

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

UNAUDITED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2007

	Note	The Group	
		30.6.07 RM'000	31.3.07 RM'000
ASSETS			
Cash and short-term funds		2,805,502	3,572,425
Securities purchased under resale agreements		924,423	498,383
Deposits and placements with banks and other financial institutions		1,207,573	1,834,799
Securities held-for-trading	A8	5,118,863	5,822,428
Securities available-for-sale	A9	2,314,640	3,504,275
Securities held-to-maturity	A10	1,173,967	1,191,597
Derivative financial assets		322,844	380,742
Loans, advances and financing	A11	4,223,405	4,181,668
Other assets	A12	1,263,114	1,207,114
Statutory deposit with Bank Negara Malaysia		202,649	169,050
Investments in associated companies		3,383	3,412
Prepaid land lease payments		2,701	2,716
Property and equipment		38,689	38,556
Deferred tax assets		44,293	43,468
Intangible assets		126,405	126,530
TOTAL ASSETS		19,772,451	22,577,163
LIABILITIES AND EQUITY			
Deposits from customers	A13	5,886,400	5,251,328
Deposits and placements of banks and other financial institutions	A14	8,666,154	9,749,923
Derivative financial liabilities		288,703	333,670
Obligations on securities sold under repurchase agreements		189,101	2,782,351
Other liabilities	A15	1,529,535	1,384,044
Recourse obligations on loans sold to Cagamas Berhad		48,650	52,421
Term loans		135,392	103,680
Redeemable unsecured subordinated bonds		595,000	595,000
Total Liabilities		17,338,935	20,252,417
Share capital		1,320,000	1,320,000
Reserves		1,108,107	999,347
Equity attributable to equity holders of the Company		2,428,107	2,319,347
Minority interests		5,409	5,399
Total equity		2,433,516	2,324,746
TOTAL LIABILITIES AND EQUITY		19,772,451	22,577,163
COMMITMENTS AND CONTINGENCIES	A25	43,535,951	42,778,034

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

UNAUDITED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2007 (CONTD.)

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
CAPITAL ADEQUACY		
Core Capital Ratio	13.46%	13.86%
Risk-Weighted Capital Ratio	17.09%	17.76%
NET ASSETS PER SHARE (RM)	1.84	1.76

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The Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2007

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

UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2007

	Note	Individual Quarter		Cumulative Quarter	
		30.6.07 RM'000	30.6.06 RM'000	30.6.07 RM'000	30.6.06 RM'000
Operating revenue		336,434	243,287	336,434	243,287
Interest income	A16	198,759	189,970	198,759	189,970
Interest expense	A17	(163,132)	(143,068)	(163,132)	(143,068)
Net interest income		35,627	46,902	35,627	46,902
Net income from Islamic banking business		14,757	4,317	14,757	4,317
Other operating income	A18	122,918	49,000	122,918	49,000
Net income		173,302	100,219	173,302	100,219
Other operating expenses	A19	(75,277)	(51,869)	(75,277)	(51,869)
Operating profit		98,025	48,350	98,025	48,350
Allowance for losses on loans and financing	A20	22,090	4,056	22,090	4,056
Impairment writeback on:					
Securities		6,400	909	6,400	909
Assets acquired in exchange of debts		72	-	72	-
Transfer (to)/from profit equalisation reserve		(32)	181	(32)	181
Allowance for doubtful sundry receivables - net		(406)	(639)	(406)	(639)
Writeback of provision for commitments		297	325	297	325
Profit before share in results of associated companies		126,446	53,182	126,446	53,182
Share in results of associated companies		(29)	937	(29)	937
Profit before taxation		126,417	54,119	126,417	54,119
Taxation	B5	(33,700)	(14,870)	(33,700)	(14,870)
Profit for the year		92,717	39,249	92,717	39,249
Attributable to:					
Equity holders of the Company		92,707	39,308	92,707	39,308
Minority interests		10	(59)	10	(59)
Profit for the year		92,717	39,249	92,717	39,249
Basic earnings per share (sen)	B13	7.02	2.98	7.02	2.98

The Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2007.

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

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2007

Group	<-----Attributable to Equity Holders of the Company----->									
	Non-distributable					Distributable				
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Statutory reserve RM'000	Available-for- sale reserve RM'000	Exchange fluctuation reserve RM'000	Unappropriated profits RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
At 1 April 2006	1,320,000	80,521	60,284	329,549	5,114	(3,868)	365,805	2,157,405	953	2,158,358
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	(10,955)	-	-	(10,955)	-	(10,955)
Exchange fluctuation adjustments	-	-	-	-	-	(2,146)	-	(2,146)	-	(2,146)
Expense recognised directly in equity	-	-	-	-	(10,955)	(2,146)	-	(13,101)	-	(13,101)
Profit for the year	-	-	-	-	-	-	39,308	39,308	(59)	39,249
Total recognised income and expense for the year	-	-	-	-	(10,955)	(2,146)	39,308	26,207	(59)	26,148
Arising from acquisition of AmPrivate Equity	-	-	-	-	-	-	-	-	100	100
At 30 June 2006	1,320,000	80,521	60,284	329,549	(5,841)	(6,014)	405,113	2,183,612	994	2,184,606

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

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2007

	<-----Attributable to Equity Holders of the Company----->									
	Non-distributable					Distributable				
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Statutory reserve RM'000	Available-for- sale reserve RM'000	Exchange fluctuation reserve RM'000	Unappropriated profits RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
At 1 April 2007	1,320,000	80,521	60,284	389,500	18,220	(9,306)	460,128	2,319,347	5,399	2,324,746
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	10,415	-	-	10,415	-	10,415
Exchange fluctuation adjustments	-	-	-	-	-	5,638	-	5,638	-	5,638
Net income recognised directly in equity	-	-	-	-	10,415	5,638	-	16,053	-	16,053
Profit for the year	-	-	-	-	-	92,707	92,707	92,707	10	92,717
Total recognised income for the year	-	-	-	-	10,415	5,638	92,707	108,760	10	108,770
At 30 June 2007	1,320,000	80,521	60,284	389,500	28,635	(3,668)	552,835	2,428,107	5,409	2,433,516

The Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2007.

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

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2007

	30.6.07	30.6.06
	RM'000	RM'000
Profit before taxation	126,417	54,119
Add adjustments for non-operating and non cash items	(52,022)	6,047
Operating profit before working capital changes	74,395	60,166
Decrease/(Increase) in operating assets	563,699	788,160
Decrease in operating liabilities	(2,601,891)	(1,171,641)
Cash used in operations	(1,963,797)	(323,315)
Taxation paid	(22,129)	(21,517)
Net cash generated from operating activities	(1,985,926)	(344,832)
Net cash used in investing activities	1,225,184	(937,509)
Net cash (used in)/generated from financing activities	-	100
Net increase in cash and cash equivalents	(760,742)	(1,282,241)
Cash and cash equivalents at beginning of year	3,469,673	3,007,594
Cash and cash equivalents at end of year	<u>2,708,931</u>	<u>1,725,353</u>

Cash and Cash Equivalents

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

	The Group	
	30.6.07	30.6.06
	RM'000	RM'000
Cash and short term funds	2,805,502	1,891,077
Bank overdrafts	(9,496)	(7,543)
	<u>2,796,006</u>	<u>1,883,534</u>
Less: Cash and bank balances and deposits held in trust	(87,099)	(158,057)
	<u>2,708,907</u>	<u>1,725,477</u>
Effects of exchange rate differences	24	(124)
	<u>2,708,931</u>	<u>1,725,353</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2007.

