Share in results of associated companies		76	95	1,121	1,678
Profit before taxation		158,385	89,983	286,741	270,293
Taxation		(41,772)	(24,817)	(77,905)	(73,388)
Profit for the period		116,613	65,166	208,836	196,905
Attributable to :					
Equity holder of the Bank		116,613	65,224	208,836	195,572
Minority interests		-	(58)	-	1,333
Profit for the period		116,613	65,166	208,836	196,905
EARNINGS PER SHARE (SEN)					
Basic		48.59	27.18	87.02	82.02
Fully diluted		34.30	19.18	61.42	57.79

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

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**UNAUDITED CONSOLIDATED INCOME STATEMENTS (CONTD.)
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2006**

Bank	Note	Individual Quarter		Cumulative Quarter	
		31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000
Revenue		381,673	218,136	903,325	679,068
Interest income	16	197,739	160,451	565,054	417,542
Interest expense	17	(144,978)	(107,635)	(438,577)	(305,425)
Net interest income		52,761	52,816	126,477	112,117
Income from Islamic banking business		19,647	19,053	34,404	63,775
Other operating income	18	164,286	38,632	303,867	197,751
Net income		236,694	110,501	464,748	373,643
Other operating expenses	19	(31,303)	(27,684)	(95,384)	(91,892)
Operating profit		205,391	82,817	369,364	281,751
Allowance for losses on loans and financing	20	(53,878)	(2,897)	(72,591)	(39,149)
Impairment writeback/(loss) on:					
Securities		21	2,898	(27,421)	4,584
Assets acquired in exchange of debts		-	-	(936)	(660)
Transfer (to)/from profit equalisation reserve		-	(868)	181	897
Allowance for doubtful sundry receivables - net		(93)	(146)	(410)	(207)
Writeback of provision for commitments		6	502	324	63
Profit before taxation		151,447	82,306	268,511	247,279
Taxation		(39,632)	(23,744)	(73,636)	(70,523)
Net profit attributable to shareholder of the Bank		111,815	58,562	194,875	176,756
EARNINGS PER SHARE (SEN)					
Basic		46.59	24.40	81.20	74.13
Fully diluted		32.89	17.22	57.32	52.23

The Income Statements 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
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 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	-	-	-	-	-	7,305	-	-	7,305	-	7,305
Interest on ICULS	-	-	-	-	-	-	-	(5,424)	(5,424)	-	(5,424)
Net income/(expense) recognised directly in equity	-	-	-	-	-	7,305	-	(5,424)	1,881	-	1,881
Profit for the period	-	-	-	-	-	-	-	195,572	195,572	1,333	196,905
Total recognised income and expense for the period	-	-	-	-	-	7,305	-	190,148	197,453	1,333	198,786
Disposal of shares in unit trust and asset management subsidiary companies	-	-	-	-	-	-	-	-	-	(7,416)	(7,416)
Issued during the period	10,000	-	-	40,000	-	-	-	-	50,000	-	50,000
Ordinary dividends paid	-	-	-	-	-	-	-	(36,000)	(36,000)	-	(36,000)
Proposed interim ordinary dividend	-	-	-	-	-	-	-	(39,312)	(39,312)	-	(39,312)
Transfer from income statements	-	-	-	-	29,549	-	-	(29,549)	-	-	-
Exchange fluctuation adjustments	-	-	-	-	-	-	(368)	-	(368)	-	(368)
At 31 December 2005	310,000	120,000	2,815	100,284	329,549	(8,243)	29,250	793,170	1,676,825	-	1,676,825
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	-	-	-	-	-	18,843	-	-	18,843	-	18,843
Interest on ICULS	-	-	-	-	-	-	-	(5,426)	(5,426)	-	(5,426)
Net income/(expense) recognised directly in equity	-	-	-	-	-	18,843	-	(5,426)	13,417	-	13,417
Profit for the period	-	-	-	-	-	-	-	208,836	208,836	-	208,836
Total recognised income and expense for the period	-	-	-	-	-	18,843	-	203,410	222,253	-	222,253
Ordinary dividends paid	-	-	-	-	-	-	-	(55,944)	(55,944)	-	(55,944)
Interim ordinary dividends paid	-	-	-	-	-	-	-	(30,660)	(30,660)	-	(30,660)
Exchange fluctuation adjustments	-	-	-	-	-	-	1,091	-	1,091	-	1,091
At 31 December 2006	310,000	120,000	2,815	100,284	329,549	15,788	28,270	940,987	1,847,693	-	1,847,693

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 31 DECEMBER 2006**

<-----Attributable to equity holder of the Bank----->								
Bank	Non-distributable					Distributable		Total shareholder's equity RM'000
	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	
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	-	-	-	-	6,348	-	-	6,348
Interest on ICULS	-	-	-	-	-	-	(5,424)	(5,424)
Net income/(expense) recognised directly in equity	-	-	-	-	6,348	-	(5,424)	924
Profit for the period	-	-	-	-	-	-	176,756	176,756
Total recognised income and expense for the period	-	-	-	-	6,348	-	171,332	177,680
Issued during the period	10,000	-	40,000	-	-	-	-	50,000
Ordinary dividends paid	-	-	-	-	-	-	(36,000)	(36,000)
Proposed interim ordinary dividends	-	-	-	-	-	-	(39,312)	(39,312)
Transfer to income statements	-	-	-	29,549	-	-	(29,549)	-
At 31 December 2005	310,000	120,000	100,284	329,549	(8,469)	-	740,645	1,592,009
At 1 April 2006	310,000	120,000	100,284	329,549	(3,410)	-	778,330	1,634,753
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	19,118	-	-	19,118
Interest on ICULS	-	-	-	-	-	-	(5,426)	(5,426)
Net expense recognised directly in equity	-	-	-	-	19,118	-	(5,426)	13,692
Profit for the period	-	-	-	-	-	-	194,875	194,875
Total recognised income and expense for the period	-	-	-	-	19,118	-	189,449	208,567
Ordinary dividends paid	-	-	-	-	-	-	(55,944)	(55,944)
Interim ordinary dividends paid	-	-	-	-	-	-	(30,660)	(30,660)
Exchange fluctuation adjustments	-	-	-	-	-	5,591	-	5,591
At 31 December 2006	310,000	120,000	100,284	329,549	15,708	5,591	881,175	1,762,307

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 CONDENSED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2006**

	Group		Bank	
	31.12.06	31.12.05	31.12.06	31.12.05
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	286,741	270,293	268,511	247,279
Add adjustments for non-operating and non cash items	(75,361)	(24,516)	(159,427)	(26,244)
Operating profit before working capital changes	211,380	245,777	109,084	221,035
Decrease/(Increase) in operating assets	1,884,716	(2,478,143)	1,907,876	(2,797,338)
(Decrease)/Increase in operating liabilities	(688,800)	1,790,903	(777,068)	2,068,560
Cash used in operations	1,407,296	(441,463)	1,239,892	(507,743)
Taxation paid	(64,127)	(45,081)	(58,716)	(42,000)
Net cash generated/(used in) operating activities	1,343,169	(486,544)	1,181,176	(549,743)
Net cash used in investing activities	(1,806,616)	(503,277)	(1,822,813)	(500,361)
Net cash (used in)/generated from financing activities	(103,513)	142,076	(99,230)	143,576
	(1,910,129)	(361,201)	(1,922,043)	(356,785)
Net decrease in cash and cash equivalents	(566,960)	(847,745)	(740,867)	(906,528)
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	2,539,224	1,732,164	2,251,858	1,423,385

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	
	31.12.06	31.12.05	31.12.06	31.12.05
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	2,539,224	1,732,164	2,251,858	1,423,385

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 31 December 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>10,424</u>
	89,578
Less: Amount accounted for as an associate	<u>(39,622)</u>
Purchase price paid	49,956
Less: Cash and short term funds	<u>(48,603)</u>
Cash flow on acquisition, net of cash acquired	<u>1,353</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. For property loans more than than five years but less than seven years, 50% of the realisable values of the properties held as collaterals are assigned to the loans.

