AmInvestment Bank Berhad
and its subsidiaries
(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

		Group		Bank	
	Note	**31.12.11**	**31.03.11**	**31.12.11**	**31.03.11**
		RM'000	**RM'000**	**RM'000**	**RM'000**
ASSETS					
Cash and short-term funds		864,036	932,560	749,636	844,197
Deposits and placements with banks and other financial institutions		2,577	676	1,869	-
Derivative financial assets	8	4	313	-	-
Financial assets held-for-trading	9	46,454	7,385	46,224	4,798
Financial investments available-for-sale	10	48,451	55,209	45,794	52,495
Financial investments held-to-maturity	11	100	100	100	100
Loans, advances and financing	12	536,100	548,266	536,100	548,239
Other assets	13	461,130	856,839	336,787	562,105
Statutory deposit with Bank Negara Malaysia		9,711	2,031	9,711	2,031
Deferred tax assets		20,701	18,571	18,597	18,378
Investments in subsidiaries		-	-	88,231	88,231
Investments in associated companies		2,965	2,729	100	100
Property and equipment		28,867	29,962	26,346	27,383
Intangible assets		13,737	13,787	2,468	2,520
TOTAL ASSETS		2,034,833	2,468,428	1,861,963	2,150,577
LIABILITIES AND EQUITY					
Deposits and placements of banks and other financial institutions	14	837,740	878,225	837,740	878,225
Derivative financial liabilities	8	1,431	369	1,430	66
Deposits from customers	15	-	12,982	-	12,982
Term funding		-	2,401	-	-
Other liabilities	16	674,481	998,576	531,703	725,779
Total Liabilities		1,513,652	1,892,553	1,370,873	1,617,052
Share capital		200,000	200,000	200,000	200,000
Reserves		321,181	375,875	291,090	333,525
Equity attributable to equity holder of the Bank		521,181	575,875	491,090	533,525
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		2,034,833	2,468,428	1,861,963	2,150,577

AmInvestment Bank Berhad
and its subsidiaries
(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011 (CONTD.)

		Group		Bank	
	Note	**31.12.11 RM'000**	**31.03.11 RM'000**	**31.12.11 RM'000**	**31.03.11 RM'000**
COMMITMENTS AND CONTINGENCIES	26	685,465	432,483	684,815	416,628
NET ASSETS PER ORDINARY SHARE (RM)		2.61	2.88	2.46	2.67
CAPITAL ADEQUACY	27(a)				
Before deducting proposed dividends					
Core Capital Ratio		26.7%	25.4%	23.2%	24.7%
Risk-Weighted Capital Ratio		26.7%	25.4%	23.2%	24.7%
After deducting proposed dividends					
Core Capital Ratio		26.7%	23.0%	23.2%	21.7%
Risk-Weighted Capital Ratio		26.7%	23.0%	23.2%	21.7%

The Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2011.

AmInvestment Bank Berhad
and its subsidiaries
(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)

UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011

		Individual Quarter		Cumulative Quarter	
Group	**Note**	**31.12.11**	**31.12.10**	**31.12.11**	**31.12.10**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue		71,481	71,478	226,274	223,003
Interest income	17	12,836	11,602	40,242	32,054
Interest expense	18	(6,854)	(6,477)	(21,429)	(18,946)
Net interest income		5,982	5,125	18,813	13,108
Net income from Islamic banking business		3,392	5,944	31,976	18,686
Other operating income	19	55,253	53,932	154,056	172,263
Share in results of associated companies		69	94	236	170
Net income		64,696	65,095	205,081	204,227
Other operating expenses	20	(55,146)	(42,314)	(154,738)	(137,367)
Operating Profit		9,550	22,781	50,343	66,860
Writeback of allowances/(allowances) for impairment on loans and financing	21	141	(656)	1,149	(1,472)
Impairment writeback/(loss) on:					
Financial investment		-	-	-	(1,000)
Doubtful sundry receivables- net		823	486	(4,158)	754
(Provision)/write-back of provision for commitments		(155)	(57)	50	2,176
Profit before taxation		10,359	22,554	47,384	67,318
Taxation		(2,288)	(9,227)	(13,629)	(21,591)
Profit for the period		8,071	13,327	33,755	45,727
Attributable to :					
Equity holder of the Bank		8,071	13,327	33,755	45,727
EARNINGS PER SHARE (SEN)					
Basic		4.04	6.66	16.88	22.86
Fully diluted		4.04	6.66	16.88	22.86

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2011.

AmInvestment Bank Berhad
and its subsidiaries
(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011

		Individual Quarter		Cumulative Quarter	
Group	**Note**	**31.12.11 RM'000**	**31.12.10 RM'000**	**31.12.11 RM'000**	**31.12.10 RM'000**
Profit for the period		8,071	13,327	33,755	45,727
Other comprehensive (loss)/income:					
Exchange differences on translation of foreign operations		(581)	1,401	1,456	1,981
Net (loss)/gain on financial investments available-for-sale		(124)	1,426	(2,581)	1,544
Income tax relating to the components of other comprehensive income		31	(356)	645	(420)
Other comprehensive (loss)/ income for the period, net of tax		(674)	2,471	(480)	3,105
Total comprehensive income for the period		7,397	15,798	33,275	48,832
Total comprehensive income for the period attributable to:					
Equity holders of the Bank		7,397	15,798	33,275	48,832

The Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2011.

AmInvestment Bank Berhad
and its subsidiaries
(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)

UNAUDITED CONSOLIDATED INCOME STATEMENTS (CONTD.)
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011

		Individual Quarter		Cumulative Quarter	
Bank	**Note**	**31.12.11 RM'000**	**31.12.10 RM'000**	**31.12.11 RM'000**	**31.12.10 RM'000**
Revenue		65,089	60,108	205,447	187,586
Interest income	17	11,573	10,669	36,745	29,270
Interest expense	18	(6,523)	(5,991)	(20,141)	(17,743)
Net interest income		5,050	4,678	16,604	11,527
Net income from Islamic banking business		3,392	5,944	31,976	18,686
Other operating income	19	50,124	43,495	136,726	139,630
Net income		58,566	54,117	185,306	169,843
Other operating expenses	20	(44,774)	(32,540)	(123,983)	(106,808)
Operating profit		13,792	21,577	61,323	63,035
Writeback of allowances/(allowances) for impairment on loans and financing	21	141	(656)	1,149	(1,472)
Impairment writeback/(loss) on:					
Financial investment		-	-	-	(1,000)
Doubtful sundry receivables- net		73	209	291	74
(Provision)/writeback of provision for commitments		(155)	(57)	50	2,176
Profit before taxation		13,851	21,073	62,813	62,813
Taxation		(2,760)	(8,859)	(15,427)	(20,205)
Net profit attributable to equity holder of the Bank		11,091	12,214	47,386	42,608
EARNINGS PER SHARE (SEN)					
Basic		5.55	6.11	23.69	21.30
Fully diluted		5.55	6.11	23.69	21.30

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2011.

AmInvestment Bank Berhad
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(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011

		Individual Quarter		**Cumulative Quarter**	
Bank	**Note**	**31.12.11**	**31.12.10**	**31.12.11**	**31.12.10**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Profit for the period		11,091	12,214	47,386	42,608
Other comprehensive (loss)/income:					
Net (loss)/gain on financial investments available-for-sale		(124)	1,426	(2,581)	1,544
Income tax relating to the components of other comprehensive income		31	(356)	645	(420)
Other comprehensive (loss)/income for the period, net of tax		(93)	1,070	(1,936)	1,124
Total comprehensive income for the period		10,998	13,284	45,450	43,732
Total comprehensive income for the period attributable to:					
Equity holders of the Bank		10,998	13,284	45,450	43,732

The Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2011.