EXPLANATORY NOTES :

A1. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with Financial Reporting Standards ("FRS") 134, Interim Financial Reporting, issued by Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") and should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2007.

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 FRS 117 Leases issued by MASB that are effective for the Group's annual reporting date, 31 March 2008. The adoption of FRS 117 has resulted in changes in the accounting policies of the Group and are disclosed in Note A31.

The specific and general allowances for loans, advances and financing of the Group are computed based on BNM's guidelines on the "Classification of Non-Performing Loans and Provisions for Substandard, Bad and Doubtful Debts" ("BNM/GP3") requirements. However, the Group has adopted a more stringent classification policy on non-performing loans, whereby loans are classified as non-performing and sub-standard when repayments are in arrears for more than three (3) months from the first day of default or after maturity date.

Consistent with the previous year, the Group adopted a more stringent basis for specific allowances on non-performing loans and are as follows:

- (i) Values assigned to collateral held for non-performing loans secured by properties is determined based on the realisable values of the properties on the following basis:
 - (a) assigning only fifty percent (50%) of the realisable value of the properties held as collateral for non-performing loans which are in arrears for more than five (5) years but less than seven (7) years; and
 - (b) no value assigned to the realisable value of the properties held as collateral for non-performing loans which are in arrears for more than seven (7) years.
- (ii) Specific allowance of 20.0% is provided on non-performing loans which are three (3) to less than six (6) months-in-arrears. Previously, specific allowance was only made when a non-performing loan was in arrears of 6 months and above.

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

A2. AUDIT QUALIFICATION

There were no audit qualification in the audited annual financial statements for the year ended 31 March 2007.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A4. UNUSUAL ITEMS

There were no unusual items during the current financial quarter.

A5. USE OF ESTIMATES

There was no material change in estimates of amounts reported in the prior financial years that have a material effect on the financial quarter ended 30 June 2007.

A6. ISSUANCE, CANCELLATIONS, REPURCHASE, RESALE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

The Company has not issued any new shares or debentures during the financial quarter.

There were no share buy-backs, share cancellations, shares held as treasury shares nor resale of treasury shares by the Company during the financial quarter.

A7. DIVIDENDS PAID

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

A8. SECURITIES HELD-FOR-TRADING

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
At Fair Value		
Money Market Securities:		
Malaysian Government Securities	369,353	1,401,040
Malaysian Government Investment Certificates	235,711	535,577
Cagamas bonds	35,014	60,230
Khazanah bonds	105,777	11,741
Cagamas Mudharabah bearer bonds	11,600	16,217
Negotiable instruments of deposits	13,833	-
Negotiable Islamic Debt Certificates	12,942	60,082
Bank Negara Monetary Notes	249,754	413,656
Islamic Bank Negara Monetary Notes	145,924	-
	<u>1,179,908</u>	<u>2,498,543</u>
Securities Quoted:		
In Malaysia:		
Shares	224,353	170,971
Trust units	245,073	155,552
Corporate bonds	16,313	33,922
Outside Malaysia:		
Shares	50,803	43,072
	<u>536,542</u>	<u>403,517</u>
Unquoted Securities Of Companies Incorporated:		
In Malaysia:		
Shares	2,200	2,200
Outside Malaysia:		
Shares	18,910	18,910
	<u>21,110</u>	<u>21,110</u>
Unquoted Private Debt Securities Of Companies Incorporated:		
In Malaysia:		
Corporate bonds	864,204	704,771
Corporate notes	50,168	50,224
Islamic corporate bonds	1,934,732	1,548,093
Islamic corporate notes	85,424	63,947
Outside Malaysia:		
Corporate bonds	251,429	119,185
	<u>3,185,957</u>	<u>2,486,220</u>
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:		
Corporate bonds	153,595	239,745
Corporate notes	9,921	39,749
Islamic corporate bonds	31,830	103,119
Islamic corporate notes	-	30,425
	<u>195,346</u>	<u>413,038</u>
Total securities held-for-trading	<u>5,118,863</u>	<u>5,822,428</u>

A9. SECURITIES AVAILABLE-FOR-SALE

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
At Fair Value		
Money Market Securities:		
Negotiable instruments of deposits	1,179,329	2,580,599
Securities Quoted:		
In Malaysia:		
Trust units	79,600	71,600
Corporate bonds	17,284	17,329
Outside Malaysia:		
Shares	19,577	13,506
	<u>116,461</u>	<u>102,435</u>
Unquoted Securities Of Companies Incorporated:		
In Malaysia:		
Shares	400	400
Debt Equity Converted Securities Quoted in Malaysia:		
Shares - with options	15,712	15,172
Shares	5,537	5,634
Corporate bonds	4,411	-
Loan stocks - collateralised	8,291	-
	<u>33,951</u>	<u>20,806</u>
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:		
Corporate bonds	97,214	96,920
Islamic corporate bonds	744,745	558,857
	<u>841,959</u>	<u>655,777</u>
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:		
Corporate bonds	142,540	144,258
Total securities available-for-sale	<u>2,314,640</u>	<u>3,504,275</u>

A10. SECURITIES HELD-TO-MATURITY

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
At Amortised Cost		
Money Market Securities:		
Negotiable instruments of deposits	90,434	89,589
Securities Quoted In Malaysia:		
Shares	2	2
Unit trust	1,002	1,001
Islamic Corporate bonds	27,628	34,560
Outside Malaysia:		
Islamic Corporate bonds	6,907	-
	<u>35,539</u>	<u>35,563</u>
Unquoted Securities Of Companies Incorporated:		
In Malaysia:		
Shares	60,588	60,588
Corporate bonds	100	100
Outside Malaysia:		
Shares	6,319	7,581
	<u>67,007</u>	<u>68,269</u>
Debt Equity Converted Securities:		
Quoted in Malaysia:		
Loan stocks - collateralised	971	971
Loan stocks	417,204	424,490
Unquoted securities of companies incorporated In Malaysia:		
Shares	1,679	1,679
Corporate bonds	354,499	356,556
	<u>774,353</u>	<u>783,696</u>
Unquoted Private Debt Securities Of Companies Incorporated:		
In Malaysia:		
Islamic corporate bonds	192,796	193,598
Corporate bonds and notes denominated in USD	50,373	56,871
Outside Malaysia		
Corporate bonds and notes denominated in USD	103,605	103,680
	<u>346,774</u>	<u>354,149</u>
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:		
Corporate bonds	78,314	79,216
Total	1,392,421	1,410,482
Accumulated impairment losses	(218,454)	(218,885)
Total securities held-to-maturity	<u>1,173,967</u>	<u>1,191,597</u>

A11. LOANS, ADVANCES AND FINANCING

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
Term loans and revolving credits	4,434,090	4,395,930
Staff loans	24,826	25,066
	<u>4,458,916</u>	<u>4,420,996</u>
Gross loans, advances and financing	4,458,916	4,420,996
Less:		
Allowance for bad and doubtful debts and financing:		
General	64,311	63,677
Specific	171,200	175,651
	<u>235,511</u>	<u>239,328</u>
Net loans, advances and financing	<u>4,223,405</u>	<u>4,181,668</u>