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 31 December 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 last financial quarter, the Bank paid a final ordinary dividend of 37.0%, less 27.0% 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.

An interim ordinary dividend of 20.0%, less 27.0% taxation, amounting to RM30,660,000 in respect of the current financial year was paid on 15 December 2006.

8. SECURITIES HELD-FOR-TRADING

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
At Fair Value				
Money Market Securities :				
Treasury bills	9,928	34,282	9,928	34,282
Islamic Treasury bills	164,504	146	164,504	146
Malaysian Government Securities	316,587	1,306,817	316,587	1,306,817
Malaysian Government Investment Certificates	415,876	27,088	415,876	27,088
Cagamas bonds	25,168	100,021	25,168	100,021
Khazanah bonds	308	912	308	912
Cagamas Mudharabah bearer bonds	29,498	264,207	29,498	264,207
Negotiable Islamic Debt Certificates	10,606	23,804	10,606	23,804
BN Monetary Notes	628,725	-	628,725	-
Bank Negara Malaysia bills	24,836	5,143	24,836	5,143
Islamic Bank Negara Malaysia bills	19,752	2,491	19,752	2,491
Negotiable instruments of deposits	-	2,684,425	-	2,684,425
Sukuk Bank Negara Malaysia	-	95,798	-	95,798
	<u>1,645,788</u>	<u>4,545,134</u>	<u>1,645,788</u>	<u>4,545,134</u>
Securities Quoted				
In Malaysia:				
Shares	89,853	101,313	89,853	101,313
Trust units	90,344	136,728	90,344	136,728
Corporate bonds	17,315	20,927	-	-
Outside Malaysia:				
Shares	24,497	-	24,458	-
	<u>222,009</u>	<u>258,968</u>	<u>204,655</u>	<u>238,041</u>
Unquoted Private Debt Securities Of Companies Incorporated				
In Malaysia:				
Islamic corporate bonds	1,676,952	1,305,975	1,676,952	1,305,975
Corporate notes	75,269	38,420	75,269	38,420
Corporate bonds	865,134	709,263	865,134	709,263
Islamic corporate notes	4,816	117,809	4,816	117,809
Outside Malaysia:				
Corporate bonds	66,011	-	66,011	-
	<u>2,688,182</u>	<u>2,171,467</u>	<u>2,688,182</u>	<u>2,171,467</u>

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

Corporate bonds	289,320	67,701	289,320	67,701
Corporate notes	154,224	-	154,224	-
Islamic corporate notes	30,723	10,379	30,723	10,379
	<u>474,267</u>	<u>78,080</u>	<u>474,267</u>	<u>78,080</u>
Total securities held-for-trading	<u>5,030,246</u>	<u>7,053,649</u>	<u>5,012,892</u>	<u>7,032,722</u>

9. SECURITIES AVAILABLE-FOR-SALE

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
At Fair Value				
Money Market Securities :				
Negotiable instruments of deposits	2,429,162	-	2,429,162	-
Quoted Securities In Malaysia:				
Corporate bonds	<u>17,727</u>	<u>18,576</u>	<u>-</u>	<u>-</u>
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:				
Corporate bonds	111,505	134,250	111,505	134,250
Islamic corporate notes	-	18,729	-	18,729
Islamic corporate bonds	527,491	217,183	527,491	217,183
	<u>638,996</u>	<u>370,162</u>	<u>638,996</u>	<u>370,162</u>
Debt Equity Converted Securities				
Quoted in Malaysia				
Shares - with options	15,172	19,822	15,172	19,822
Shares	4,197	4,882	4,197	4,103
Loan stocks - collateralised	-	1,064	-	1,064
Unquoted securities outside Malaysia				
Shares	5,988	6,248	-	-
	<u>25,357</u>	<u>32,016</u>	<u>19,369</u>	<u>24,989</u>
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:				
Corporate bonds	145,791	411,067	145,791	411,067
Total securities available-for-sale	<u>3,257,033</u>	<u>831,821</u>	<u>3,233,318</u>	<u>806,218</u>

10. SECURITIES HELD-TO-MATURITY

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
At Amortised Cost:				
Quoted Securities:				
In Malaysia:				
Shares	2	2	-	-
Corporate bonds	28,240	55,247	-	-
	<u>28,242</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	60,588	60,588	60,588	60,588
Corporate bonds	101	100	101	100
Outside Malaysia:				
Shares	8,277	8,693	8,277	8,693
	<u>68,966</u>	<u>69,381</u>	<u>68,966</u>	<u>69,381</u>
Debt Equity Converted Securities:				
Quoted in Malaysia:				
Loan stocks - collateralised	971	971	-	-
Loan stocks	424,490	470,380	424,490	470,379
Unquoted securities of companies				
incorporated in Malaysia:				
Shares	1,679	1,679	-	-
Corporate bonds	387,949	461,939	365,687	423,146
	<u>815,089</u>	<u>934,969</u>	<u>790,177</u>	<u>893,525</u>
Unquoted Private Debt Securities Of				
Companies Incorporated:				
In Malaysia:				
Islamic corporate bonds	194,385	196,703	194,385	196,703
Corporate bonds and notes				
denominated in USD	58,089	68,674	58,089	68,674
Outside Malaysia:				
Corporate bonds and notes				
denominated in USD	105,900	110,493	105,900	110,493
	<u>358,374</u>	<u>375,870</u>	<u>358,374</u>	<u>375,870</u>

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

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Unquoted Guaranteed Private Debt				
Securities Of Companies				
Incorporated In Malaysia:				
Corporate bonds	80,112	82,729	80,112	82,729
Total	1,350,783	1,978,198	1,297,629	1,881,505
Accumulated impairment losses	(192,395)	(170,531)	(182,033)	(158,086)
Total securities held-to-maturity	1,158,388	1,807,667	1,115,596	1,723,419

11. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Term loans and revolving credits				
Customers	4,455,540	4,417,198	4,345,861	4,245,930
Related companies	70,147	56,052	70,147	56,052
Staff loans	20,728	21,724	17,641	20,764
Claims on customers under acceptance credits	84	3,103	84	3,103
Gross loans, advances and financing	4,546,499	4,498,077	4,433,733	4,325,849
Less:				
Allowance for bad and doubtful debts and financing:				
General	65,943	63,925	64,493	61,553
Specific	150,111	235,984	134,226	222,357
	216,054	299,909	198,719	283,910
Net loans, advances and financing	4,330,445	4,198,168	4,235,014	4,041,939