AmInvestment Bank Berhad
and its subsidiaries
(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011

	<------------Attributable to equity holder of the Bank------------>							
		Non-distributable					Distributable	
Group	**Share capital RM'000**	**Capital reserve RM'000**	**Statutory reserve RM'000**	**Merger reserve RM'000**	**Available-for-sale reserve RM'000**	**Exchange fluctuation reserve RM'000**	**Unappropriated profits RM'000**	**Total shareholder's equity RM'000**
At 1 April 2010	200,000	2,815	200,000	7,656	3,126	24,172	112,697	550,466
Profit for the period	-	-	-	-	-	-	45,727	45,727
Other comprehensive income	-	-	-	-	1,124	1,981	-	3,105
Total comprehensive income for the period	-	-	-	-	1,124	1,981	45,727	48,832
Ordinary dividends paid	-	-	-		-	-	(50,000)	(50,000)
At 31 December 2010	200,000	2,815	200,000	7,656	4,250	26,153	108,424	549,298
At 1 April 2011	200,000	2,815	200,000	7,656	3,350	26,707	135,347	575,875
Profit for the period	-	-	-	-	-	-	33,755	33,755
Other comprehensive (loss)/income	-	-	-	-	(1,936)	1,456	-	(480)
Total comprehensive (loss)/income for the period	-	-	-	-	(1,936)	1,456	33,755	33,275
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	-	-	-	(1,969)	(1,969)
Ordinary dividends paid	-	-	-	-	-	-	(50,000)	(50,000)
Interim dividends paid	-	-	-	-	-	-	(36,000)	(36,000)
At 31 December 2011	200,000	2,815	200,000	7,656	1,414	28,163	81,133	521,181

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2011.

AmInvestment Bank Berhad
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(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTD.)
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011

	<-----------------Attributable to equity holder of the Bank----------------->				
		Non-distributable		Distributable	
Bank	**Share capital RM'000**	**Statutory reserve RM'000**	**Available-for-sale reserve RM'000**	**Unappropriated profits RM'000**	**Total shareholder's equity RM'000**
At 1 April 2010	200,000	200,000	3,074	110,438	513,512
Profit for the period	-	-	-	42,608	42,608
Other comprehensive income	-	-	1,124	-	1,124
Total comprehensive income for the period	-	-	1,124	42,608	43,732
Ordinary dividends paid	-	-	-	(50,000)	(50,000)
At 31 December 2010	200,000	200,000	4,198	103,046	507,244
At 1 April 2011	200,000	200,000	3,298	130,227	533,525
Profit for the period	-	-	-	47,386	47,386
Other comprehensive loss	-	-	(1,936)	-	(1,936)
Total comprehensive (loss)/income for the period	-	-	(1,936)	47,386	45,450
Transfer of ESS shares recharged - difference on purchase price for shares vested	-	-	-	(1,885)	(1,885)
Ordinary dividends paid	-	-	-	(50,000)	(50,000)
Interim dividends paid	-	-	-	(36,000)	(36,000)
At 31 December 2011	200,000	200,000	1,362	89,728	491,090

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2011.

AmInvestment Bank Berhad
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(23742-V)(Incorporated in Malaysia. Licensed Investment Bank)

UNAUDITED CONDENSED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2011

	Group		**Bank**	
	31.12.11	**31.12.10**	**31.12.11**	**31.12.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit before taxation	47,384	67,318	62,813	62,813
Adjustments for non-operating and non cash items	5,381	(3,542)	(3,528)	(3,958)
Operating profit before working capital changes	52,765	63,776	59,285	58,855
Decrease/(increase) in operating assets	329,409	(54,050)	175,617	(97,304)
(Decrease)/increase in operating liabilities	(400,343)	310,086	(248,659)	319,260
Cash (used in)/generated from operations	(18,169)	319,812	(13,757)	280,811
Taxation paid	(15,017)	(13,415)	(15,232)	(17,912)
Net cash (used in)/generated from operating activities	(33,186)	306,397	(28,989)	262,899
Net cash generated from investing activities	4,160	6,271	7,229	7,132
Net cash used in financing activities	(65,567)	(200,146)	(86,000)	(185,000)
	(61,407)	(193,875)	(78,771)	(177,868)
Net decrease in cash and cash equivalents	(94,593)	112,522	(107,760)	85,031
Cash and cash equivalents at beginning of period	666,653	589,075	647,870	575,065
Cash and cash equivalents at end of period	572,060	701,597	540,110	660,096

Note 1 : Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term funds excluding deposits and monies held in trust net of bank overdraft. Cash and cash equivalents included in the statements of cash flows comprise the following balance sheet amounts:

	Group		**Bank**	
	31.12.11	**31.12.10**	**31.12.11**	**31.12.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and short-term funds	864,036	963,133	749,636	841,831
Less: Cash and bank balances and deposit held in trust	(291,976)	(261,536)	(209,526)	(181,735)
	572,060	701,597	540,110	660,096

The Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2011.

EXPLANATORY NOTES :

1. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and Financial Reporting Standard ("FRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"). The financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Group and the Bank as at and for the year ended 31 March 2011.

The condensed consolidated interim financial statements incorporate those activities relating to Islamic banking which have been undertaken by the Bank. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under Shariah principles.

The accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 March 2011 except for the adoption of the following FRSs and Technical Releases:

- FRS 1, First-time Adoption of Financial Reporting Standards
- Amendments to FRS 1, Limited Exemption from Comparative FRS 7, Disclosures for First-time Adopters and Additional Exemptions for First-time Adopters
- Amendments to FRS 2, Share-based Payment and Group Cash-settled Share-based Payment Transactions
- FRS 3, Business Combinations
- Amendments to FRS 5, Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 7, Improving Disclosures about Financial Instruments
- FRS 127, Consolidated and Separate Financial Statements
- Amendments to FRS 138, Intangible Assets
- IC Interpretation 4, Determining Whether an Arrangement contains a Lease
- Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives
- IC Interpretation 12, Service Concession Arrangements
- IC Interpretation 16, Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17, Distributions of Non-cash Assets to Owners
- IC Interpretation 18, Transfers of Assets from Customers
- Amendments to FRSs contained in Improvements to FRSs (2010)
- TR i-4, Shariah Compliant Sale Contract

The adoption of FRS 3 (revised) will potentially have a financial impact on the Group and the Bank as it will result in changes in accounting for business combinations. FRS 3 (revised) is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2010. The changes in FRS 3 (revised) is summarised as follows:

- FRS 3 (revised) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as "minority" interests) either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree. Consequently, the goodwill arising from the acquisition reflects the impact of the difference between the fair value of the non-controlling interests and their share of the fair value of the identifiable net assets of the acquiree;
- FRS 3 (revised) changes the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognised against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from better information about the fair value at the acquisition date, and they occur within the "measurement period" (a maximum of 12 months from the acquisition date). All other subsequent adjustments are recognised in profit or loss;
- FRS 3 (revised) requires that a settlement gain or loss be recognised where a business combination in effect settles a pre-existing relationship between the Group and the acquiree; and
- FRS 3 (revised) requires that acquisition-related costs be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

1. BASIS OF PREPARATION (CONTD.)

The adoption of the revised FRS 127 is likely to affect the Group's accounting policies regarding changes in ownership interests in its subsidiaries that do not result in a change in control. In prior years, in the absence of specific requirements in FRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss.

Under the amended FRS 127, all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the amended Standard requires that the Group derecognises all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost, with the gain or loss arising recognised in profit or loss.

There is no financial impact immediately upon adoption of FRS 3 and FRS 127 as they both only have prospective effect, and hence their adoption will only have impact on future acquisitions of the Group.

The adoption of the Amendments to FRS 7 which promotes enhanced disclosures on fair value measurement of financial instruments via the introduction of the concept of the fair value hierarchy will only affect disclosures and will not have any financial impact on the results of the Group and the Bank.

The adoption of the other FRSs and Technical Releases did not have any material impact on the financial results of the Group and the Bank as they mainly deal with accounting policies affecting transactions which do not form part of the Group's and the Bank's normal business operations or transactions where the Group and the Bank only have minimal exposure.

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141, Agriculture ("MFRS 141") and IC Interpretation 15, Agreements for Construction of Real Estate ("IC 15"), including its parent, significant investor and venturer.

The Group and the Bank will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2013. In presenting its first MFRS financial statements, the Group and the Bank will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group and the Bank have established a project team to plan and manage the adoption of the MFRS Framework.

The Group and the Bank have not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these interim financial statements could be different if prepared under the MFRS Framework.