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

	The Group			
	30.6.07		31.3.07	
	RM'000	%	RM'000	%
Working capital	1,859,657	41.7	1,876,787	42.5
Construction	703,409	15.8	750,864	17.0
Purchase of securities	697,478	15.6	622,876	14.1
Fixed assets	268,730	6.0	300,362	6.8
Merger and acquisition	221,746	5.0	207,044	4.7
Purchase of landed properties:				
- Residential	51,255	1.1	51,749	1.2
- Non-residential	162,805	3.7	200,638	4.5
Personal use	5,892	0.1	5,391	0.1
Purchase of transport vehicles	3,465	0.1	3,199	0.1
Other purpose	484,479	10.9	402,086	9.0
Gross loans, advances and financing	<u>4,458,916</u>	<u>100.0</u>	<u>4,420,996</u>	<u>100.0</u>

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

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
Domestic :		
Other non-bank financial institutions:	80,154	121,453
Business enterprises:		
Small medium enterprises	199,613	208,748
Others	3,727,955	3,615,883
Government and statutory bodies	19,850	57,489
Individuals	257,724	268,472
Foreign entities	173,620	148,951
	<u>4,458,916</u>	<u>4,420,996</u>

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

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
Variable rate		
Cost-plus	3,666,490	3,757,466
Other variable rates	104,545	137,866
	<u>3,771,035</u>	<u>3,895,332</u>
Fixed rate		
Housing loans	21,339	21,844
Hire purchase receivables	3,487	3,222
Other fixed rates	663,055	500,598
	<u>687,881</u>	<u>525,664</u>
	<u>4,458,916</u>	<u>4,420,996</u>

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

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
Balance at beginning of period/year	364,131	530,269
Non-performing during the period/year	28,245	63,991
Debt equity conversion	(32,807)	-
Recoveries	(11,863)	(59,228)
Amount written off	(320)	(173,128)
Exchange fluctuation adjustments	(15)	2,001
Transfer from stock and share-broking activities	(11)	8,811
Reclassification to performing loans, advances and financing	-	(8,585)
	<u>347,360</u>	<u>364,131</u>
Balance at end of period/year	347,360	364,131
Specific allowance	(171,200)	(175,651)
Non-performing loans, advances and financing - net	<u>176,160</u>	<u>188,480</u>
Ratio of non-performing loans, advances and financing to total loans, advances and financing - net	<u>4.11%</u>	<u>4.44%</u>

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

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
Working capital	178,444	180,707
Construction	81,065	117,146
Non-residential landed properties	16,803	16,803
Merger and acquisition	15,000	15,020
Purchase of securities	14,681	14,336
Personal use	4,390	4,390
Purchase of transport vehicles	65	65
Other purpose	36,912	15,664
Gross non-performing loans, advances and financing	<u>347,360</u>	<u>364,131</u>

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

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
General allowance		
Balance at beginning of period/year	63,677	63,925
Reversal of allowance during the period/year	634	(1,260)
Transfer from stock and share-broking operations	-	1,321
Exchange fluctuation adjustments	-	(309)
Balance at end of period/year	<u>64,311</u>	<u>63,677</u>
% of total loans, advances and financing less specific allowances	<u>1.50%</u>	<u>1.50%</u>
Specific allowance		
Balance at beginning of period/year	175,651	235,984
Allowance during the year	8,388	122,090
Amount written back in respect of recoveries and reversals	(4,104)	(16,777)
Net charge to income statements	4,284	105,313
Transfer from stock and share-broking operations	3,602	8,741
Amount written off	(320)	(173,278)
Exchange fluctuation adjustments	(17)	(1,109)
Debt equity conversion	(12,000)	-
Balance at end of period/year	<u>171,200</u>	<u>175,651</u>

A12. OTHER ASSETS

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
Trade receivables, net of allowance for doubtful debts	865,865	773,791
Other receivables, deposits and prepayments, net of allowance for doubtful debts	148,611	200,763
Interest/Dividends receivable	103,982	104,430
Amount due from Originators	48,650	52,421
Amount due from brokers	78,927	59,126
Amount due from:		
Holding company	5,137	3,811
Related companies	8,967	5,940
Assets acquired in exchange of debts, net of impairment loss	2,975	6,832
	<u>1,263,114</u>	<u>1,207,114</u>

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

A13. DEPOSITS FROM CUSTOMERS

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
Term/Investment deposits from customers	4,773,537	4,822,143
Negotiable instruments of deposits	-	300
Other deposits	1,112,863	428,885
	<u>5,886,400</u>	<u>5,251,328</u>

The deposits are sourced from the following types of customers:

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
Business enterprises	4,226,422	3,252,167
Individuals	2,369	35,768
Government	770,565	738,043
Others	887,044	1,225,350
	<u>5,886,400</u>	<u>5,251,328</u>

A14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
Licensed banks:		
Related	2,741,556	4,397,316
Others	1,529,660	1,373,390
Bank Negara Malaysia	-	9,100
Other financial institutions	4,394,938	3,970,117
	<u>8,666,154</u>	<u>9,749,923</u>

A15. OTHER LIABILITIES

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
Trade payables	1,034,153	958,297
Other payables and accruals	239,076	312,576
Securities sold not yet re-purchased	231,408	98,209
Provision for commitments	3	300
Amount due to related companies	9	10
Bank overdrafts	9,496	9,469
Taxation payable	9,872	4,900
Zakat payable	38	38
Valuation adjustment on securities held-for-trading	5,203	-
Profit equalisation reserve	277	245
	<u>1,529,535</u>	<u>1,384,044</u>

A16. INTEREST INCOME

The Group	Individual Quarter		Cumulative Quarter	
	30.6.07	30.6.06	30.6.07	30.6.06
	RM'000	RM'000	RM'000	RM'000
Short-term funds and deposits with financial institutions	50,889	37,682	50,889	37,682
Securities held-for-trading	40,390	55,610	40,390	55,610
Securities available for sale	32,763	11,782	32,763	11,782
Securities held-to-maturity	1,084	6,606	1,084	6,606
Loans and advances				
- Interest income other than recoveries from NPL	65,473	56,199	65,473	56,199
- Recoveries from NPLs	6,837	10,660	6,837	10,660
Others	638	2,530	638	2,530
Gross interest income	198,074	181,069	198,074	181,069
Amortisation of premiums less accretion of discounts	728	8,901	728	8,901
Interest suspended	(43)	-	(43)	-
Total after net interest suspension	198,759	189,970	198,759	189,970

A17. INTEREST EXPENSE

The Group	Individual Quarter		Cumulative Quarter	
	30.6.07	30.6.06	30.6.07	30.6.06
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	73,247	82,300	73,247	82,300
Deposit of banks and other financial institutions	56,423	24,913	56,423	24,913
Securities sold under repurchase agreements	16,667	20,907	16,667	20,907
Subordinated deposits and term loans	1,455	3,568	1,455	3,568
Redeemable unsecured subordinated bonds	9,053	9,053	9,053	9,053
Securities sold not yet re-purchased	1,130	631	1,130	631
Others	5,157	1,696	5,157	1,696
	163,132	143,068	163,132	143,068