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

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Working capital	1,951,089	1,821,871	1,845,121	1,689,488
Construction	775,547	870,073	775,547	870,073
Purchase of securities	488,573	399,685	488,573	384,382
Fixed assets	279,219	59,882	279,219	58,911
Merger and acquisition	212,957	404,571	212,957	404,571
Non-residential landed properties	197,387	194,289	191,220	185,484
Residential landed properties	48,251	88,342	47,763	87,929
Purchase of transport vehicles	8,793	2,318	8,759	2,230
Personal use	5,391	5,390	5,391	5,390
Other purpose	579,292	651,656	579,183	637,391
Gross loans, advances and financing	<u>4,546,499</u>	<u>4,498,077</u>	<u>4,433,733</u>	<u>4,325,849</u>

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

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Domestic :				
Other non-bank financial institutions	121,307	30,019	121,307	30,019
Business enterprises:				
Small medium enterprises	210,368	172,695	210,368	172,695
Others	3,834,293	3,994,094	3,784,747	3,897,858
Government and statutory bodies	58,840	83,693	23,020	46,856
Individuals	131,714	89,698	131,192	88,738
Foreign entities	189,977	127,878	163,099	89,683
	<u>4,546,499</u>	<u>4,498,077</u>	<u>4,433,733</u>	<u>4,325,849</u>

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

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Variable rate				
Cost-plus	3,724,612	3,695,542	3,678,115	3,616,377
Other variable rates	377,503	269,058	312,105	181,172
	<u>4,102,115</u>	<u>3,964,600</u>	<u>3,990,220</u>	<u>3,797,549</u>
Fixed rate				
Housing loans	18,330	21,171	17,641	20,758
Hire purchase receivables	2,398	88	2,340	-
Other fixed rates	423,656	512,218	423,532	507,542
	<u>444,384</u>	<u>533,477</u>	<u>443,513</u>	<u>528,300</u>
	<u>4,546,499</u>	<u>4,498,077</u>	<u>4,433,733</u>	<u>4,325,849</u>

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

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Balance at beginning of period/year	530,269	839,225	497,739	805,858
Non-performing during the period/year	50,700	172,302	49,150	172,302
Reclassification to performing loans, advances and financing	(4,264)	(386,729)	(4,264)	(386,729)
Recoveries	(50,904)	(92,643)	(50,904)	(92,643)
Amount written off	(173,130)	(96)	(173,130)	(96)
Exchange fluctuation adjustment	173	(1,790)	(142)	(953)
Balance at end of period/year	<u>352,844</u>	<u>530,269</u>	<u>318,449</u>	<u>497,739</u>
Specific allowance	<u>(150,111)</u>	<u>(235,984)</u>	<u>(134,226)</u>	<u>(222,357)</u>
Non-performing loans, advances and financing - net	<u>202,733</u>	<u>294,285</u>	<u>184,223</u>	<u>275,382</u>
Ratios of non-performing loans, advances and financing to total loans, advances and financing - net	<u>4.61%</u>	<u>6.90%</u>	<u>4.28%</u>	<u>6.71%</u>

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

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Working capital	182,155	184,540	153,927	158,177
Construction	113,261	169,675	113,261	169,675
Non-residential landed properties	16,785	26,327	10,618	20,160
Merger and acquisition	15,009	58,311	15,009	58,311
Purchase of securities	5,525	5,525	5,525	5,525
Personal use	4,390	4,389	4,390	4,389
Purchase of transport vehicles	20	20	20	20
Fixed assets	-	1,072	-	1,072
Other purpose	15,699	80,410	15,699	80,410
	<u>352,844</u>	<u>530,269</u>	<u>318,449</u>	<u>497,739</u>

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

	Group		Bank	
	31.12.06	31.3.06	31.12.06	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	2,262	(5,028)	3,112	(4,663)
Exchange fluctuation adjustments	(244)	(138)	(172)	(62)
Balance at end of period/year	<u>65,943</u>	<u>63,925</u>	<u>64,493</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	100,804	105,270	97,904	91,504
Amount written back in respect of recoveries and reversals	(12,753)	(25,721)	(12,753)	(22,265)
Net charge to income statements	88,051	79,549	85,151	69,239
Amount written off	(173,278)	(1,044)	(173,278)	(203)
Exchange fluctuation adjustments	(646)	(241)	(4)	-
Balance at end of period/year	<u>150,111</u>	<u>235,984</u>	<u>134,226</u>	<u>222,357</u>

12. OTHER ASSETS

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Other receivables, deposits and prepayments, net of allowance for doubtful debts	391,518	77,784	173,987	59,386
Interest/Dividends receivable	102,445	77,064	101,307	85,834
Amount due from Originators	56,304	89,694	56,304	89,694
Amount due from brokers	2,266	2,048	2,266	2,048
Amount due from:				
Ultimate holding company	126	272	126	272
Subsidiary companies	-	-	1,935	1,227
Related companies	8,995	2,961	9,467	3,101
Assets acquired in exchange of debts, net of impairment loss	8,337	9,622	8,337	9,622
	<u>569,991</u>	<u>259,445</u>	<u>353,729</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 ultimate holding company, 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	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Term/Investment deposits	5,224,467	5,510,235	4,909,310	5,308,450
Negotiable instruments of deposits	141,085	921,942	141,085	921,942
	<u>5,365,552</u>	<u>6,432,177</u>	<u>5,050,395</u>	<u>6,230,392</u>

The deposits are sourced from the following types of customers:

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Business enterprises	3,566,723	4,330,012	3,254,766	4,128,981
Individuals	4,149	6,677	2,050	5,300
Government	959,531	1,469,518	959,531	1,469,518
Others	835,149	625,970	834,048	626,593
	<u>5,365,552</u>	<u>6,432,177</u>	<u>5,050,395</u>	<u>6,230,392</u>

14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Licensed banks:				
Subsidiary	-	-	270,907	210,584
Related	3,302,459	2,475,800	3,302,459	2,475,800
Others	815,728	1,689,849	815,727	1,644,489
Bank Negara Malaysia	2,500	2,801	2,500	2,801
Other financial institutions	3,696,202	3,348,447	3,671,494	3,348,447
	<u>7,816,889</u>	<u>7,516,897</u>	<u>8,063,087</u>	<u>7,682,121</u>

15. OTHER LIABILITIES

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Trade payables	157,410	5,904	-	-
Other payables and accruals	201,237	118,289	180,241	104,546
Provision for commitments	-	324	-	324
Amount due to :				
Subsidiary companies	-	-	-	59
Related companies	185	-	184	-
Taxation payable	2,393	103	-	-
Zakat payable	38	38	38	38
Profit equalisation reserve	211	276	95	276
Securities sold not yet-repurchased	35,006	91,437	35,006	91,437
Proposed preference dividends	-	7,200	-	7,200
Deferred tax liabilities	-	293	-	-
	<u>396,480</u>	<u>223,864</u>	<u>215,564</u>	<u>203,880</u>

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

The movements in profit equalisation reserve are as follows:

	Group		Bank	
	31.12.06	31.3.06	31.12.06	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	(62)	(1,919)	(181)	(1,919)
Exchange fluctuation adjustments	(3)	-	-	-
Balance at end of period/year	<u>211</u>	<u>276</u>	<u>95</u>	<u>276</u>

16. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000
Short-term funds and deposits with				
financial institutions	42,083	16,792	111,289	54,558
Securities held-for-trading	45,624	40,754	150,952	110,558
Securities available-for-sale	33,586	9,894	81,582	21,235
Securities held-to-maturity	9,009	19,039	17,332	41,908
Loans and advances				
- Interest income other than				
recoveries from NPLs	60,635	54,698	178,020	149,376
- Recoveries from NPLs	9,309	15,393	25,248	45,727
Others	596	1,500	1,281	6,409
Gross interest income	200,842	158,070	565,704	429,771
Amortisation of premiums less accretion				
of discounts	1,261	6,128	11,198	4,094
Interest suspended	-	-	-	(58)
Total after net interest suspension	202,103	164,198	576,902	433,807

Bank	Individual Quarter		Cumulative Quarter	
	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000
Short-term funds and deposits with				
financial institutions	39,955	15,592	106,337	50,584
Securities held-for-trading	45,328	40,456	150,056	109,659
Securities available-for-sale	33,586	9,819	81,582	16,691
Securities held-to-maturity	9,009	19,039	17,332	41,821
Loans and advances				
- Interest income other than				
recoveries from NPLs	58,896	52,802	172,287	143,060
- Recoveries from NPLs	9,309	15,393	25,248	45,727
Others	395	1,223	1,014	6,103
Gross interest income	196,478	154,324	553,856	413,645
Amortisation of premiums less accretion				
of discounts	1,261	6,127	11,198	3,955
Interest suspended	-	-	-	(58)
Total after net interest suspension	197,739	160,451	565,054	417,542

17. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000
Deposits from customers	70,290	62,063	215,409	187,253
Deposit of banks and other financial institutions	31,820	18,109	113,098	37,479
Securities sold under repurchase agreements	21,995	13,115	65,565	33,151
Subordinated deposits and term loans	3,958	7,260	11,602	20,741
Securities sold not yet repurchased	260	-	794	-
Redeemable unsecured bonds	9,153	8,935	27,359	23,926
Others	10,206	1,084	12,598	16,307
	<u>147,682</u>	<u>110,566</u>	<u>446,425</u>	<u>318,857</u>

Bank	Individual Quarter		Cumulative Quarter	
	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000
Deposits from customers	67,304	59,480	207,211	177,445
Deposit of banks and other financial institutions	36,057	20,611	125,046	41,848
Securities sold under repurchase agreements	21,997	13,115	65,567	33,151
Subordinated deposits and term loans	-	4,412	-	12,932
Securities sold not yet repurchased	260	-	794	-
Redeemable unsecured bonds	9,153	8,935	27,359	23,926
Others	10,207	1,082	12,600	16,123
	<u>144,978</u>	<u>107,635</u>	<u>438,577</u>	<u>305,425</u>

18. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000
Fee income:				
Fees on loans and advances	2,264	7,674	9,627	25,057
Corporate advisory fees	4,389	3,542	11,759	14,633
Guarantee fees	1,511	3,462	11,338	7,742
Underwriting commissions	4,301	2,587	13,674	4,205
Portfolio management fees	3,176	2,305	8,515	6,140
Unit trust management fees	11,737	4,895	28,710	19,448
Property trust management fees	457	495	1,504	1,483
Other fee income	8,275	4,212	15,540	7,560
	<u>36,110</u>	<u>29,172</u>	<u>100,667</u>	<u>86,268</u>
Investment and trading income:				
Net gain from sale of securities held-for-trading	100,467	25,275	107,104	87,509
Net (loss)/gain from sale of securities available-for-sale	(1,776)	31	681	92
Net gain on redemption of securities held-to-maturity	1,727	15,124	35,650	27,514
Gain on disposal on subsidiary company	-	291	-	291
Gain on revaluation of derivatives	209	2,045	9,479	1,193
Gross dividend income from:				
Securities held-for-trading	1,124	1,479	5,205	3,054
Securities held-to-maturity	773	295	11,751	11,425
Gain/(Loss) on revaluation of securities held-for-trading	45,227	(20,761)	80,846	10,891
	<u>147,751</u>	<u>23,779</u>	<u>250,716</u>	<u>141,969</u>
Other income:				
Unrealised foreign exchange gain/(loss)	1,206	(523)	1,058	2,644
Gain on disposal of property and equipment - net	102	25	150	371
Rental income	360	536	1,365	973
Other non-operating income	121	67	413	146
	<u>1,789</u>	<u>105</u>	<u>2,986</u>	<u>4,134</u>
	<u>185,650</u>	<u>53,056</u>	<u>354,369</u>	<u>232,371</u>

18. OTHER OPERATING INCOME (CONTD.)

Bank	Individual Quarter		Cumulative Quarter	
	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000
Fee income:				
Fees on loans and advances	2,103	3,655	9,390	20,776
Corporate advisory fees	4,275	3,379	11,334	14,080
Guarantee fees	1,437	1,622	4,499	4,950
Underwriting commissions	4,215	2,587	13,588	4,205
Other fee income	3,135	2,874	9,924	8,044
	<u>15,165</u>	<u>14,117</u>	<u>48,735</u>	<u>52,055</u>
Investment and trading income:				
Net gain from sale of securities held-for-trading	100,341	25,275	107,399	87,509
Net (loss)/gain from sale of securities available-for-sale	(2,804)	741	(347)	741
Net gain on redemption of securities held-to-maturity	1,920	15,124	35,619	27,509
Gain on revaluation of derivatives	287	1,798	12,193	1,257
Gross dividend income from:				
Unquoted subsidiary companies	1,232	-	1,479	1,700
Securities held-for-trading	1,124	1,479	5,205	3,054
Securities held-to-maturity	773	295	11,751	11,425
Gain/(Loss) on revaluation of securities held-for-trading	45,167	(20,558)	79,949	10,786
	<u>148,040</u>	<u>24,154</u>	<u>253,248</u>	<u>143,981</u>
Other income:				
Unrealised foreign exchange gain/(loss)	739	(191)	555	408
Gain on disposal of property and equipment - net	1	25	12	371
Rental income	341	527	1,317	936
	<u>1,081</u>	<u>361</u>	<u>1,884</u>	<u>1,715</u>
	<u>164,286</u>	<u>38,632</u>	<u>303,867</u>	<u>197,751</u>

19. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	24,644	17,227	66,730	49,956
- Others	6,885	5,794	22,396	20,848
Establishment costs				
- Depreciation	1,451	1,665	4,126	5,531
- Computerisation costs	2,361	1,426	5,464	5,202
- Rental	1,314	1,312	3,564	2,906
- Others	1,243	78	2,986	2,139
Marketing and communication expenses				
- Sales commission	(45)	431	1,671	1,164
- Advertising	752	1,265	2,831	3,752
- Travel and entertainment	705	737	1,486	1,534
- Others	1,563	997	3,845	3,284
Administration and general expenses				
- Amortisation of goodwill	-	622	-	933
- Professional fees	1,198	1,257	3,576	4,257
- Others	2,505	1,517	7,064	8,969
	<u>44,576</u>	<u>34,328</u>	<u>125,739</u>	<u>110,475</u>