The Group and the Bank consider that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2013.

2. AUDIT QUALIFICATION

There were no audit qualification in the audited annual financial statements for the year ended 31 March 2011.

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 and period ended 31 December 2011.

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

In the previous financial quarter, the Bank paid a dividend of 33.3%, less 25.0% taxation, in respect of the financial year ended 31 March 2011 amounting to RM50,000,000 for the ordinary shares and which had been reported in the directors' report for that financial year.

During the financial quarter, the Bank paid a cash interim dividend of 24.0%, less 25.0% taxation, in respect of the current financial year ending 31 March 2012 amounting to RM36,000,000 for the ordinary shares and to be reported in the directors' report for this financial year.

8. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

The Group	31.12.11 Contract/ Notional Amount RM'000	31.12.11 Positive Fair Value RM'000	31.12.11 Negative Fair Value RM'000	31.03.11 Contract/ Notional Amount RM'000	31.03.11 Positive Fair Value RM'000	31.03.11 Negative Fair Value RM'000
Trading derivative						
Foreign exchange related contracts:						
Less than one year	609	-	-	2,375	10	-
Equity related contracts:						
Less than one year	43,682	-	1,430	2,247	-	66
More than three years	41	4	1	13,480	303	303
Total	44,332	4	1,431	18,102	313	369

The Bank	31.12.11 Contract/ Notional Amount RM'000	31.12.11 Positive Fair Value RM'000	31.12.11 Negative Fair Value RM'000	31.03.11 Contract/ Notional Amount RM'000	31.03.11 Positive Fair Value RM'000	31.03.11 Negative Fair Value RM'000
Trading derivative						
Equity related contracts:						
Less than one year	43,682	-	1,430	2,247	-	66

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 derivative is one of the financial instruments engaged by the Group and the Bank, both for client solutions generating revenue for future as well as to manage the Group's and Bank's own market risk exposure. The Group's and Bank's involvement in financial derivatives is currently focused on interest rate, equity and foreign exchange rate derivatives.

The principal foreign exchange rate contracts used are forward foreign exchange contracts, cross currency swaps and foreign exchange options. 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. A foreign exchange option is a financial derivative that provides the buyer of the option with the right, but not obligation, to buy/sell a specified amount of one currency for another currency at a nominated strike rate during a certain period of time or on a specific date.

An Interest Rate Option ("IRO") is a financial derivative that provides the buyer of the option with the right, but not obligation, to buy/sell a specified underlying interest rate related asset e.g. the KLIBOR index at a nominated strike rate during a certain period of time or on a specific date. Basic IRO includes interest rate cap and interest rate floor.

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 or fixed income security 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.

The principal equity contracts used are equity option and equity futures. An equity option is a financial derivative that represents a contract sold by one party (option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) an equity at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). An equity futures contract is an exchange traded contract to buy specific quantities of an equity at a specified price with delivery set at a specified time in the future.

8. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTD.)

Purpose of engaging in financial derivatives (Contd.)

The Group and Bank maintain trading positions in these instruments and engages in transactions with customers to satisfy their needs in managing their respective interest rate, equity and foreign exchange rate exposures. Derivative transactions generate income for the Group and the Bank from the buy-sell spreads. The Group and the Bank also take 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 and the Bank use derivatives to manage the Group's and the Bank's market risk exposure. As the value of these financial derivatives are principally driven by interest rate and foreign exchange rate factors, the Group and the Bank use them to reduce the overall interest rate and foreign exchange rate exposures of the Group and the Bank. 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 and the Bank. The Group and the Bank manage 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 and the Bank.

Risk associated with financial derivatives

As derivatives are contracts that transfer risks, they expose the holder to the same type of market and credit risk as other financial instruments, and the Group and the Bank manage 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 and equity-related derivatives 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 daily changes in market rates over a specified holding period at a specific confidence level under normal market condition.

General disclosure for derivatives and counterparty credit risk

Market related credit risk is present in market instruments (derivatives and forward contracts), and comprises counterparty risk (default at the end of contract) and pre-settlement risk (default at any time during the life of contract). Market related credit risk requires a different method in calculating the pre-settlement risk because actual and potential market movements impact the Group's and the Bank's exposure. The markets covered by this treatment for transactions entered by the Group include interest rates, foreign exchange, credit default swaps and equities.

For counterparty credit risk, the general approach is to calculate the exposure as the sum of the mark-to-market value of the exposure, plus the sum of the notional principal multiplied by the potential credit risk exposure ("PCRE") factor for the exposure.

- The mark-to-market is essentially the current replacement cost of the contract, and can be positive or negative. Where it is positive, i.e. in the money, the Group and the Bank have credit exposure against the counterparty; if it is negative, i.e. out of the money, the value used in calculation is zero.
- The PCRE factors recognize that prices change over the remaining period to maturity, and that risk increases with time. The PCRE factors are mandated for regulatory capital purposes.

Exposure to the counterparty risk is governed by setting a credit limit to manage such exposure. This limit is governed under the Group Risk Appetite Framework approved by the Board.

Other than credit limit setting, the Group's and the Bank's primary tool to mitigate counterparty credit risk by having collateral arrangement with the counterparty. Standard market documentation governs the amount of collateral required and the re-margining frequency between counterparties. Some of the standard market documentation has link between the amount of collateral required and external ratings, as well as minimum transfer amounts. This means that if the Group's and the Bank's or a counterparty's external rating were downgraded, the Group and the Bank or the counterparty would likely to be required to place additional collateral. The amount required to be placed would depend upon the underlying instruments and the state of the markets, so would be different at each re-margining interval.

8. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTD.)

Liquidity risk of derivatives

Two types of liquidity risk are associated with derivatives: market liquidity risk and funding risk.

Market liquidity risk arises when a position cannot be sold or closed out quickly or risk be eliminated by entering into an offsetting position. In general, an over-the counter ("OTC") market tends to offer less liquidity than an exchange market due to the customized nature of some OTC contracts. OTC contracts include foreign exchange contracts, cross currency swaps, interest rate swaps and FX options while interest rate futures, equity futures and equity options are examples of exchange traded derivatives. The liquidity risk of a position can be estimated by the notional amount of contracts held and the market value of the contract position. Both the OTC and exchange markets have liquid and illiquid contracts.

Funding risk is the risk of derivative activities placing an adverse funding and cash flow pressure on the Group and the Bank arising from the need to post collateral (i.e. like a margin call due to mark-to-market valuations) to compensate for an existing out of the money position (Note: if collateral isn't posted, the counterparty can close out their position and claim such mark-to-market loss from the Group and the Bank. This would also result in the Group and the Bank no longer being hedged).

Generally, the Group and the Bank measure and monitor funding risk through the cash flow gap analysis according to specified time interval. The Group's and the Bank's access to deposits and funding markets is dependent on its credit rating. A downgrading in the credit rating could adversely affect its access to liquidity, as well as the competitive position, and could increase the cost of funding.

The primary objective of funding risk management is to ensure the availability of sufficient funds at a reasonable cost to honour all financial commitments as they fall due under normal market condition and on contingency basis.

Derivative Financial Instruments and Hedge Accounting

Derivative financial instruments are recognised at fair value upon inception in the statement of financial position, and are subsequently remeasured at fair value. Fair values of exchange-traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including the discounted cash flows method and option pricing models. Financial derivatives are classified as assets when their fair values are positive and as liabilities when their fair values are negative.

The Group and the Bank enter into derivative transactions for trading and for hedging purposes. For derivatives held-for-trading, fair value changes are recognised in the income statement. For derivative transactions that meet the specific criteria for hedge accounting, the Group and the Bank apply either fair value, cash flow or net investment hedge accounting.

At the time a financial instrument is designated as a hedge, the Group and the Bank formally document the relationship between the hedging instrument and the hedged item, including the nature of the risk to be hedged, the risk management objective and strategy for undertaking the hedge and the method used to assess hedge effectiveness. Hedges are expected to be highly effective and are assessed on an ongoing basis to ensure that they remain highly effective throughout the hedge period. For actual effectiveness to be achieved, the changes in fair value or cash flows of the hedging instrument and the hedged item must offset each other in the range of 80% to 125%.