A18. OTHER OPERATING INCOME

The Group	Individual Quarter		Cumulative Quarter	
	30.6.07	30.6.06	30.6.07	30.6.06
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Fees on loans and advances	2,636	5,621	2,636	5,621
Corporate advisory fees	11,239	4,004	11,239	4,004
Guarantee fees	1,764	6,263	1,764	6,263
Underwriting commissions	919	2,569	919	2,569
Portfolio management fees	4,558	2,371	4,558	2,371
Unit trust management fees	13,319	8,075	13,319	8,075
Property trust management fees	693	507	693	507
Brokerage fees and commissions	47,005	17,685	47,005	17,685
Other fee income	12,183	5,234	12,183	5,234
	<u>94,316</u>	<u>52,329</u>	<u>94,316</u>	<u>52,329</u>
Investment and trading income:				
Net gain/(loss) from sale of securities held-for-trading	79,233	(11,045)	79,233	(11,045)
Net gain from sale of securities available-for-sale	669	-	669	-
Net gain on redemption of securities held-to-maturity	3,040	14,886	3,040	14,886
Gross dividend income from:				
Securities held-for-trading	6,032	1,045	6,032	1,045
Securities available-for-sale	40	-	40	-
Securities held-to-maturity	613	613	613	613
(Loss)/Gain on revaluation of derivatives	(10,930)	13,841	(10,930)	13,841
Loss on revaluation of securities held-for-trading	(50,895)	(23,041)	(50,895)	(23,041)
	<u>27,802</u>	<u>(3,701)</u>	<u>27,802</u>	<u>(3,701)</u>
Other income:				
Foreign exchange gain/(loss)	305	(670)	305	(670)
Gain on disposal of property and equipment - net	6	33	6	33
Rental income	342	520	342	520
Other non-operating income	147	489	147	489
	<u>800</u>	<u>372</u>	<u>800</u>	<u>372</u>
	<u>122,918</u>	<u>49,000</u>	<u>122,918</u>	<u>49,000</u>

A19. OTHER OPERATING EXPENSES

The Group	Individual Quarter		Cumulative Quarter	
	30.6.07	30.6.06	30.6.07	30.6.06
	RM'000	RM'000	RM'000	RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	37,818	24,243	37,818	24,243
- Others	11,144	8,000	11,144	8,000
	<u>48,962</u>	<u>32,243</u>	<u>48,962</u>	<u>32,243</u>
Establishment costs				
- Depreciation and amortisation of computer software	1,785	1,773	1,785	1,773
- Amortisation of computer software	419	251	419	251
- Computerisation costs	3,580	2,916	3,580	2,916
- Rental	2,783	2,358	2,783	2,358
- Others	968	1,132	968	1,132
	<u>9,535</u>	<u>8,430</u>	<u>9,535</u>	<u>8,430</u>
Marketing and communication expenses				
- Sales commission	1,526	1,312	1,526	1,312
- Advertising	1,240	1,564	1,240	1,564
- Travel and entertainment	1,863	1,048	1,863	1,048
- Others	2,121	1,454	2,121	1,454
	<u>6,750</u>	<u>5,378</u>	<u>6,750</u>	<u>5,378</u>
Administration and general expenses				
- Amortisation of goodwill and premium on consolidation	-	-	-	-
- Professional fees	6,481	3,010	6,481	3,010
- Others	3,549	2,808	3,549	2,808
	<u>10,030</u>	<u>5,818</u>	<u>10,030</u>	<u>5,818</u>
Overheads	<u>75,277</u>	<u>51,869</u>	<u>75,277</u>	<u>51,869</u>

A20. ALLOWANCE FOR LOSSES ON LOANS AND FINANCING

The Group	Individual Quarter		Cumulative Quarter	
	30.6.07	30.6.06	30.6.07	30.6.06
	RM'000	RM'000	RM'000	RM'000
Allowance/(Reversal of allowance) for bad and doubtful debts and financing:				
Specific allowance - net	4,284	5,055	4,284	5,055
Allowance during the period	8,388	6,384	8,388	6,384
Amount written back in respect of recoveries and reversals	(4,104)	(1,329)	(4,104)	(1,329)
General allowance	634	702	634	702
Bad debts and financing				
Written off	55	11	55	11
Recovered	(27,063)	(9,817)	(27,063)	(9,817)
Recoveries of value impairment on amount recoverable from Danaharta	-	(7)	-	(7)
	<u>(22,090)</u>	<u>(4,056)</u>	<u>(22,090)</u>	<u>(4,056)</u>

A21. SEGMENTAL INFORMATION

(A) BY BUSINESS SEGMENT

	Individual Quarter		Cumulative Quarter	
	30.6.07 RM'000	30.6.06 RM'000	30.6.07 RM'000	30.6.06 RM'000
Investment banking				
Revenue	259,124	205,152	259,124	205,152
Profit before taxation	88,844	39,394	88,844	39,394
Offshore banking				
Revenue	12,735	13,676	12,735	13,676
Profit/(Loss) before taxation	2,999	1,027	2,999	1,027
Funds management				
Revenue	18,192	9,512	18,192	9,512
Profit before taxation	9,938	3,241	9,938	3,241
Broking				
Revenue	50,360	17,959	50,360	17,959
Profit before taxation	31,522	9,286	31,522	9,286
Others				
Revenue	2,141	2,515	2,141	2,515
(Loss)/Profit before taxation	1,126	2,418	1,126	2,418
Total before consolidation adjustments				
Revenue	342,552	248,814	342,552	248,814
Profit before taxation	134,429	55,366	134,429	55,366
Consolidation adjustments				
Revenue	(6,118)	(5,527)	(6,118)	(5,527)
Profit before taxation	(8,012)	(1,247)	(8,012)	(1,247)
Total after consolidation adjustments				
Revenue	336,434	243,287	336,434	243,287
Profit before taxation	126,417	54,119	126,417	54,119

Included in the above is Islamic banking business profit before taxation of RM14.1 million for the quarter and period ended 30 June 2007 (RM3.7 million for the quarter and period ended 30 June 2006).

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

A22. VALUATIONS OF PROPERTY AND EQUIPMENTS

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

A23. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There has not arisen in the interval between the end of the financial quarter and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group for the current financial quarter.

A24. CHANGES IN THE COMPOSITION OF THE GROUP AND THE COMPANY

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

A25. COMMITMENTS AND CONTINGENCIES

In the normal course of business, AmInvestment Bank Berhad ("AmInvestment Bank") and AmInternational (L) Ltd ("AmInternational") make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the Group's assets.

As at 30 June 2007, the commitments and contingencies outstanding are as follows:

The Group	30.6.07			31.3.07		
	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	500,000	101,004	50,502	290,000	7,438	3,719
Interest rate swaps:						
Related company	9,672,678	178,389	35,479	9,733,356	222,264	44,453
Others	23,997,432	541,909	112,682	22,210,223	535,135	111,156
Foreign exchange related contracts						
Forward exchange contracts:						
Related company	17,367	99	20	82,554	4,343	868
Others	1,631,923	60,208	12,042	3,095,893	107,700	21,540
Cross currency swaps	808,247	84,396	16,879	811,310	92,886	18,577
Malaysian Government securities futures	-	-	-	5,000	6	3
Equity related contracts:						
Options	128,238	7,667	7,667	165,618	-	-
	<u>36,755,885</u>	<u>973,672</u>	<u>235,271</u>	<u>36,393,954</u>	<u>969,772</u>	<u>200,316</u>
Commitments						
Irrevocable commitments to extend credit maturing						
- within one year	585,462	-	-	538,155	-	-
- more than one year	175,768	87,884	87,362	191,815	95,908	95,277
Sale and buy back agreements	2,589,941	2,589,941	1,275,524	2,801,157	2,801,157	1,397,343
Forward purchase commitments	535,668	535,668	54,515	834,911	834,911	218,958
	<u>3,886,839</u>	<u>3,213,493</u>	<u>1,417,401</u>	<u>4,366,038</u>	<u>3,731,976</u>	<u>1,711,578</u>
Contingent Liabilities						
Guarantees given on behalf of customers	959,354	959,354	853,897	700,533	700,533	597,603
Underwriting liabilities	1,456,890	728,445	-	795,000	397,500	257,100
Certain transaction-related contingent items	476,983	238,492	225,820	522,509	261,255	235,918
	<u>2,893,227</u>	<u>1,926,291</u>	<u>1,079,717</u>	<u>2,018,042</u>	<u>1,359,288</u>	<u>1,090,621</u>
	<u>43,535,951</u>	<u>6,113,456</u>	<u>2,732,389</u>	<u>42,778,034</u>	<u>6,061,036</u>	<u>3,002,515</u>