Bank	Individual Quarter		Cumulative Quarter	
	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	17,908	14,325	52,852	41,671
- Others	5,014	4,922	18,280	18,210
Establishment costs				
- Depreciation	1,119	1,503	3,402	5,009
- Computerisation costs	1,510	1,309	4,087	4,594
- Rental	527	938	1,883	1,756
- Others	313	(111)	882	1,701
Marketing and communication expenses				
- Sales commission	451	407	1,563	1,132
- Advertising	683	631	1,777	2,525
- Travel and entertainment	424	150	1,046	998
- Others	693	1,269	2,145	2,779
Administration and general expenses				
- Professional fees	819	1,123	2,175	3,575
- Others	1,842	1,218	5,292	7,942
	<u>31,303</u>	<u>27,684</u>	<u>95,384</u>	<u>91,892</u>

20. ALLOWANCE FOR LOSSES ON LOANS AND FINANCING

Group	Individual Quarter		Cumulative Quarter	
	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000
Allowance/(Reversal of allowance) for bad and doubtful debts and financing:				
Specific allowance - net	55,881	8,472	88,051	45,316
<i>Allowance during the period</i>	63,282	10,569	100,804	66,675
<i>Amount written back in respect of recoveries and reversals</i>	(7,401)	(2,097)	(12,753)	(21,359)
General allowance	1,822	(7,195)	2,262	(5,019)
Bad debts and financing				
Written off	1	5,225	12	5,295
Recovered	(2,991)	(1,651)	(15,429)	(4,531)
Recoveries of allowance for value impairment on amount recoverable from Danaharta	-	(881)	(255)	(881)
	54,713	3,970	74,641	40,180

Bank	Individual Quarter		Cumulative Quarter	
	31.12.06 RM'000	31.12.05 RM'000	31.12.06 RM'000	31.12.05 RM'000
Allowance/(Reversal of allowance) for bad and doubtful debts and financing:				
Specific allowance- net	54,811	7,243	85,151	44,073
<i>Allowance during the period</i>	62,212	9,342	97,904	65,433
<i>Amount written back in respect of recoveries and reversals</i>	(7,401)	(2,099)	(12,753)	(21,360)
General allowance	2,057	(7,090)	3,112	(4,857)
Bad debts and financing				
Written off	1	5,225	12	5,295
Recovered	(2,991)	(1,600)	(15,429)	(4,481)
Recoveries of allowance for value impairment on amount recoverable from Danaharta	-	(881)	(255)	(881)
	53,878	2,897	72,591	39,149

21. SEGMENTAL INFORMATION

(A) BY BUSINESS SEGMENT

	Individual Quarter		Cumulative Quarter	
	31.12.06	31.12.05	31.12.06	31.12.05
	RM'000	RM'000	RM'000	RM'000
Merchant banking				
Revenue	374,650	216,448	885,369	671,834
Profit before taxation	146,766	83,081	269,441	250,710
Offshore banking				
Revenue	16,523	13,493	47,200	38,830
Profit/(Loss) before taxation	3,580	3,329	(544)	8,868
Unit trust management				
Revenue	9,002	4,926	21,372	14,873
Profit before taxation	5,391	1,988	11,537	5,936
Asset management				
Revenue	5,242	3,690	13,739	10,384
Profit before taxation	2,316	1,548	4,257	4,538
Real estate management				
Revenue	517	543	1,690	1,647
Profit before taxation	289	362	1,015	1,048
Investment consultant				
Revenue	135	133	393	410
Profit before taxation	51	49	131	180
Stockbroking				
Revenue	6,761	-	9,243	-
Profit before taxation	1,133	-	1,241	-
Others				
Revenue	3,711	(3)	9,306	-
Profit before taxation	1,380	-	3,096	1
Total before consolidation adjustments				
Revenue	416,541	239,230	988,312	737,978
Profit before taxation	160,906	90,357	290,174	271,281
Consolidation adjustments				
Revenue	(8,856)	(2,791)	(21,841)	(7,487)
Profit before taxation	(2,521)	(374)	(3,433)	(988)
Total after consolidation adjustments				
Revenue	407,685	236,439	966,471	730,491
Profit before taxation	158,385	89,983	286,741	270,293

21. SEGMENTAL INFORMATION (CONTD.)

Included in the above is Islamic banking business profit before taxation for the Group and the Bank of RM9.1 million and RM8.9 million, respectively for the quarter ended 31 December 2006 and RM22.8 million and RM22.2 million, respectively for the period ended 31 December 2006 (RM17.5 million and RM17.5 million respectively, for the quarter ended 31 December 2005 and RM56.7 million and RM56.5 million, respectively for the period ended 31 December 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

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

25. BORROWINGS

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

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
(i) Deposits from customers				
Due within six months	5,035,113	6,247,352	4,719,956	6,045,567
Six months to one year	128,389	175,981	128,389	175,981
One year to three years	202,050	3,844	202,050	3,844
Three years to five years	-	5,000	-	5,000
Total	<u>5,365,552</u>	<u>6,432,177</u>	<u>5,050,395</u>	<u>6,230,392</u>
(ii) Deposits and placements of banks and other financial institutions				
Due within six months	5,406,566	4,761,236	5,677,474	4,926,461
Six months to one year	51,778	392,857	27,068	392,857
One year to three years	1,016,462	1,021,829	1,016,462	1,021,829
Three years to five years	1,342,083	1,340,975	1,342,083	1,340,974
Total	<u>7,816,889</u>	<u>7,516,897</u>	<u>8,063,087</u>	<u>7,682,121</u>
<i>Recap :</i>				
<i>Interbank lendings</i>	3,996,466	4,315,378	3,736,111	4,208,334
<i>Interbank borrowings</i>	(3,200,242)	(1,672,830)	(3,471,148)	(1,838,054)
<i>Net interbank lendings</i>	<u>796,224</u>	<u>2,642,548</u>	<u>264,963</u>	<u>2,370,280</u>
(iii) Term loans				
Due within one year				
Secured	<u>264,750</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 31 December 2006, the commitments and contingencies outstanding are as follows:

Group	31.12.06			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	483,000	9,728	4,864	580,000	-	-
Interest rate swaps:						
Related companies	9,964,872	221,455	44,291	3,732,189	56,141	11,228
Others	21,026,265	467,306	93,343	11,951,139	256,104	52,484
Foreign exchange related contracts:						
Forward exchange contracts	4,984,366	112,136	22,427	3,241,064	66,695	13,339
Cross currency swaps	649,613	69,735	13,947	375,676	32,666	6,533
Malaysian Government securities futures	-	-	-	10,000	-	-
Equity related contracts:						
Options	873	-	-	-	-	-
	<u>37,108,989</u>	<u>880,360</u>	<u>178,872</u>	<u>19,890,068</u>	<u>411,606</u>	<u>83,584</u>
Commitments						
Irrevocable commitments to extend credit maturing :						
within one year	667,084	-	-	642,181	-	-
more than one year	225,123	112,562	112,070	187,253	93,627	93,135
Sell and buy back agreements	2,892,870	2,892,870	1,405,581	2,174,849	2,174,849	915,378
Forward purchase commitments	3,511	3,511	2,509	331,127	331,127	153,377
	<u>3,788,588</u>	<u>3,008,943</u>	<u>1,520,160</u>	<u>3,335,410</u>	<u>2,599,603</u>	<u>1,161,890</u>
Contingent Liabilities						
Guarantees given on behalf of customers	485,223	485,223	382,067	844,067	844,067	727,713
Underwriting liabilities	611,849	305,925	179,585	992,437	496,218	471,819
Certain transaction-related contingent items	475,198	237,599	212,033	431,238	215,619	181,111
	<u>1,572,270</u>	<u>1,028,747</u>	<u>773,685</u>	<u>2,267,742</u>	<u>1,555,904</u>	<u>1,380,643</u>
	<u>42,469,847</u>	<u>4,918,050</u>	<u>2,472,717</u>	<u>25,493,220</u>	<u>4,567,113</u>	<u>2,626,117</u>

Bank	31.12.06			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	483,000	9,728	4,864	580,000	-	-
Interest rate swaps:						
Related companies	9,964,872	221,455	44,291	3,732,189	56,141	11,228
Others	21,026,265	467,306	93,343	11,951,139	256,104	52,484
Foreign exchange related contracts:						
Forward exchange contracts	4,984,366	112,136	22,427	3,241,064	66,695	13,339
Cross currency swaps	649,613	69,735	13,947	375,676	32,666	6,533
Malaysian Government securities futures	-	-	-	10,000	-	-
Equity related contracts:						
Options	873	-	-	-	-	-
	<u>37,108,989</u>	<u>880,360</u>	<u>178,872</u>	<u>19,890,068</u>	<u>411,606</u>	<u>83,584</u>
Commitments						
Irrevocable commitments to extend credit maturing:						
within one year	667,084	-	-	642,181	-	-
more than one year	225,123	112,562	112,070	141,959	70,980	70,488
Sell and buy back agreements	2,892,870	2,892,870	1,405,581	2,174,849	2,174,849	915,378
Forward purchase commitments	3,511	3,511	2,509	331,127	331,127	153,377
	<u>3,788,588</u>	<u>3,008,943</u>	<u>1,520,160</u>	<u>3,290,116</u>	<u>2,576,956</u>	<u>1,139,243</u>
Contingent Liabilities						
Guarantees given on behalf of customers	481,583	481,583	379,003	841,002	841,002	724,648
Underwriting liabilities	611,849	305,925	179,585	992,437	496,218	471,819
Certain transaction-related contingent items	475,198	237,599	212,033	431,238	215,619	181,111
	<u>1,568,630</u>	<u>1,025,107</u>	<u>770,621</u>	<u>2,264,677</u>	<u>1,552,839</u>	<u>1,377,578</u>
	<u>42,466,207</u>	<u>4,914,410</u>	<u>2,469,653</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 31 December 2006, derivative financial instruments outstanding are as follows:

The Group and 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	483,000	-	253,000	100,000	20,000	110,000	-	389
Interest rate swaps	30,991,137	545,000	750,000	1,035,000	3,646,750	24,165,899	848,488	11,011
Foreign exchange related contracts :								
Forward exchange contracts	4,984,366	2,061,526	900,150	1,059,000	963,690	-	-	1,794
Cross currency swaps	649,613	-	-	-	141,200	508,413	-	1,116
Equity related contracts:								
Options	873	-	-	-	873	-	-	-
Total	37,108,989	2,606,526	1,903,150	2,194,000	4,772,513	24,784,312	848,488	14,310

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 31 December 2006, value at risk of foreign exchange-related derivatives contracts used for trading purposes of the Group and the Bank was RM9,354,145 (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 RM12,348,358 (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 31 December 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 RM110,809,456 (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.

Derivative Financial Instruments And Hedge Accounting

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:

(i) 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.

(ii) 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.

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			
31.12.06	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
ASSETS										
Cash and short-term funds	1,608,603	-	-	-	-	-	930,621		2,539,224	4.13
Securities purchased under resale agreements	254,251	-	-	-	-	-	-		254,251	3.40
Deposits and placements with banks and other financial institutions	582	88,164	665,709	-	-	749,500	-		1,503,955	6.01
Securities held-for-trading	-	-	-	-	-	-	-	5,030,246	5,030,246	4.19
Securities available-for-sale	871,549	1,204,197	100,210	346,420	438,277	271,023	25,357		3,257,033	4.11
Securities held-to-maturity	-	-	87,672	226,166	581,613	192,855	70,082		1,158,388	6.70
Loans, advances and financing:										
- performing	1,741,327	1,827,648	166,726	117,811	291,922	15,541	32,680		4,193,655	6.47
- non-performing *	-	-	-	-	-	-	136,790		136,790	-
Amount due from Originators	-	-	714	10,949	44,641	-	-	-	56,304	4.24
Other non-interest sensitive balances	-	-	-	-	-	-	836,579	-	836,579	-
TOTAL ASSETS	4,476,312	3,120,009	1,021,031	701,346	1,356,453	1,228,919	2,032,109	5,030,246	18,966,425	
LIABILITIES AND SHAREHOLDER'S EQUITY										
Deposits from customers	2,778,913	1,604,556	194,728	125,322	200,300	-	461,733		5,365,552	3.63
Deposits and placements of banks and other financial institutions	2,531,303	1,769,255	1,151,470	117,248	1,016,238	1,018,846	212,529		7,816,889	4.24
Obligations on securities sold under repurchase agreements	2,569,634	50,325	3,714	-	-	-	-		2,623,673	3.38
Acceptances payable	84	-	-	-	-	-	-		84	5.70
Recourse obligations on loans sold to Cagamas Berhad	-	-	714	10,949	44,641	-	-		56,304	4.24
Term loans	-	264,750	-	-	-	-	-		264,750	5.55

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			
31.12.06	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	6.10
Other non-interest sensitive balances	-	-	-	-	-	-	396,480	-	396,480	-
Total Liabilities	7,879,934	3,688,886	1,350,626	253,519	1,261,179	1,613,846	1,070,742	-	17,118,732	
Share capital	-	-	-	-	-	-	310,000	-	310,000	
Interest Bearing Irredeemable										
Convertible Unsecured Loan										
Stocks 2002/2007	120,000	-	-	-	-	-	-	-	120,000	-
Reserves	-	-	-	-	-	-	1,417,693	-	1,417,693	-
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	7,999,934	3,688,886	1,350,626	253,519	1,261,179	1,613,846	2,798,435	-	18,966,425	
On-balance sheet interest rate gap sensitivity	(3,523,622)	(568,877)	(329,595)	447,827	95,274	(384,927)	(766,326)	5,030,246	-	
Off-balance sheet interest rate gap sensitivity	(1,491,535)	(1,312,913)	937,437	317,398	1,378,699	207,911	-	-	36,997	
Total interest rate gap sensitivity	(5,015,157)	(1,881,790)	607,842	765,225	1,473,973	(177,016)	(766,326)	5,030,246	36,997	
Cumulative interest rate gap sensitivity	(5,015,157)	(6,896,947)	(6,289,105)	(5,523,880)	(4,049,906)	(4,226,923)	(4,993,249)	36,997		