The Group and the Bank discontinue hedge accounting if the hedging instrument expires, is sold, terminated or exercised or if the hedge no longer meets the criteria for hedge accounting or is revoked.

(i) Fair Value Hedge

Fair value hedges are hedges against exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment that is attributable to a particular risk and could affect profit or loss. For qualifying fair value hedges, the changes in fair value of the hedging instrument and the hedged item relating to the hedged risk are recognised in the income statement. In the event the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to the income statement over the expected life of the hedged item.

8. DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTD.)

Derivative Financial Instruments and Hedge Accounting (Contd.)

(ii) Cash Flow Hedge

Cash flow hedges are hedges of the exposure to variability in future cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit or loss. For qualifying cash flow hedges, the effective portion of the change in fair value of the hedging instrument is taken to equity as a cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are released to the income statement in the periods when the hedged forecast transactions affect the income statement. If the hedged forecast transactions result in the recognition of a non-financial asset or a non-financial liability, the gain and loss previously deferred in equity is transferred from equity and included in the initial measurement of the cost of the asset or liability.

(iii) Net Investment Hedge

Net investment hedges are hedges against the exposure to exchange rate fluctuations on the net assets of its foreign operations. The hedge is accounted for similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are taken directly to the foreign currency translation reserve while those relating to the ineffective portion of the hedge are recognised in the income statement. On disposal of the foreign operation, the cumulative gains or losses recognised in equity will be transferred to the income statement.

9. FINANCIAL ASSETS HELD-FOR-TRADING

	Group		Bank	
	31.12.11	**31.03.11**	**31.12.11**	**31.03.11**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At Fair Value				
Securities Quoted:				
In Malaysia:				
Shares	44,821	3,687	44,821	3,687
Trust units	1,403	1,111	1,403	1,111
Outside Malaysia:				
Shares	230	2,587	-	-
Total financial assets held-for-trading	46,454	7,385	46,224	4,798

10. FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	Group		Bank	
	31.12.11	**31.03.11**	**31.12.11**	**31.03.11**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At Fair value				
Money Market Securities:				
Negotiable instruments of deposits	-	15,784	-	15,784
Securities Quoted in Malaysia:				
Shares	11,193	514	10,736	-
Unquoted Securities Of Companies Incorporated at cost less impairment In Malaysia				
Shares	13,988	13,993	11,788	11,793
Outside Malaysia:				
Shares	529	1,080	529	1,080
Unquoted Private Debt Securities Of Companies Incorporated				
Outside Malaysia:				
Corporate bonds	22,741	23,838	22,741	23,838
Total financial investments available-for-sale	48,451	55,209	45,794	52,495

11. FINANCIAL INVESTMENTS HELD-TO-MATURITY

	Group		Bank	
	31.12.11	**31.03.11**	**31.12.11**	**31.03.11**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At Amortised Cost:				
Unquoted Securities Of Companies Incorporated:				
In Malaysia:				
Corporate bonds	100	100	100	100
Total financial investments held-to-maturity	100	100	100	100

12. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	31.12.11 RM'000	**31.03.11 RM'000**	**31.12.11 RM'000**	**31.03.11 RM'000**
Term loans and revolving credits				
Customers	541,714	553,518	541,714	553,518
Staff loans	7,354	8,862	7,354	8,835
Gross loans, advances and financing	549,068	562,380	549,068	562,353
Less:				
Allowance for impairment on loans and financing:				
Collective allowance	9,025	9,202	9,025	9,202
Individual allowance	3,943	4,912	3,943	4,912
	12,968	14,114	12,968	14,114
Net loans, advances and financing	536,100	548,266	536,100	548,239

(a) The maturity structure of loans, advances and financing is as follows:

	Group		Bank	
	31.12.11 RM'000	**31.03.11 RM'000**	**31.12.11 RM'000**	**31.03.11 RM'000**
Maturing within one year	538,689	553,277	538,689	553,269
One to three years	3,518	688	3,518	669
Three to five years	363	766	363	766
Over five years	6,498	7,649	6,498	7,649
	549,068	562,380	549,068	562,353

(b) Loans, advances and financing analysed by sectors are as follows:

	Group		Bank	
	31.12.11 RM'000	**31.03.11 RM'000**	**31.12.11 RM'000**	**31.03.11 RM'000**
Agriculture	4,833	2,000	4,833	2,000
Manufacturing	354	1,702	354	1,702
Wholesale, retail, restaurant and hotel	3,147	4,129	3,147	4,129
Finance, real estate, insurance and business activities	57,402	42,461	57,402	42,461
Education and health	1,101	-	1,101	-
Household, of which:				
Purchase of residential properties	5,247	6,071	5,247	6,071
Purchase of transport vehicles	2,107	2,791	2,107	2,764
Purchase of securities	467,705	499,850	467,705	499,850
Others	5,903	3,376	5,903	3,376
	549,068	562,380	549,068	562,353

12. LOANS, ADVANCES AND FINANCING (CONTD.)

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

	Group		Bank	
	31.12.11	**31.03.11**	**31.12.11**	**31.03.11**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Individuals	467,248	503,008	467,248	502,981
Domestic :				
Business enterprises:				
Small medium enterprises	10,816	3,869	10,816	3,869
Other domestic business enterprises	63,194	49,799	63,194	49,799
Other domestic entities	7,354	-	7,354	-
Foreign entities	456	5,704	456	5,704
	549,068	562,380	549,068	562,353

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

	Group		Bank	
	31.12.11	**31.03.11**	**31.12.11**	**31.03.11**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Variable rate				
Cost-plus	312,549	320,267	312,549	320,267
Fixed rate				
Other fixed rates	229,192	242,113	229,165	242,086
	549,068	562,380	549,068	562,353

(e) Loans, advances and financing analysed by geographical distribution are as follows:

	Group		Bank	
	31.12.11	**31.03.11**	**31.12.11**	**31.03.11**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Domestic	544,627	559,698	544,627	559,671
Offshore	4,441	2,682	4,441	2,682
	549,068	562,380	549,068	562,353

12. LOANS, ADVANCES AND FINANCING (CONTD.)

(f) Movements in impaired loans, advances and financing are as follows:

	Group		Bank	
	31.12.11 RM'000	31.03.11 RM'000	31.12.11 RM'000	31.03.11 RM'000
Balance at beginning of period/year	5,920	6,839	5,920	6,839
Impaired during the period/year	7	13	7	13
Recoveries	(968)	(412)	(968)	(412)
Amount written off	-	(520)	-	(520)
Balance at end of period/year	4,959	5,920	4,959	5,920
Ratios of impaired loans, advances and financing to total loans, advances and financing	0.9%	1.1%	0.9%	1.1%

(g) Impaired loans, advances and financing analysed by sectors are as follows:

	Group		Bank	
	31.12.11 RM'000	31.03.11 RM'000	31.12.11 RM'000	31.03.11 RM'000
Household, of which:				
Purchase of residential properties	94	87	94	87
Purchase of securities	840	1,138	840	1,138
Others	4,025	4,695	4,025	4,695
	4,959	5,920	4,959	5,920

(h) Impaired loans, advances and financing analysed by geographical distribution are as follows:

	Group		Bank	
	31.12.11 RM'000	31.03.11 RM'000	31.12.11 RM'000	31.03.11 RM'000
Domestic	4,959	5,920	4,959	5,920

12. LOANS, ADVANCES AND FINANCING (CONTD.)

(i) Movements in allowances for impaired loans and financing are as follows:

	Group		Bank	
	31.12.11	**31.03.11**	**31.12.11**	**31.03.11**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Collective allowance				
Balance at beginning of year	9,202	6,624	9,202	6,624
(Writeback of allowance)/allowance made during the period/year	(177)	2,589	(177)	2,589
Amount written off	-	(11)	-	(11)
Balance at end of period/year	9,025	9,202	9,025	9,202
% of total loans, advances and financing less individual allowance	1.7%	1.7%	1.7%	1.7%
Individual allowance				
Balance at beginning of year	4,912	5,817	4,912	5,817
Writeback of allowance during the period/year	(969)	(397)	(969)	(397)
Amount written off	-	(508)	-	(508)
Balance at end of period/year	3,943	4,912	3,943	4,912

13. OTHER ASSETS

	Group		Bank	
	31.12.11	**31.03.11**	**31.12.11**	**31.03.11**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade receivables, net of allowance for doubtful debts	361,531	704,802	248,766	463,041
Other receivables, deposits and prepayments, net of allowance for doubtful debts	59,041	41,244	49,090	33,703
Interest/Dividends receivable	1,687	1,568	1,665	1,550
Income tax recoverable	29,731	34,846	29,731	34,501
Amount due from brokers	3,467	45,639	-	133
Amount due from:				
Ultimate holding company	1,143	773	1,143	749
Subsidiaries	-	-	1,528	314
Related companies	4,365	27,802	4,699	27,949
Assets acquired in exchange of debts, net of impairment loss	165	165	165	165
	461,130	856,839	336,787	562,105

Trade receivables mainly relate to the stock and share-broking operations of the Bank and its subsidiaries, and represent amount outstanding in purchase contracts net of allowance.