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

- (a) The Company has given unsecured guarantees totalling RM10,000,000 (RM10,000,000 as at 31 March 2007) to a financial institution in respect of credit facilities extended to a subsidiary company.
- (b) The Company has given a continuing undertaking totaling S\$50,000,000 (S\$50,000,000 as at 31 March 2007) to Monetary Authority of Singapore on behalf of FIPL to meet its liabilities and financial obligation and requirements.
- (c) As required, AmInvestment Bank has given a continuing guarantee to BNM on behalf of its offshore banking subsidiary in Labuan, AmInternational, to meet all its liabilities and financial obligations and requirements.
- (d) A suit dated 12 December 2005 was filed by Meridian Asset Management Sdn Bhd ("Meridian") against AmTrustee Berhad ("AmTrustee"), a subsidiary of AMMB Holdings Berhad (AMMB) and an associated company of the Company in respect of a claim amounting to RM27.6 million 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.

Both claims are pending disposal. Neither material financial loss nor operational impact on the Group is expected as a result of the writs and statements of claim.

AmTrustee has been served on 5 October 2006 with an application to add AmInvestment Bank, a subsidiary of the Company, as 2nd Defendant to the Writ and Statement of Claim dated 12 December 2005 filed against AmTrustee by solicitors acting for Meridian Asset Management Sdn Bhd (Meridian). The claim by Meridian against AmInvestment Bank is for alleged loss and damage amounting to RM36,967,166.84 together with interest and costs arising from the provision of custodian services by AmTrustee to Meridian. The application is pending disposal.

Neither material financial nor operational impact is expected on the Group as a result of the addition of the 2nd defendant. Based on the documents and evidence in their possession, solicitors for AmInvestment Bank are of the view that Meridian do not have a reasonable cause of action against AmInvestment Bank.

- (e) A Judgment in Default of Appearance dated 29 May 2007 ("JIDA") was entered against AmInvestment Bank by Unitangkob (Malaysia) Berhad and four (4) others (collectively the "Plaintiffs"). The JIDA was in respect of an alleged breach of contract by AmInvestment Bank for the sum of RM171,549,000.00 together with interest and further damages and costs ("Unitangkob Action").

Earlier, in a separate case, AmInvestment Bank sued and successfully obtained judgment against the Plaintiffs on 18 October 2006 ("Judgment") to recover a credit facility of RM16 million ("Bank's Action"). The Judgment against the Plaintiffs was for the sum of RM3,677,603.95, with interest and costs. Pursuant to the Judgment the Bank commenced winding up petition against Unitangkob and Unitangkob is opposing the winding up.

AmInvestment Bank only came to know of the purported service of Summons to the Unitangkob Action and JIDA upon receipt of the Unitangkob's affidavit in opposition to the winding up petition.

AmInvestment Bank's lawyers have advised that the JIDA is irregular and AmInvestment Bank has merits to defend its case, in that the Unitangkob Action is time barred and is an abuse of the court process since the issues have already been dealt with by the Court during the trial in the Bank's Action.

AmInvestment Bank has successfully obtained a stay of execution on the JIDA and expects a ruling on the setting aside of the JIDA on 17 August 2007.

Neither material financial nor operational impact on the Group is expected as a result of the Unitangkob Action.

A26. RELATED PARTY TRANSACTIONS

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

A27. DERIVATIVE FINANCIAL INSTRUMENTS

As at 30 June 2007, derivative financial instruments outstanding are as follows:

The Group

Items	Principal Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	>1 - 5 years RM'000	>5 years RM'000	Margin requirement
Interest rate related contracts:								
Interest rate futures	500,000	-	190,000	90,000	150,000	70,000	-	4,040
Interest rate swaps	33,670,110	430,000	1,320,000	1,895,000	9,033,772	19,879,350	1,111,988	11,853
Foreign exchange related contracts:								
Forward exchange contracts	1,649,290	551,597	357,558	645,775	94,360	-	-	965
Cross currency swaps	808,247	-	138,140	-	-	670,107	-	1,350
Malaysian Government Securities futures	-	-	-	-	-	-	-	-
Equity related contracts:								
Options	128,238	-	10,541	19,195	16,745	81,757	-	-
Total	36,755,885	981,597	2,016,239	2,649,970	9,294,877	20,701,214	1,111,988	18,208

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 focused 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 and foreign exchange-related derivative contracts measures the potential losses to the value of these contracts due to changes in market rates/prices. Exposures to market risk may be reduced through offsetting on and off-balance sheet positions.

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

As at 30 June 2007, value-at-risk of foreign exchange-related derivative contracts used for trading purposes of the Group was RM2,400,097 (RM1,424,763 as at 31 March 2007).

The value-at-risk of the interest rate related derivative contracts used for trading purposes was RM17,939,279 (RM7,851,503 as at 31 March 2007).

The value at risk of the options related contracts used for trading purposes was RM2,144,034 (RM26,007,863 as at 31 March 2007) for the Group.

Credit risk of derivatives

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

As at 30 June 2007, the amounts of counterparty credit risk, measured in term of the cost to replace the profitable contracts of the Group was RM121,125,664 (RM133,793,052 as at 31 March 2007). 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.

A28. INTEREST/PROFIT RATE RISK

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

The Group 30.6.07	<-----Non-trading book ----->						Non- interest sensitive RM'000	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				
ASSETS										
Cash and short-term funds	1,621,473	-	-	-	-	-	1,184,029	-	2,805,502	4.07
Securities purchased under resale agreements	924,423	-	-	-	-	-	-	-	924,423	2.85
Deposits and placements with banks and other financial institutions	-	338,140	104,368	-	-	749,500	15,565	-	1,207,573	6.18
Securities held-for-trading	-	-	-	-	-	-	-	5,118,863	5,118,863	2.46
Securities available-for-sale	419,504	848,902	-	-	510,313	422,370	113,551	-	2,314,640	4.74
Securities held-to-maturity	50,373	88,897	147,417	25,301	625,931	172,712	63,336	-	1,173,967	1.29
Loans, advances and financing:										
- performing	1,816,875	1,580,152	190,462	135,973	354,814	42,436	(9,156)	-	4,111,556	6.39
- non-performing *	-	-	-	-	-	-	111,849	-	111,849	-
Amount due from Originators	7,938	-	-	12,023	28,689	-	-	-	48,650	4.30
Other non-interest sensitive balances	-	-	-	-	-	-	1,955,428	-	1,955,428	-
TOTAL ASSETS	4,840,586	2,856,091	442,247	173,297	1,519,747	1,387,018	3,434,602	5,118,863	19,772,451	
LIABILITIES AND EQUITY										
Deposits from customers	3,732,280	990,336	232,949	216,097	200,000	-	514,738	-	5,886,400	3.50
Deposits and placements of banks and other financial institutions	4,892,720	566,212	318,118	673,902	762,951	1,290,110	162,141	-	8,666,154	2.64
Obligations on securities sold under repurchase agreements	180,309	7,681	1,111	-	-	-	-	-	189,101	3.34

A28. INTEREST/PROFIT RATE RISK (CONTD.)