* 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
31.12.06	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	1,336,041	-	-	-	-	-	915,817	-	2,251,858	3.93
Securities purchased under resale agreements	241,304	-	-	-	-	-	-	-	241,304	3.40
Deposits and placements with banks and other financial institutions	-	134,600	614,220	-	-	749,500	-	-	1,498,320	6.03
Securities held-for-trading	-							5,012,892	5,012,892	4.18
Securities available-for-sale	853,822	1,204,197	100,210	346,420	438,277	271,023	19,369	-	3,233,318	4.09
Securities held-to-maturity	-	-	59,429	226,166	567,064	192,855	70,082		1,115,596	6.74
Loans, advances and financing:										
- performing	1,710,054	1,827,645	118,298	117,807	291,885	15,142	34,453	-	4,115,284	6.47
- non-performing *	-			-	-	-	119,730	-	119,730	-
Amount due from Originators	-	-	714	10,949	44,641	-	-	-	56,304	4.24
Other non-interest sensitive balances	-	-	-	-	-	-	721,808	-	721,808	-
TOTAL ASSETS	4,141,221	3,166,442	892,871	701,342	1,341,867	1,228,520	1,881,259	5,012,892	18,366,414	
LIABILITIES AND SHAREHOLDER'S EQUITY										
Deposits from customers	2,482,565	1,586,574	193,902	125,322	200,300	-	461,732	-	5,050,395	3.54
Deposits and placements of banks and other financial institutions	2,515,693	1,769,255	1,126,760	117,248	1,016,238	1,305,364	212,528	-	8,063,087	4.23
Obligations on securities sold under repurchase agreements	2,569,634	50,325	3,714	-	-	-	-	-	2,623,673	3.38
Acceptances payable	84	-	-	-	-	-	-	-	84	5.70
Recourse obligations on loans sold to Cagamas Berhad	-	-	714	10,949	44,641	-	-	-	56,304	4.24
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	6.10

Bank 31.12.06	<-----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	-	-	-	-	-	-	215,564	-	215,564	-
Total Liabilities	7,567,976	3,406,154	1,325,090	253,519	1,261,179	1,900,364	889,824	-	16,604,107	
Share capital	-	-	-	-	-	-	310,000	-	310,000	-
Interest Bearing Irredeemable Convertible Unsecured Loan Stocks 2002/2007	120,000	-	-	-	-	-	-	-	120,000	6.00
Reserves	-	-	-	-	-	-	1,332,307	-	1,332,307	-
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	7,687,976	3,406,154	1,325,090	253,519	1,261,179	1,900,364	2,532,131	-	18,366,414	
On-balance sheet interest rate gap sensitivity	(3,546,755)	(239,712)	(432,219)	447,823	80,688	(671,844)	(650,872)	5,012,892	-	
Off-balance sheet interest rate gap sensitivity	(1,491,535)	(1,312,913)	937,437	317,398	1,378,699	207,911	-	-	36,997	
Total interest rate gap sensitivity	(5,038,290)	(1,552,625)	505,218	765,221	1,459,387	(463,933)	(650,872)	5,012,892	36,997	
Cumulative interest rate gap sensitivity	(5,038,290)	(6,590,915)	(6,085,697)	(5,320,476)	(3,861,090)	(4,325,023)	(4,975,895)	36,997		

* 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	>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	2,540,678	-	-	-	-	-	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 31.3.06	<-----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	-	-	-	-	-	-	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 31 December 2006 are analysed as follows:

	Group		Bank	
	31.12.06	31.3.06	31.12.06	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	26,972	27,179	23,077	20,870
Unappropriated profit at end of period/year	817,026	824,181	792,995	802,564
	<u>1,586,646</u>	<u>1,594,008</u>	<u>1,555,905</u>	<u>1,563,267</u>
Less: Deferred tax assets, net	(62,952)	(66,351)	(63,245)	(66,644)
Goodwill	(46,867)	(36,442)	-	-
Total Tier 1 capital	<u>1,476,827</u>	<u>1,491,215</u>	<u>1,492,660</u>	<u>1,496,623</u>
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	65,943	63,936	65,943	63,936
Total	<u>780,943</u>	<u>778,936</u>	<u>780,943</u>	<u>778,936</u>
Total capital funds	2,257,770	2,270,151	2,273,603	2,275,559
Less: Investment in capital of related financial institutions	56,077	504,219	56,077	504,219
Investment in subsidiary companies	-	-	121,850	50,083
Capital base	<u>2,201,693</u>	<u>1,765,932</u>	<u>2,095,675</u>	<u>1,721,257</u>
Capital Ratios:				
Core capital ratio	10.84%	12.15%	11.18%	12.22%
Risk-weighted capital ratio	16.16%	14.39%	15.70%	14.05%
Core capital ratio (net of proposed ordinary dividend)	10.84%	11.69%	11.18%	11.76%
Risk-weighted capital ratio (net of proposed ordinary dividend)	<u>16.16%</u>	<u>13.92%</u>	<u>15.70%</u>	<u>13.59%</u>

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

Group	31.12.06		31.3.06	
	Principal	Risk-Weighted	Principal	Risk-Weighted
	Amount RM'000	Amount RM'000	Amount RM'000	Amount RM'000
0%	1,404,966	-	2,644,317	-
10%	1,863	186	20,180	2,018
20%	6,579,959	1,315,992	2,626,806	525,361
50%	226,859	113,429	19,368	9,684
100%	7,070,458	7,070,458	5,962,530	5,962,531
	<u>15,284,105</u>	<u>8,500,065</u>	<u>11,273,201</u>	<u>6,499,594</u>
Add: Total Risk Weighted Assets				
Equivalent for market risk		<u>5,120,267</u>		<u>4,773,754</u>
		<u>13,620,332</u>		<u>11,273,348</u>

Bank	31.12.06		31.3.06	
	Principal	Risk-Weighted	Principal	Risk-Weighted
	Amount RM'000	Amount RM'000	Amount RM'000	Amount RM'000
0%	1,404,954	-	2,644,312	-
10%	1,863	186	20,180	2,018
20%	6,496,359	1,299,272	2,641,455	528,291
50%	226,439	113,219	248,038	124,019
100%	6,808,120	6,808,120	6,835,504	6,835,504
	<u>14,937,735</u>	<u>8,220,797</u>	<u>12,389,489</u>	<u>7,489,832</u>
Add: Total Risk Weighted Assets				
Equivalent for market risk		<u>5,129,637</u>		<u>4,762,466</u>
		<u>13,350,434</u>		<u>12,252,298</u>