Amounts due from ultimate holding company, subsidiaries and other related companies are unsecured, interest-free and represent expenses paid on behalf and interest receivable.

14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	31.12.11	31.03.11	31.12.11	31.03.11
	RM'000	RM'000	RM'000	RM'000
Licensed banks:				
Related	837,740	878,225	837,740	878,225

15. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	31.12.11	31.03.11	31.12.11	31.03.11
	RM'000	RM'000	RM'000	RM'000
Negotiable instruments of deposits	-	12,982	-	12,982

The deposits are sourced totally from business enterprises.

16. OTHER LIABILITIES

	Group		Bank	
	31.12.11	31.03.11	31.12.11	31.03.11
	RM'000	RM'000	RM'000	RM'000
Trade payables	549,384	873,906	412,982	607,646
Other payables and accruals	102,704	116,503	97,956	109,916
Provision for commitments	7,906	7,955	7,906	7,955
Amount due to ultimate holding company	1,457	-	-	-
Amount due to subsidiaries	-	-	362	224
Amount due to related companies	12,993	163	12,459	-
Taxation payable	(1)	11	-	-
Zakat payable	38	38	38	38
	674,481	998,576	531,703	725,779

Trade payables mainly relate to the stock and share-broking operations of the Bank and its subsidiaries, and represent amount payable in outstanding sales contracts.

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

17. INTEREST INCOME

	Individual Quarter		Cumulative Quarter	
Group	**31.12.11**	**31.12.10**	**31.12.11**	**31.12.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short-term funds and deposits with financial institutions	3,802	3,008	12,736	8,324
Financial investments available-for-sale	410	406	1,197	1,114
Loans and advances				
- Interest income other than recoveries from impaired loans	7,924	7,463	24,257	20,583
Others	533	416	1,290	1,097
Gross interest income	12,669	11,293	39,480	31,118
Accretion of discounts less amortisation of premiums	167	309	762	936
	12,836	11,602	40,242	32,054

	Individual Quarter		Cumulative Quarter	
Bank	**31.12.11**	**31.12.10**	**31.12.11**	**31.12.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short-term funds and deposits with financial institutions	2,997	2,447	10,328	6,481
Financial investments available-for-sale	410	406	1,197	1,114
Loans and advances				
- Interest income other than recoveries from impaired loans	7,924	7,464	24,257	20,583
Others	75	43	201	156
Gross interest income	11,406	10,360	35,983	28,334
Accretion of discounts less amortisation of premiums	167	309	762	936
	11,573	10,669	36,745	29,270

18. INTEREST EXPENSE

	Individual Quarter		Cumulative Quarter	
Group	**31.12.11**	**31.12.10**	**31.12.11**	**31.12.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits from customers	122	231	559	850
Deposit of banks and other financial institutions	6,523	5,360	19,933	13,631
Redeemable unsecured bonds	-	492	-	3,707
Others	209	394	937	758
	6,854	6,477	21,429	18,946

	Individual Quarter		Cumulative Quarter	
Bank	**31.12.11**	**31.12.10**	**31.12.11**	**31.12.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits from customers	-	128	208	395
Deposit of banks and other financial institutions	6,523	5,360	19,933	13,630
Redeemable unsecured bonds	-	492	-	3,707
Others	-	11	-	11
	6,523	5,991	20,141	17,743

19. OTHER OPERATING INCOME

	Individual Quarter		Cumulative Quarter	
Group	**31.12.11**	**31.12.10**	**31.12.11**	**31.12.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fee income:				
Fees on loans and securities	2,745	2,531	13,519	27,736
Corporate advisory fees	11,228	8,404	22,478	25,833
Guarantee fees	171	192	526	582
Underwriting commissions	2,956	4,705	8,315	8,887
Portfolio management fees	138	190	488	2,233
Unit trust management fees	-	2,096	-	6,247
Brokerage fees and commissions	16,542	26,602	58,503	73,111
Other fee income	7,319	5,914	24,131	19,543
	41,099	50,634	127,960	164,172
Investment and trading income:				
Net (loss)/gain from sale of financial assets held-for-trading	(481)	850	(3,116)	1,280
Net gain from sale of financial investments available-for-sale	743	993	773	3,468
(Loss)/gain on revaluation of derivatives	(1,359)	(365)	(1,159)	290
Gross dividend income from:				
Financial assets held-for-trading	1	31	81	295
Financial investments available-for-sale	639	220	1,330	911
Gain/(loss) on revaluation of financial assets held-for-trading	6,144	89	2,705	(907)
Portfolio income	7,486	-	23,355	-
Foreign exchange (loss)/gain	(14)	19	(163)	(701)
	13,159	1,837	23,806	4,636
Other income:				
Non-trading foreign exchange gain	121	460	496	841
Gain on disposal of property and equipment - net	200	171	202	174
Rental income	629	556	1,677	1,664
Other non-operating income/(expense) -net	45	274	(85)	776
	995	1,461	2,290	3,455
	55,253	53,932	154,056	172,263

19. OTHER OPERATING INCOME (CONTD.)

	Individual Quarter		Cumulative Quarter	
Bank	**31.12.11**	**31.12.10**	**31.12.11**	**31.12.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fee income:				
Fees on loans and securities	2,745	2,531	13,519	27,736
Corporate advisory fees	11,070	8,046	21,917	21,859
Guarantee fees	171	192	526	582
Underwriting commissions	2,883	4,163	6,199	5,647
Portfolio management fees	138	190	488	2,233
Brokerage fees and commissions	12,475	18,144	42,384	49,601
Other fee income	6,606	7,248	21,823	23,524
	36,088	40,514	106,856	131,182
Investment and trading income:				
Net gain/(loss) from sale of financial assets held-for-trading	1,479	874	(1,111)	1,364
Net gain from sale of financial investments available-for-sale	743	993	773	3,468
(Loss)/gain on revaluation of derivatives	(1,359)	(365)	(1,159)	290
Gross dividend income from:				
Unquoted subsidiaries	-	-	3,256	-
Financial assets held-for-trading	-	31	69	295
Financial investments available-for-sale	639	220	1,330	911
Gain/(loss) on revaluation of financial assets held-for-trading	4,357	(40)	1,819	(185)
Portfolio income	7,486	-	23,355	-
Foreign exchange (loss)/gain	(14)	20	(167)	(700)
	13,331	1,733	28,165	5,443
Other income:				
Non-trading foreign exchange gain	39	254	124	417
Gain on disposal of property and equipment - net	-	171	2	174
Rental income	629	556	1,677	1,664
Other non-operating income/(expense) -net	37	267	(98)	750
	705	1,248	1,705	3,005
	50,124	43,495	136,726	139,630