The Group 30.6.07	<-----Non-trading book ----->						Non- interest sensitive RM'000	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				
Recourse obligations on loans sold to Cagamas Berhad	7,938	-	-	12,023	28,689	-	-	-	48,650	4.30
Term loans	31,787	-	-	103,605	-	-	-	-	135,392	5.61
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	6.10
Other non-interest sensitive balances	-	-	-	-	-	-	1,818,238	-	1,818,238	-
Total Liabilities	8,845,034	1,564,229	552,178	1,005,627	991,640	1,885,110	2,495,117	-	17,338,935	
Share capital	-	-	-	-	-	-	1,320,000	-	1,320,000	
Reserves	-	-	-	-	-	-	1,108,107	-	1,108,107	
Equity attributable to equity holders of the Company	-	-	-	-	-	-	2,428,107	-	2,428,107	
Minority interests	-	-	-	-	-	-	5,409	-	5,409	
TOTAL LIABILITIES AND EQUITY	8,845,034	1,564,229	552,178	1,005,627	991,640	1,885,110	4,928,633	-	19,772,451	
On-balance sheet interest sensitivity gap	(4,004,448)	1,291,862	(109,931)	(832,330)	528,107	(498,092)	(1,494,031)	5,118,863	-	
Off-balance sheet interest sensitivity gap	(1,015,697)	7,667,795	(587,869)	(2,996,948)	(3,797,806)	763,417	-	-	32,892	
Total interest sensitivity gap	(5,020,145)	8,959,657	(697,800)	(3,829,278)	(3,269,699)	265,325	(1,494,031)	5,118,863	32,892	
Cumulative interest rate sensitivity gap	(5,020,145)	3,939,512	3,241,712	(587,566)	(3,857,265)	(3,591,940)	(5,085,971)	32,892		

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

A28. INTEREST/PROFIT RATE RISK (CONTD.)

The Group 31.3.07	-----Non-trading book----->						Non- interest sensitive RM'000	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				
ASSETS										
Cash and short-term funds	2,773,655	-	-	-	-	-	798,770	-	3,572,425	3.93
Securities purchased under resale agreements	498,383	-	-	-	-	-	-	-	498,383	2.92
Deposits and placements with banks and other financial institutions	72,472	1,009,199	3,628	-	-	749,500	-	-	1,834,799	6.06
Securities held-for-trading	-	-	-	-	-	-	-	5,822,428	5,822,428	3.90
Securities available-for-sale	705,048	1,001,621	946,873	-	448,234	291,790	110,709	-	3,504,275	4.09
Securities held-to-maturity	1,340	-	139,763	148,073	630,365	172,900	99,156	-	1,191,597	6.64
Loans, advances and financing:										
- performing	1,851,092	1,730,499	86,266	78,591	258,837	14,814	36,766	-	4,056,865	6.39
- non-performing *	-	-	-	-	-	-	124,803	-	124,803	-
Amount due from Originators	-	400	9,441	2,980	39,600	-	-	-	52,421	4.30
Other non-interest sensitive balances	-	-	-	-	-	-	1,919,167	-	1,919,167	-
TOTAL ASSETS	5,901,990	3,741,719	1,185,971	229,644	1,377,036	1,229,004	3,089,371	5,822,428	22,577,163	
LIABILITIES AND EQUITY										
Deposits from customers	3,028,870	1,121,422	292,142	162,496	221,528	-	424,870	-	5,251,328	3.58
Deposits and placements of banks and other financial institutions	4,167,732	1,582,415	770,335	387,713	1,062,070	1,290,584	489,074	-	9,749,923	4.15
Obligations on securities sold under repurchase agreements	2,730,004	49,275	3,072	-	-	-	-	-	2,782,351	3.38

A28. INTEREST/PROFIT RATE RISK (CONTD.)

The Group 31.3.07	<-----Non-trading book ----->						Non- interest sensitive RM'000	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				
Acceptances payable	-	-	-	-	-	-	-	-	-	-
Recourse obligations on loans sold to Cagamas Berhad	-	400	9,441	2,980	39,600	-	-	-	52,421	4.30
Term loans	-	-	-	103,680	-	-	-	-	103,680	5.60
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	6.10
Other non-interest sensitive balances	-	-	-	-	-	-	1,717,714	-	1,717,714	
Total Liabilities	9,926,606	2,753,512	1,074,990	656,869	1,323,198	1,885,584	2,631,658	-	20,252,417	
Share capital	-	-	-	-	-	-	1,320,000	-	1,320,000	
Reserves	-	-	-	-	-	-	999,347	-	999,347	
Equity attributable to equity holders of the Company	-	-	-	-	-	-	2,319,347	-	2,319,347	
Minority interests	-	-	-	-	-	-	5,399	-	5,399	
TOTAL LIABILITIES AND EQUITY	9,926,606	2,753,512	1,074,990	656,869	1,323,198	1,885,584	4,956,404	-	22,577,163	
On-balance sheet interest sensitivity gap	(4,024,616)	988,207	110,981	(427,225)	53,838	(656,580)	(1,867,033)	5,822,428	-	
Off-balance sheet interest sensitivity gap	(3,257,352)	1,198,962	(600,545)	484,174	1,354,685	908,233	-	-	88,157	
Total interest sensitivity gap	(7,281,968)	2,187,169	(489,564)	56,949	1,408,523	251,653	(1,867,033)	5,822,428	88,157	
Cumulative interest rate sensitivity gap	(7,281,968)	(5,094,799)	(5,584,363)	(5,527,414)	(4,118,891)	(3,867,238)	(5,734,271)	88,157		

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

A29. CAPITAL ADEQUACY

Currently, the Group is not required to maintain any capital adequacy ratio requirements for financial institutions. However, if the Group is required to comply with such ratios, the Group's capital adequacy ratios are as follows:

	30.6.07	31.3.07
	RM'000	RM'000
Tier 1 capital		
Paid-up ordinary share capital	1,320,000	1,320,000
Share premium	80,521	80,521
Capital reserve	60,284	60,284
Statutory reserve	389,500	389,500
Exchange fluctuation reserve	(3,668)	(9,306)
Unappropriated profit at end of year	552,835	460,128
Minority interests	5,409	5,399
	<u>2,404,881</u>	<u>2,306,526</u>
Less:		
Goodwill	(122,641)	(122,641)
Deferred tax assets, net	(44,293)	(43,468)
Total Tier 1 capital	<u>2,237,947</u>	<u>2,140,417</u>
Tier 2 capital		
Redeemable unsecured subordinated bonds	595,000	595,000
General allowance for bad and doubtful debts	64,957	63,905
Total Tier 2 capital	<u>659,957</u>	<u>658,905</u>
Total capital funds	2,897,904	2,799,322
Less: Investment in capital of related financial institutions	(55,096)	(56,074)
Capital base	<u>2,842,808</u>	<u>2,743,248</u>
Capital Ratios:		
Core capital ratio	13.46%	13.86%
Risk-weighted capital ratio	17.09%	17.76%
Core capital ratio (net of proposed ordinary dividend)	12.98%	13.22%
Risk-weighted capital ratio (net of proposed ordinary dividend)	<u>16.61%</u>	<u>17.13%</u>