31. OPERATIONS OF ISLAMIC BANKING

BALANCE SHEETS AS AT 31 DECEMBER 2006

The state of affairs as at 31 December 2006 and the results for the period ended 31 December 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	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Cash and short-term funds	902,222	444,971	902,219	444,971
Securities held-for-trading	45,096	286,825	45,096	286,825
Securities available-for-sale	18,315	18,830	-	-
Securities held-to-maturity	28,291	56,171	-	-
Financing, advances and other loans	33,932	73,853	33,932	73,853
Statutory deposit with				
Bank Negara Malaysia	14,500	14,500	14,500	14,500
Other receivables, deposits and prepayments	12,454	9,499	12,454	9,499
Property and equipment	34	32	34	32
Deferred tax assets	44	44	44	44
TOTAL ASSETS	1,054,888	904,725	1,008,279	829,724
LIABILITIES AND ISLAMIC BANKING FUNDS				
Deposits from customers	462,763	247,537	461,658	247,537
Deposits and placements of banks and other financial institutions	238,011	274,275	212,602	274,275
Converted fund	15,861	71,310	-	-
Other liabilities	64,442	54,407	64,327	54,406
Total Liabilities	781,077	647,529	738,587	576,218
ISLAMIC BANKING FUNDS				
Capital funds	102,839	102,839	100,000	100,000
Reserves	170,972	154,357	169,692	153,506
Islamic Banking Funds	273,811	257,196	269,692	253,506
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	1,054,888	904,725	1,008,279	829,724
COMMITMENTS AND CONTINGENCIES				
	3,397,094	2,802,023	3,397,094	2,802,023

**UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2006**

Group	Individual Quarter		Cumulative Quarter	
	31.12.06	31.12.05	31.12.06	31.12.05
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	7,788	5,902	21,738	19,945
Allowance for losses on financing	(9,854)	(22)	(9,407)	(5,804)
Transfer (to)/from profit equalisation reserve	(63)	(917)	62	552
Total attributable income	(2,129)	4,963	12,393	14,693
Income attributable to depositors	(6,178)	(5,881)	(20,485)	(20,029)
Loss attributable to the Group	(8,307)	(918)	(8,092)	(5,336)
Income derived from investment of Islamic Banking Funds	18,322	19,164	33,947	64,397
Total net income	10,015	18,246	25,855	59,061
Other operating expenses	(870)	(700)	(3,003)	(2,367)
Profit before taxation	9,145	17,546	22,852	56,694
Taxation	(2,410)	(4,889)	(5,988)	(16,792)
Profit after taxation	6,735	12,657	16,864	39,902

**UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2006**

Bank	Individual Quarter		Cumulative Quarter	
	31.12.06	31.12.05	31.12.06	31.12.05
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	6,639	5,917	18,276	19,890
Allowance for losses on financing	(9,854)	(22)	(9,407)	(5,804)
Transfer (to)/from profit equalisation reserve	-	(868)	181	897
Total attributable income	(3,215)	5,027	9,050	14,983
Income attributable to depositors	(5,245)	(5,028)	(17,591)	(17,757)
Loss attributable to the Group	(8,460)	(1)	(8,541)	(2,774)
Income derived from investment of Islamic Banking Funds	18,253	18,164	33,719	61,642
Total net income	9,793	18,163	25,178	58,868
Other operating expenses	(870)	(700)	(3,003)	(2,367)
Profit before taxation	8,923	17,463	22,175	56,501
Taxation	(2,410)	(4,889)	(5,988)	(16,792)
Profit after taxation	6,513	12,574	16,187	39,709

31a. FINANCING ACTIVITIES

	Group		Bank	
	31.12.06	31.3.06	31.12.06	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	15,033	499	15,033	499
Revolving credit	23,209	33,955	23,209	33,955
Gross financing	58,272	104,889	58,272	104,889
Allowance for bad and doubtful debts and financing :				
- general	(517)	(1,125)	(517)	(1,125)
- specific	(23,823)	(29,911)	(23,823)	(29,911)
	(24,340)	(31,036)	(24,340)	(31,036)
Net financing	33,932	73,853	33,932	73,853

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

	Group		Bank	
	31.12.06	31.3.06	31.12.06	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	-	449	-	449
Recoveries	-	(2,802)	-	(2,802)
Balance at end of period/year	39,920	39,920	39,920	39,920
Specific allowance	(23,823)	(29,911)	(23,823)	(29,911)
Net non-performing financing	16,097	10,009	16,097	10,009
Ratio of net non-performing financing to total financing - net	46.73%	13.35%	46.73%	13.35%

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

	Group		Bank	
	31.12.06	31.3.06	31.12.06	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	(608)	(6,671)	(608)	(6,671)
Balance at end of period/year	517	1,125	517	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	10,015	7,684	10,015	7,684
Amount written off	(16,103)	(125)	(16,103)	(125)
Balance at end of period/year	23,823	29,911	23,823	29,911

31b. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Mudarabah				
Special Investment deposits	462,763	247,537	461,658	247,537

31c. OTHER LIABILITIES

	Group		Bank	
	31.12.06	31.3.06	31.12.06	31.3.06
	RM'000	RM'000	RM'000	RM'000
Other payables and accruals	41,863	37,754	41,867	37,753
Taxation and zakat payable	22,365	16,377	22,365	16,377
Profit equalisation reserve	214	276	95	276
	64,442	54,407	64,327	54,406

32. CHANGE IN ACCOUNTING POLICIES AND RECLASSIFICATION

(a) CHANGE IN ACCOUNTING POLICIES

During the period ended 31 December 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 RM1,869,000 for period ended 31 December 2006. No impairment loss on goodwill and premium on acquisition has been recognised in the period ended 31 December 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 higher pretax profit of RM151.4 million for the quarter as compared to RM82.3 million for the quarter ended 31 December 2005, mainly due to gain from sale of securities held for trading of RM100.3 million as compared to RM25.3 million for the quarter ended 31 December 2005 and gain on revaluation of securities held for trading of RM45.2 million as compared to loss of RM20.8 million for the quarter ended 31 December 2005 reduced by higher allowance for losses on loans and financing of RM53.9 million (RM2.9 million for the quarter ended 31 December 2005).

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

For the period ended 31 December 2006, the Group and the Bank reported higher pretax profit of RM286.7 million (RM270.4 million for the period ended 31 December 2005) and RM268.5 million (RM247.3 million for the period ended 31 December 2005), respectively and is attributed to:

- (i) Higher investment and trading income mainly due to higher gain on revaluation and gain from sale of securities held for trading of RM250.7 million and RM253.2 million for the Group and the Bank, respectively as compared to RM142.0 million and RM144.0 million for the period ended 31 December 2005.
- (ii) Higher fee income of RM100.7 million (RM86.3 million for the period ended 31 December 2005) for the Group.

reduced by:

- (iii) Lower income from Islamic banking business of RM35.2 million and RM34.4 million for the Group and the Bank, respectively (RM64.3 million for the Group and RM63.8 million for the Bank for the period ended 31 December 2005).
- (iv) Higher allowance for losses on loans and financing of RM74.6 million (allowance for losses on loans and financing of RM40.2 million for the period ended 31 December 2005) for the Group and RM72.6 million (RM39.1 million for the period ended 31 December 2005) for the Bank.
- (v) Impairment loss on securities of RM33.3 million (writeback of RM7.9 million for the period ended 31 December 2005) for the Group and RM27.4 million (writeback of RM4.6 million for the period ended 31 December 2005) for the Bank.

Shareholder's equity stood at RM1,847.7 million (RM1,718.2 million as at 31 March 2006) for the Group and RM1,762.3 million (RM1,641.9 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.