20. OTHER OPERATING EXPENSES

	Individual Quarter		Cumulative Quarter	
Group	**31.12.11**	**31.12.10**	**31.12.11**	**31.12.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Personnel/Staff costs				
- Salaries, allowances and bonuses	19,020	25,827	76,327	80,762
- Others	15,719	9,663	37,875	35,343
	34,739	35,490	114,202	116,105
Establishment costs				
- Depreciation of property and equipment	1,282	1,281	3,877	3,886
- Amortisation of computer software	171	163	538	475
- Computerisation costs	1,568	4,501	5,626	12,601
- Rental	3,293	3,244	9,739	9,848
- Others	1,224	1,374	3,689	3,922
	7,538	10,563	23,469	30,732
Marketing and communication expenses				
- Sales commission	88	912	1,579	2,502
- Advertising	505	321	1,291	1,244
- Travel and entertainment	897	1,128	2,754	3,078
- Others	1,934	2,067	5,715	4,694
	3,424	4,428	11,339	11,518
Administration and general expenses				
- Professional fees	3,391	816	5,437	2,031
- Others	11,668	1,566	14,528	4,058
	15,059	2,382	19,965	6,089
Service transfer pricing income - net	(5,614)	(10,549)	(14,237)	(27,077)
	55,146	42,314	154,738	137,367

20. OTHER OPERATING EXPENSES (CONTD.)

Bank	Individual Quarter 31.12.11 RM'000	Individual Quarter 31.12.10 RM'000	Cumulative Quarter 31.12.11 RM'000	Cumulative Quarter 31.12.10 RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	14,224	21,788	62,037	67,445
- Others	13,437	7,983	31,867	30,092
	27,661	29,771	93,904	97,537
Establishment costs				
- Depreciation of property and equipment	972	1,003	2,980	3,008
- Amortisation of computer software	169	162	531	471
- Computerisation costs	(94)	2,893	294	7,503
- Rental	2,394	2,475	7,039	7,524
- Others	779	971	2,198	2,841
	4,220	7,504	13,042	21,347
Marketing and communication expenses				
- Sales commission	88	284	1,579	700
- Advertising	488	320	1,220	1,196
- Travel and entertainment	701	889	2,142	2,390
- Others	1,594	1,698	4,697	3,674
	2,871	3,191	9,638	7,960
Administration and general expenses				
- Professional fees	3,256	713	5,140	1,670
- Others	11,222	1,053	13,144	2,634
	14,478	1,766	18,284	4,304
Service transfer pricing income - net	(4,456)	(9,692)	(10,885)	(24,340)
	44,774	32,540	123,983	106,808

21. WRITEBACK OF ALLOWANCE/(ALLOWANCE) FOR IMPAIRMENT ON LOANS AND FINANCING

	Individual Quarter		Cumulative Quarter	
Group	**31.12.11**	**31.12.10**	**31.12.11**	**31.12.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(Allowance)/write-back of allowance for impaired loans and financing:				
Collective allowance	(120)	(735)	177	(1,798)
Individual allowance	262	80	969	357
Impaired loans and financing:				
Written off	(1)	(1)	-	(36)
Recovered	-	-	3	5
	141	(656)	1,149	(1,472)

	Individual Quarter		Cumulative Quarter	
Bank	**31.12.11**	**31.12.10**	**31.12.11**	**31.12.10**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(Allowance)/write-back of allowance for impaired loans and financing:				
Collective allowance	(120)	(735)	177	(1,798)
Individual allowance	262	80	969	357
Impaired loans and financing:				
Written off	(1)	(1)	-	(36)
Recovered	-	-	3	5
	141	(656)	1,149	(1,472)

22. BUSINESS SEGMENT ANALYSIS

31.12.2011 Group	Investment Banking RM'000	Corporate and Institutional Banking RM'000	Markets RM'000	Group Functions and Others RM'000	Total RM'000
Revenue	175,304	20,461	4,769	25,740	226,274
Income	174,577	20,186	4,769	5,549	205,081
Expenses	(105,289)	(17,044)	-	(32,405)	(154,738)
Profit/(loss) before provisions	69,288	3,142	4,769	(26,856)	50,343
Provisions	1,487	(5,240)	-	794	(2,959)
Profit/(loss) after provisions	70,775	(2,098)	4,769	(26,062)	47,384
Taxation and zakat	(17,971)	(333)	(1,192)	5,867	(13,629)
Net profit/(loss) for the period	52,804	(2,431)	3,577	(20,195)	33,755
Other information:					
Cost to income ratio	60.3%	84.4%	-	584.0%	75.5%
Gross loans/ financing	541,714	-	-	7,354	549,068
Net loans/ financing	528,892	-	-	7,208	536,100
Gross impaired loans, advances and financing	4,959	-	-	-	4,959
Total deposits	48,502	-	-	789,238	837,740

22. BUSINESS SEGMENT ANALYSIS (CONTD.)

31.12.2010	Investment Banking RM'000	Corporate and Institutional Banking RM'000	Markets RM'000	Group Functions and Others RM'000	Total RM'000
Group					
Revenue	150,353	42,285	10,596	19,769	223,003
Income	149,626	41,953	10,596	2,052	204,227
Expenses	(98,104)	(21,586)	-	(17,677)	(137,367)
Profit/(loss) before provisions	51,522	20,367	10,596	(15,625)	66,860
Provisions	(1,064)	190	179	1,153	458
Profit/(loss) after provisions	50,458	20,557	10,775	(14,472)	67,318
Taxation and zakat	(12,860)	(5,194)	(2,694)	(843)	(21,591)
Net profit/(loss) for the period	37,598	15,363	8,081	(15,315)	45,727

Other information

Cost to income ratio	65.6%	51.5%	-	861.5%	67.3%
Gross loans/ financing	501,097	-	-	8,714	509,811
Net loans/ financing	487,891	-	-	8,557	496,448
Gross impaired loans, advances and financing	5,954	-	-	-	5,954
Total deposits	7,125	-	-	924,872	931,997

Included in the above is Islamic banking business profit before taxation of RM29.4 million for the Group and the Bank for the period ended 31 December 2011 (RM15.6 million for the Group and the Bank for the period ended 31 December 2010).

The Group's activities are principally conducted in Malaysia except for AmFrasers International Pte. Ltd. and its subsidiaries, activities of which are principally conducted in Singapore, which contributed to a loss before tax of RM12.5 million for the period ended 31 December 2011 (profit before tax RM 2.1 million for the period ended 31 December 2010).

23. VALUATIONS OF PROPERTY AND EQUIPMENT

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

24. 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.

25. BORROWINGS

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

	Group		Bank	
	31.12.11	**31.03.11**	**31.12.11**	**31.03.11**
	RM'000	**RM'000**	**RM'000**	**RM'000**
(i) Deposits from customers				
Due within six months	-	12,982	-	12,982
(ii) Deposits and placements of banks and other financial institutions				
Due within six months	837,740	878,225	837,740	878,225
Recap :				
Interbank lendings	816,066	910,428	729,697	837,598
Interbank borrowings	(837,740)	(878,225)	(837,740)	(878,225)
Net interbank (borrowings)/ lendings	(21,674)	32,203	(108,043)	(40,627)
(iii) Term loans				
Due within one year				
Secured	-	2,401	-	-

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 assets.

As at 31 December 2011, the off-balance sheet exposures are as follows:

	31.12.11	31.03.11
Group	**Principal Amount RM'000**	**Principal Amount RM'000**
Commitments		
Irrevocable commitments to extend credit maturing :		
within one year	225,007	197,351
more than one year	4,099	7,451
	229,106	204,802
Contingent Liabilities		
Guarantees given on behalf of customers	189,640	209,579
Underwriting liabilities	222,387	-
	412,027	209,579
Derivative Financial Instruments		
Foreign exchange related contracts:		
Forward exchange contracts	609	2,375
Equity related contracts:		
- One year or less	43,682	2,247
- Over five years	41	13,480
	44,332	18,102
	685,465	432,483

	31.12.11	31.03.11
Bank		
Commitments		
Irrevocable commitments to extend credit maturing:		
within one year	225,007	197,351
more than one year	4,099	7,451
	229,106	204,802
Contingent Liabilities		
Guarantees given on behalf of customers	189,640	209,579
Underwriting liabilities	222,387	-
	412,027	209,579
Derivative Financial Instruments		
Equity related contracts:		
- One year or less	43,682	2,247
	684,815	416,628

26. COMMITMENTS AND CONTINGENCIES (CONTD.)

As at 31 December 2011, the commitments and contingencies of the Group and the Bank are as follows:

AmTrustee Berhad (“AmTrustee”), an associated company of the Bank, was served with a Writ and Statement of Claim dated 12 December 2005 by solicitors acting for Meridian for alleged loss and damage amounting to RM27,606,169.65 together with interest and costs arising from the provision of custodian services by AmTrustee to Meridian (“Meridian Suit”).