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

	30.6.07		31.3.07	
	Principal	Risk-Weighted	Principal	Risk-Weighted
	Amount	Amount	Amount	Amount
	RM'000	RM'000	RM'000	RM'000
0%	1,354,991	-	2,360,122	-
10%	1,613	161	1,359	136
20%	5,690,304	1,138,061	7,368,049	1,473,610
50%	231,265	115,632	228,956	114,478
100%	8,981,568	8,981,568	8,079,787	8,079,787
	<u>16,259,741</u>	<u>10,235,422</u>	<u>18,038,273</u>	<u>9,668,011</u>
Add: Total RWA equivalent to market risk		6,391,121		5,778,833
Add: Counterparty Risk Requirement for unsettled trades		2,546		-
Add: Large Exposure Risk Requirements for single entity		449		449
		<u>16,629,538</u>		<u>15,447,293</u>

A30. OPERATIONS OF ISLAMIC BANKING BUSINESS

The state of affairs as at 30 June 2007 and the results for the period ended 30 June 2007 of the Islamic banking business of the Group and included in the financial statements after elimination of intercompany transactions and balances are summarised as follows:

**UNAUDITED CONSOLIDATED BALANCE SHEET
 AS AT 30 JUNE 2007**

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
ASSETS		
Cash and short-term funds	976,605	704,124
Securities held-for-trading	27,718	407,673
Securities available-for-sale	17,827	17,596
Securities held-to-maturity	34,614	35,092
Financing, advances and other loans	33,878	33,649
Statutory deposit with Bank Negara Malaysia	14,500	14,500
Other receivables, deposits and prepayments	11,647	10,348
Property and equipment	35	33
Deferred tax assets	158	158
TOTAL ASSETS	1,116,982	1,223,173
LIABILITIES AND ISLAMIC BANKING FUNDS		
Deposits from customers	515,623	424,870
Deposits and placements of banks and other financial institutions	274,498	489,074
Converted fund	17,073	14,197
Other liabilities	16,570	12,117
Total Liabilities	823,764	940,258
ISLAMIC BANKING FUNDS		
Capital funds	102,839	102,839
Reserves	190,379	180,076
Islamic banking funds	293,218	282,915
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	1,116,982	1,223,173
COMMITMENTS AND CONTINGENCIES	3,163,920	3,401,236

**UNAUDITED CONSOLIDATED INCOME STATEMENT
 FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2007**

The Group	Individual Quarter		Cumulative Quarter	
	30.6.07	30.6.06	30.6.07	30.6.06
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	6,098	5,734	6,098	5,734
Reversal of allowance for losses on financing	383	456	383	456
Transfer (to)/from profit equalisation reserve	(32)	181	(32)	181
Total attributable income	6,449	6,371	6,449	6,371
Income attributable to depositors	(6,786)	(6,646)	(6,786)	(6,646)
Income/(Loss) attributable to the Group	(337)	(275)	(337)	(275)
Income derived from investment of Islamic banking funds	15,445	5,229	15,445	5,229
Total net income	15,108	4,954	15,108	4,954
Other operating expenses	(1,004)	(1,291)	(1,004)	(1,291)
Profit before taxation	14,104	3,663	14,104	3,663
Taxation	(3,764)	(978)	(3,764)	(978)
Profit for the period	10,340	2,685	10,340	2,685

A30a FINANCING, ADVANCES AND OTHER LOANS

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
Term financing		
Syndicated financing	19,344	19,730
Other term financing	15,021	15,026
Revolving credit	23,180	22,943
Gross financing, advances and other loans	<u>57,545</u>	<u>57,699</u>
Less : Allowance for bad and doubtful debts and financing:		
- General	516	513
- Specific	23,151	23,537
	<u>23,667</u>	<u>24,050</u>
Net financing, advances and other loans	<u>33,878</u>	<u>33,649</u>

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

Gross

Balance at beginning of period/year	23,537	39,920
Non-performing during the period/year	-	50
Recoveries	(386)	(330)
Amount written-off	-	(16,103)
Balance at end of period/year	<u>23,151</u>	<u>23,537</u>
Specific allowance	<u>(23,151)</u>	<u>(23,537)</u>
Net non-performing financing, advances and other loans	<u>-</u>	<u>-</u>

Ratio of non-performing financing, advances and other loans to total financing, advances and other loans - net

-	<u>-</u>
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Movements in allowances for bad and doubtful financing, advances and other loans are as follows:

General Allowance

Balance at beginning of period/year	513	1,125
Reversal of allowance during the period/year	3	(612)
Balance at end of period/year	<u>516</u>	<u>513</u>

% of total financing, advances and other loans less specific allowance

<u>1.50%</u>	<u>1.50%</u>
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Specific Allowance

Balance at beginning of period/year	23,537	29,911
Allowance made during the period/year	(386)	9,870
Amount written off	-	(16,244)
Balance at end of period/year	<u>23,151</u>	<u>23,537</u>

A30b DEPOSITS FROM CUSTOMERS

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
Mudarabah Fund:		
Mudarabah Special Investment deposits	515,623	424,870
	<u>515,623</u>	<u>424,870</u>

A30c. OTHER LIABILITIES

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
Other payables and accruals	3,416	2,783
Taxation and zakat payable	12,853	9,089
Profit equalisation reserve	277	245
Valuation adjustment on securities held-for-trading	24	-
	<u>16,570</u>	<u>12,117</u>

A31. CHANGE IN ACCOUNTING POLICIES

(a) Changes in accounting policy

During the financial quarter, the Group has adopted the revised FRS 117: Leases issued by MASB that is effective for the Group's annual reporting date, 31 March 2008 which have resulted in changes in accounting policies as follows:

FRS 117: Leases

Prior to 1 April 2007, lease of land and buildings held for own use was classified as property and equipment and was stated at cost less accumulated depreciation and impairment loss. The adoption of the revised FRS 117: Leases in 2007 resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Under FRS 117, lease of land and buildings are classified as operating or finance leases in the same way as leases of other assets. The land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease. The up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and building element of the lease at the inception of the lease. The up-front payment represents prepaid land lease payment and is amortised on a straight-line basis over the remaining lease term.

The Group have applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 April 2007, the unamortised carrying amount of leasehold land is classified as prepaid land lease payments. The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively. Certain comparatives of the balance sheets of the Group as at 31 March 2007 have been restated. There were no effects on the income statements of the Group for the 1st quarter ended 30 June 2007.

(b) Restatement of comparatives

The following comparative amounts have been restated as a result of adopting FRS 117: Leases.

	As previously reported RM'000	Effect of change RM'000	As restated RM'000
Prepaid land lease payments	-	-	2,716
Property and equipment	41,272	(2,716)	38,556

B1. PERFORMANCE REVIEW ON THE RESULTS OF THE GROUP FOR THE QUARTER

The Group recorded a pre-tax profit of RM126.4 million for the quarter ended 30 June 2007, an increase of 133.6% as compared to RM54.1 million reported in the corresponding quarter ended 30 June 2006. Accordingly, the Group's net profit attributable to equity holders of the Company for the quarter was RM92.7 million as compared to RM39.3 million for the corresponding quarter. Annualised net earnings per share stood at 28.1 sen, whilst post-tax return on average equity attributable to equity holders of the Company was 15.6% for the first quarter ended 30 June 2007.