AmTrustee was served on 24 March 2006 with a Writ and Statement of Claim dated 25 January 2006 by solicitors acting for Malaysian Assurance Alliance Bhd ("MAA") for alleged loss and damages amounting to RM19,640,178.00, together with interest and costs ("MAA Suit"). 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. The claim by MAA in the MAA Suit is part of the portion of the claim as mentioned in the above Meridian Suit.

In the MAA Suit, AmTrustee filed a Third Party Notice against Meridian on 6 November 2006 seeking indemnification/contribution from Meridian. Meridian in turn filed a counter claim against AmTrustee over AmTrustee’s Third Party Notice which in essence introduced the same argument and claim as in their Meridian Suit.

On 22 February 2008, AmTrustee filed an Application for a stay of proceedings of the Meridian's Suit on the grounds that Meridian's counter claim in the MAA Suit amounts to duplicity/abuse of process and this Application was dismissed with costs on 26 June 2008. AmTrustee filed a Notice of Appeal to the Court of Appeal over the dismissal on 25 July 2008 (Appeal No: -W-02(IM)-825-08). The Appeal came up for hearing on 11 August 2011 and the Court of Appeal ordered that this appeal be heard with another of AmTrustee’s appeal (Appeal No.:-W-02(IM)-1194-08). Both the Appeals were then fixed for Hearing on 17 November 2011. As advised by solicitors, (since both the Meridian Suit and the MAA Suit are now ordered to be heard together, as mentioned below) both the Appeals were discontinued and recorded as so with no order as to costs when the matter was called up in Court on 17 November 2011.

Parties have filed several interim applications in the Meridian suit amongst which was an Application by Meridian to add to the Meridian Suit, the Bank as 2nd Defendant and also to increase the alleged loss and damage from RM27,606,169.65 to RM36,967,166.84 to include alleged loss due to reputation damage and loss of future earnings (together with interest and costs) arising from the provision of custodian services by AmTrustee to Meridian. The Learned Judge dismissed Meridian’s application to add the Bank as a Party to the Meridian’s suit ("Decision") and allowed Meridian’s Application to increase its claim against AmTrustee from RM27,606,169.65 to RM36,967,166.84.

No Appeal was lodged to the Court of Appeal by Meridian against the Decision. With no appeal against the Decision, there is no litigation pending today against the Bank by Meridian.

It is to be noted that both the Meridian's Suit and MAA Suit were ordered on 16 September 2008 to be tried together at the same time pursuant to Order 4 Rule 1 of the Rules of the High Court 1980.

AmTrustee has also been served on 2 September 2009 with a copy of a Third Party Notice dated 12 August 2009 by solicitors acting for Meridian.

The Third Party Notice is taken against AmTrustee by Meridian on a suit filed by Kumpulan Wang Persaraan (DiPerbadankan) ("KWAP") against Meridian in 2007, at the Kuala Lumpur High Court via suit number D5-22-1457-2007 ("KWAP Suit"). The facts of this case revolve around the same facts and issue as that of the above Meridian Suit and MAA Suit. The High Court suit by KWAP is for an alleged breach by Meridian of an Investment Management Agreement executed between KWAP and Meridian in 2001 ("the Agreement") for a sum of RM7,254,050.42 general damages for breach of the Agreement and breach of trust together with interests and costs ("KWAP's claim").

On the basis of KWAP's claim, Meridian is seeking against AmTrustee via the Third Party Notice for AmTrustee to indemnify Meridian in respect of KWAP's claim.

26. COMMITMENTS AND CONTINGENCIES (CONTD.)

AmTrustee filed an Application to Strike out the Third Party Notice. This Application was fixed for Hearing on 27 September 2010 and the court allowed AmTrustee's Application with cost on 1 November 2010. Meridian filed an appeal to the Court of Appeal against this decision and the appeal was dismissed with costs ("Order") on 14 July 2011. With this court Order, AmTrustee is no longer involved in KWAP's claim against Meridian.

When the above Suits came up for Case Management in April 2010, Court directed that parties consider resolving the actions via mediation instead of pursuing via full trial. Parties however informed court that they are not agreeable to resolve this matter via mediation.

In the meantime, AmTrustee filed an Application for Stay of Proceeding of both the MAA Suit and Meridian Suit pending the full and final disposal of a criminal proceeding involving a key witness/ex-employee of Meridian.

This Application came up for hearing on 1 December 2010 and was dismissed by the High Court. AmTrustee filed an appeal to the Court of Appeal against this decision. The Appeal came up for hearing on 24 May 2011 and was allowed with costs and with that both the Meridian and the MAA Suits are now stayed pending the disposal of the criminal proceeding.

Solicitors have informed the High Court of the Court of Appeal's decision to stay the civil trial pending the disposal of the criminal trial. Both the Meridian Suit and the MAA Suit are now fixed for Case Management on 12 January 2012.

Decision on the criminal proceeding was delivered by the criminal court against the key witness/ex-employee of Meridian on 12 December 2011 and solicitors have informed us that there may be an appeal filed against this decision by the key witness/ex-employee of Meridian. On the basis of a possible appeal, solicitors will on the next Case Management date be seeking court's clarification and direction on whether the Stay Order of the civil proceeding pending the disposal of the criminal trial granted earlier by the court should also include any appeal thereon.

Based on documents and evidence in their possession, solicitors for AmTrustee are of the view that AmTrustee has a good defence in respect of the claim by Meridian and MAA and further that AmTrustee has filed a third party proceeding against Meridian for indemnity or contribution from Meridian in respect of the claim initiated by MAA.

Neither material financial loss nor operational impact on the Group and the Bank is expected as a result of the Writs and Statements of Claim.

27. CAPITAL ADEQUACY RATIO

(a) The capital adequacy ratios of the Group and the Bank are as follows:

	Group		Bank	
	31.12.11	**31.03.11**	**31.12.11**	**31.03.11**
Before deducting proposed dividends:				
Core capital ratio	26.7%	25.4%	23.2%	24.7%
Risk-weighted capital ratio	26.7%	25.4%	23.2%	24.7%
After deducting proposed dividend:				
Core capital ratio	26.7%	23.0%	23.2%	21.7%
Risk-weighted capital ratio	26.7%	23.0%	23.2%	21.7%

The capital adequacy ratio of the Group refers to the consolidated capital base as a ratio of the consolidated risk-weighted assets of AmInvestment Bank Berhad and its subsidiaries. The capital adequacy ratio of the Bank refers to the capital base as a ratio of the risk-weighted assets of AmInvestment Bank Berhad for the financial quarter.

The capital adequacy ratios of AmInvestment Bank are computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework (RWCAF-Basel II). AmInvestment Bank has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.

27. CAPITAL ADEQUACY RATIO (CONTD.)

(b) The components of Tier 1 and Tier 2 Capital of the Group and the Bank are as follows:

	Group		Bank	
	31.12.11	**31.03.11**	**31.12.11**	**31.03.11**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Tier 1 capital				
Paid-up ordinary share capital	200,000	200,000	200,000	200,000
Statutory reserve	200,000	200,000	200,000	200,000
Capital reserve	2,815	2,815	-	-
Merger reserve	7,656	7,656	-	-
Exchange fluctuation reserve	26,707	26,707	-	-
Unappropriated profit at end of period	81,133	135,347	78,666	130,227
Total	518,311	572,525	478,666	530,227
Less: Goodwill	(11,243)	(11,243)	-	-
Deferred tax liability/(asset) - net	(15,996)	(19,670)	(15,804)	(19,477)
Total Tier 1 capital	491,072	541,612	462,862	510,750
Deduction in excess of allowable Tier 2 Capital	(14,564)	(15,476)	(102,795)	(103,707)
Maximum allowable Tier 1 Capital	476,508	526,136	360,067	407,043
Tier 2 capital				
Collective allowance#	8,177	8,362	8,177	8,362
Total Tier 2 capital	8,177	8,362	8,177	8,362
Less: Investment in capital of related financial institution	(22,741)	(23,838)	(22,741)	(23,838)
Less: Investment in subsidiaries	-	-	(88,231)	(88,231)
Deduction in excess of allowable Tier 2 capital made against Tier 1 Capital	14,564	15,476	102,795	103,707
Capital base	476,508	526,136	360,067	407,043

Excludes collective allowance on impaired loans restricted from Tier 2 capital of the Group and the Bank of RM848,000 (2011 : RM841,000)

The breakdown of risk-weighted assets of the Group and the Bank in the various risk categories are as follows

	Group		Bank	
	31.12.11	**31.03.11**	**31.12.11**	**31.03.11**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Credit risk	879,601	1,552,679	711,591	1,219,262
Market risk	369,826	16,843	368,990	9,729
Operational risk	532,662	505,180	474,689	416,225
	1,782,089	2,074,702	1,555,270	1,645,216

28. OPERATIONS OF ISLAMIC BANKING

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

The state of affairs as at 31 December 2011 and the results for the period ended 31 December 2011 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 and Bank	
	31.12.11	31.03.11
	RM'000	RM'000
ASSETS		
Cash and short-term funds	169,120	133,819
Other receivables, deposits and prepayments	19,038	26,014
Deferred tax assets	1,411	1,542
Property and equipment	60	78
Intangible assets	6	8
TOTAL ASSETS	189,635	161,461
LIABILITIES AND ISLAMIC BANKING FUNDS		
Other liabilities	54,891	48,721
ISLAMIC BANKING FUNDS		
Capital funds	30,000	30,000
Reserves	104,744	82,740
Islamic Banking Funds	134,744	112,740
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	189,635	161,461
COMMITMENTS AND CONTINGENCIES	114,078	129,415

28. OPERATIONS OF ISLAMIC BANKING (CONTD.)

UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011

	Individual Quarter		Cumulative Quarter	
Group and Bank	**31.12.11 RM'000**	**31.12.10 RM'000**	**31.12.11 RM'000**	**31.12.10 RM'000**
Income derived from investment of depositors' funds and others	321	219	846	652
Impairment loss on doubtful sundry receivables, net	-	-	-	(710)
Total attributable (loss)/income	321	219	846	(58)
Loss attributable to depositors	(1)	(2)	(25)	(6)
Loss attributable to the Group	320	217	821	(64)
Income derived from investment of Islamic Banking Funds	3,072	5,727	31,155	18,040
Total net income	3,392	5,944	31,976	17,976
Other operating expenses	(632)	(670)	(2,596)	(2,340)
Profit before taxation	2,760	5,274	29,380	15,636
Taxation	(701)	(1,315)	(7,376)	(3,919)
Profit after taxation	2,059	3,959	22,004	11,717

28. OPERATIONS OF ISLAMIC BANKING (CONTD.)

28a. OTHER LIABILITIES

	Group and Bank	
	31.12.11	31.03.11
	RM'000	RM'000
Other payables and accruals	8,310	13,939
Amount owing to head office	4,554	-
Taxation and zakat payable	42,027	34,782
	54,891	48,721

29. RESTATEMENT OF COMPARATIVES

The following comparative figures have been restated to conform with current year presentation:

Unaudited consolidated Income statements for the financial quarter ended 31 December 2010	**As previously reported RM'000**	**Reclassifications RM'000**	**As restated RM'000**
Group			
Individual Quarter			
Revenue	85,359	(13,881)	71,478
Other operating income	67,813	(13,881)	53,932
Other operating expenses	(56,195)	13,881	(42,314)
Cumulative Quarter			
Revenue	259,462	(36,459)	223,003
Other operating income	208,722	(36,459)	172,263
Other operating expenses	(173,826)	36,459	(137,367)
Bank			
Individual Quarter			
Revenue	74,532	(14,424)	60,108
Other operating income	57,919	(14,424)	43,495
Other operating expenses	(46,964)	14,424	(32,540)
Cumulative Quarter			
Revenue	225,647	(38,061)	187,586
Other operating income	177,691	(38,061)	139,630
Other operating expenses	(144,869)	38,061	(106,808)

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

The Bank posted a pretax profit of RM13.8 million for the quarter as compared to RM 21.1 million for the quarter ended 31 December 2010, mainly due to higher overheads.

In the non-Islamic business sectors, the net interest income rose to RM5.1 million from RM4.7 million in the quarter ended 31 December 2010. Other operating income surged to RM50.1 million from RM43.5 million in the quarter ended 31 December 2010 as a result of investment and trading income at RM13.3 million as compared to RM1.7 million; fee income sagged to RM36.1 million as compared to RM40.5 million and other income reduced to RM0.7 million from RM1.2 million, for the quarter ended 31 December 2010.

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

The Group reported a pretax profit of RM47.4 million (RM67.3 million for the period ended 31 December 2010) and the Bank reported a pretax profit of RM62.8 million (RM62.8 million for the period ended 31 December 2010). The following comparisons are in respect of the non-Islamic business:

(i) Higher other operating expenses of RM154.7 million and RM124.0 million (RM137.4 million and RM106.8 million for the period ended 31 December 2010) for the Group and the Bank, respectively, due to lesser service transfer pricing recoveries of RM14.2 million and RM10.9 million (RM27.1 million and RM24.3 million for the period ended 31 December 2010) for the Group and the Bank, respectively.

(ii) Lower other operating income of RM154.1 million and RM136.7 million (RM172.3 million and RM139.6 million for the period ended 31 December 2010) due to less fee income earned of RM128.0 million and RM106.9 million (RM164.2 million and RM131.2 million for the period ended 31 December 2010) for the Group and the Bank, respectively.

(iii) Higher investment and trading income of RM23.8 million and RM28.2 million (RM4.6 million and RM5.4 million for the period ended 31 December 2010) for the Group and the Bank, respectively, due to the timely recognition of portfolio income of RM23.3 million (nil for the period ended 31 December 2010) and the dividend income from subsidiaries of RM3.3 million (nil for the period ended 31 December 2010).

(iv) Higher impairment loss on doubtful sundry receivables of RM4.2 million (impairment write-back of RM0.8 million for the period ended 31 December 2010) for the Group but higher impairment writeback of RM0.3 million (impairment write-back of RM0.1 million for the period ended 31 December 2010) for the Bank.

Higher net income from Islamic banking business of RM32.0 million for the Group and the Bank (RM18.7 million for the period ended 31 December 2010 for the Group and the Bank) due to higher fund and fee income.

Shareholder's equity stood at RM0.5 billion (RM0.5 billion as at 31 March 2011) for the Group and the Bank, respectively.

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 period.

32. CURRENT PERIOD PROSPECTS

Malaysia's economy grew at a faster pace in third quarter of 2011 to 5.8% (compared to second quarter) on the back of robust domestic demand driven by household and business spending, as well as high public sector expenditure and sustained export growth. The global economy, however, continues to face challenges from stalling major advanced economies, lack of resolution to the Euro sovereign debt crises and volatile financial markets.

Whilst not fully immune from the global headwinds, initiatives under the ETP (Economic Transformation Programme) as well as stable employment should provide support for private investment and consumption to drive forecasted domestic GDP (Gross Domestic Product) growth of circa 5% for 2011 and moderating to circa 4-5% for 2012.

On the Malaysian banking system, liquidity remains strong, and the implementation of government development projects under ETP and 10th Malaysia Plan should help lending and financing activities, especially to the Corporate and SME (Small and Medium Sized Enterprises). However, loans growth in particular to the retail sector is expected to moderate as consumer spending eases on uncertain global economic sentiments and prudential measures by BNM (Bank Negara Malaysia) to rein in household debt levels.

Whilst the Group is cautious in its outlook given the uncertain global economic backdrop, we will maintain our disciplined approach in executing to our strategic themes to meet our Medium Term Aspirations of becoming "Malaysia's preferred banking group with international connectivity". We remain focused on loans growth targeting profitable and viable segments, accelerating deposits growth and expanding non-interest income.