The increase in pre-tax profit was mainly attributed to increase in net gain from sale of securities held for trading (RM79.2 million) and increase in fee income (RM94.3 million) mainly from improvement in brokerage, corporate advisory fees and fees on fund management activities. However, the increase was reduced by higher impairment losses on securities.

The Group's risk weighted capital ratio and equity attributable to equity holders of the Company as at 30 June 2007 stood at 17.09% and RM2.4 billion, respectively. As at 30 June 2007, the Group's net non-performing loans ratio reduced to 4.11% (4.44% as at 31 March 2007) and loan loss coverage (excluding collateral values of securities pledged) is 67.8%.

The investment banking operations reported a pretax profit of RM88.8 million as compared to RM39.4 million in the corresponding quarter ended 30 June 2006. The higher pre-tax profit was mainly due to higher net gain from trading of securities held for trading, higher brokerage and corporate advisory fee and higher bad debts recoveries.

The offshore banking operations of the Group reported a pre-tax profit of RM3.0 million as compared to a pretax profit of RM1.0 million in the corresponding quarter ended 30 June 2006 mainly due to gain on securities held for trading and higher gain on revaluation of securities held for trading portfolio.

The stockbroking operations recorded a pretax profit of RM31.5 million and RM9.3 million for the quarter ended 30 June 2006, respectively.

Total funds under management, both unit trust and institutional funds stood at RM16.5 billion and the Fund Management Division reported a pre-tax profit of RM9.9 million against a pre-tax profit of RM3.2 million for corresponding quarter ended 30 June 2006.

In the opinion of the Directors, the results of operations of the Group and the Company for the financial quarter and year have not been substantially affected by any item, transaction or event of a material and unusual nature.

B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION

The Group reported a higher pre-tax profit of RM126.4 million for the first quarter ended 30 June 2007 as compared to RM67.2 million for the fourth quarter ended 31 March 2007.

The higher pre-tax profit was mainly due to higher income on securities held-for-trading, lower interest expense, higher bad debts recovered, impairment writeback on securities and higher brokerage and fund management fees. However, this impact was reduced by lower trading and investment income arising from loss on revaluation of securities held-for-trading during the quarter.

B3. PROSPECTS FOR 31 MARCH 2008

In tandem with the thrusts of the 9MP, the Malaysian economy is projected to see sustained growth in 2007 with GDP growth projected at 5.9%. On the back of favorable macroeconomic conditions, the banking sector is expected to remain robust with strong capitalization and continuous improvement in asset quality.

For the upcoming year, capital market activities are expected to be robust. The active promotion of Islamic financing by the Malaysian government and growing demand for Shariah compliant securities from local and international investors provide an impetus for more capital market issues.

The Group will continue to pursue its strategy of expanding its business operations regionally whilst maintaining its leadership position in the industry. The Group is confident that it has built an infrastructure, customer base and brand-awareness that enables it to take advantage of industry growth opportunities. Further, it is envisaged that the Group's strategic tie-up with ANZ will elevate the Group to a level on par with international banks.

B4. VARIANCE FROM PROFIT FORECAST AND SHORTFALL FROM PROFIT GUARANTEE

This is not applicable to the Group.

B5. TAXATION

The Group	Individual Quarter		Cumulative Quarter	
	30.6.07	30.6.06	30.6.07	30.6.06
	RM'000	RM'000	RM'000	RM'000
Estimated current tax payable	34,525	14,848	34,525	14,848
(Overprovision)/Underprovision of current taxation in respect of prior years	-	22	-	22
Transfer to deferred tax assets	(825)	-	(825)	-
Total	33,700	14,870	33,700	14,870

The total tax charge of the Group for the financial quarter ended 30 June 2006 reflect an effective tax rate which is higher than the statutory tax rate due mainly to the disallowances of certain expenses.

The total tax charge of the Group for the financial quarter ended 30 June 2007 reflects an effective tax rate which is lower than the statutory tax rate due mainly to certain income not subject to tax and the effect of different tax rates incurred by the offshore banking operations in Labuan.

B6. SALE OF INVESTMENTS AND/OR FORECLOSED PROPERTIES

The Group	Individual Quarter		Cumulative Quarter	
	30.6.07	30.6.06	30.6.07	30.6.06
	RM'000	RM'000	RM'000	RM'000
Net gain/(loss) from sale of securities held-for-trading	79,233	(11,045)	79,233	(11,045)
Net gain from sale of securities available-for-sale	669	-	669	-
Net gain on redemption of securities held-to-maturity	3,040	14,886	3,040	14,886
Impairment (loss)/writeback on securities	6,400	909	6,400	909

B7. QUOTED SECURITIES

This note is not applicable to financial institutions.

B8. CORPORATE PROPOSALS

Status of corporate proposal announced but not completed are as follows:

AmInvestment Bank has entered into a preliminary agreement on 31 March 2007 with Saudi Arabian parties for a proposed joint venture in a company to be established for carrying on capital market activity in Saudi Arabia, subject to the joint venture company being licensed by the relevant Saudi Arabian authorities. The preliminary agreement will pave the way for the parties to engage in further negotiations towards finalising a shareholders' agreement to govern the proposed joint venture.

B9. BORROWINGS

	The Group	
	30.6.07	31.3.07
	RM'000	RM'000
(i) Deposits from customers		
Due within six months	5,383,764	4,792,903
Six months to one year	302,014	256,375
One year to three years	200,622	202,050
	<u>5,886,400</u>	<u>5,251,328</u>
(ii) Deposits and placements of banks and other financial institutions		
Due within six months	5,936,629	6,944,825
Six months to one year	675,810	393,617
One year to three years	681,066	1,083,734
Three to five years	1,372,649	1,327,747
	<u>8,666,154</u>	<u>9,749,923</u>
<i>Recap :</i>		
<i>Interbank lendings</i>	2,089,063	3,770,547
<i>Interbank borrowings</i>	<u>(3,165,101)</u>	<u>(4,118,513)</u>
<i>Net interbank (borrowings)/lendings</i>	<u>(1,076,038)</u>	<u>(347,966)</u>
(iv) Term loans		
Due within one year		
Secured	<u>135,392</u>	<u>103,680</u>
(v) Redeemable unsecured subordinated bonds		
More than one year	<u>595,000</u>	<u>595,000</u>

B10. DERIVATIVE FINANCIAL INSTRUMENTS

Please refer to note A27.

B11. MATERIAL LITIGATION

The Group and the Company do not have any material litigation which would materially affect the financial position of the Group and the Company. For other litigation, please refer to Note A25(d) and (e).

B12. DIVIDENDS

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

B13. EARNINGS PER SHARE (SEN)

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the number of ordinary shares in issue during the financial quarter and period.

	Individual Quarter		Cumulative Quarter	
	30.6.07	30.6.06	30.6.07	30.6.06
The Group	RM'000	RM'000	RM'000	RM'000
Net profit attributable to equity holders of the company	92,707	39,308	92,707	39,308
Weighted average number of ordinary shares in issue	1,320,000	1,320,000	1,320,000	1,320,000
Basic earnings per share (sen)	7.02	2.98	7.02	2.98

There are no dilutive potential ordinary shares during the financial quarter and period.

BY ORDER OF THE BOARD
RAVINDRA KUMAR THAMBIMUTHU
 GROUP COMPANY SECRETARY
 Kuala Lumpur

Date : 8 August 2007