

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

**UNAUDITED BALANCE SHEETS
AS AT 31 DECEMBER 2007**

	Note	Group		Bank	
		31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
ASSETS					
Cash and short-term funds		3,665,445	3,483,697	3,314,116	3,276,782
Securities purchased under resale agreements		605,327	393,329	605,327	374,155
Deposits and placements with banks and other financial institutions		1,749,632	1,828,841	1,748,710	1,924,828
Securities held-for-trading	8	4,641,587	5,734,091	4,641,534	5,700,187
Securities available-for-sale	9	1,410,797	3,419,740	1,409,868	3,401,440
Securities held-to-maturity	10	749,958	1,191,597	707,553	1,146,967
Derivative financial assets		214,143	380,742	214,143	380,742
Loans, advances and financing	11	4,279,889	4,181,657	4,245,715	4,096,669
Other assets	12	692,466	1,060,264	495,227	829,926
Statutory deposit with Bank Negara Malaysia		135,895	169,050	135,895	169,050
Investments in subsidiary companies		-	-	155,691	154,872
Investments in associated companies		2,169	2,590	100	138
Prepaid land lease payments		2,670	2,716	2,670	2,716
Property and equipment		40,473	36,758	35,355	33,013
Deferred tax assets		43,146	43,468	41,936	43,083
Intangible assets		52,389	50,591	4,503	3,558
TOTAL ASSETS		18,285,986	21,979,131	17,758,343	21,538,126
LIABILITIES AND EQUITY					
Deposits from customers	13	6,059,547	5,251,328	5,561,231	5,046,701
Deposits and placements of banks and other financial institutions	14	8,108,161	9,837,132	8,353,659	9,921,613
Derivative financial liabilities		220,680	333,670	220,680	333,670
Obligations on securities sold under repurchase agreements		-	2,789,379	-	2,789,379
Recourse obligations on loans sold to Cagamas Berhad		36,952	52,421	36,952	52,421
Other liabilities	15	1,153,647	1,123,813	1,002,355	896,302
Term loans		99,210	103,680	99,210	103,680
Redeemable unsecured subordinated bonds		595,000	595,000	595,000	595,000
Total Liabilities		16,273,197	20,086,423	15,869,087	19,738,766
Share capital		340,000	340,000	340,000	340,000
Reserves		1,672,789	1,552,708	1,549,256	1,459,360
Equity attributable to equity holder of the Bank		2,012,789	1,892,708	1,889,256	1,799,360
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		18,285,986	21,979,131	17,758,343	21,538,126

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UNAUDITED BALANCE SHEETS
AS AT 31 DECEMBER 2007 (CONTD.)

	Note	Group		Bank	
		31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
COMMITMENTS AND CONTINGENCIES	26	43,245,920	42,778,034	43,239,407	42,774,969
NET ASSETS PER ORDINARY SHARE (RM)		8.39	7.89	7.87	7.50
NET ASSETS PER ORDINARY SHARE, AFTER DEDUCTING THE NOMINAL AMOUNT OF PREFERENCE SHARE CAPITAL (RM)		7.97	7.47	7.46	7.08
CAPITAL ADEQUACY	30				
Before deducting proposed dividends					
Core Capital Ratio		12.48%	11.75%	12.40%	12.00%
Risk-Weighted Capital Ratio		16.55%	15.71%	15.70%	15.22%
After deducting proposed dividends					
Core Capital Ratio		12.48%	11.23%	12.40%	11.46%
Risk-Weighted Capital Ratio		16.55%	15.18%	15.70%	14.68%

The Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 March 2007.

**AmInvestment Bank Berhad
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**UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2007**

Group	Note	Individual Quarter		Cumulative Quarter	
		31.12.07 RM'000	31.12.06 RM'000	31.12.07 RM'000	31.12.06 RM'000
Revenue		333,852	407,685	980,676	966,471
Interest income	16	199,999	202,103	578,496	576,902
Interest expense	17	(151,030)	(147,682)	(471,986)	(446,425)
Net interest income		48,969	54,421	106,510	130,477
Net income from Islamic banking business		7,139	19,932	32,082	35,200
Other operating income	18	126,714	185,650	370,098	354,369
Net income		182,822	260,003	508,690	520,046
Other operating expenses	19	(69,004)	(44,576)	(204,712)	(125,739)
Operating profit		113,818	215,427	303,978	394,307
Writeback of allowance/(Allowances) for losses on loans and financing	20	12,474	(54,713)	33,210	(74,641)
Impairment writeback/(loss) on:					
Securities		(30,287)	(2,436)	(19,412)	(33,294)
Assets acquired in exchange of debts		-	-	72	(936)
Transfer (to)/from profit equalisation reserve		(36)	(63)	(109)	62
Writeback of allowance/(Allowance) for doubtful sundry receivables- net		181	88	793	(202)
Writeback of provision for commitments		-	6	299	324
Profit before share in results of associated companies		96,150	158,309	318,831	285,620
Share in results of associated companies		(3)	76	32	1,121
Profit before taxation		96,147	158,385	318,863	286,741
Taxation		(25,608)	(41,772)	(76,224)	(77,905)
Net profit attributable to equity holder of the Bank		70,539	116,613	242,639	208,836
Attributable to :					
Equity holder of the Bank		70,539	116,613	242,639	208,836
Minority interests		-	-	-	-
Profit for the period		70,539	116,613	242,639	208,836
EARNINGS PER SHARE (SEN)					
Basic		29.39	48.59	101.10	87.02
Fully diluted		20.75	34.30	71.36	61.42

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2007.

AmInvestment Bank Berhad
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UNAUDITED CONSOLIDATED INCOME STATEMENTS (CONTD.)
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2007

Bank	Note	Individual Quarter		Cumulative Quarter	
		31.12.07 RM'000	31.12.06 RM'000	31.12.07 RM'000	31.12.06 RM'000
Revenue		297,695	381,673	884,303	903,325
Interest income	16	192,987	197,739	568,091	565,054
Interest expense	17	(146,655)	(144,978)	(467,578)	(438,577)
Net interest income		46,332	52,761	100,513	126,477
Net income from Islamic banking business		6,952	19,647	31,529	34,404
Other operating income	18	97,756	164,286	284,683	303,867
Net income		151,040	236,694	416,725	464,748
Other operating expenses	19	(50,956)	(31,303)	(154,950)	(95,384)
Operating profit		100,084	205,391	261,775	369,364
Writeback of allowance/(Allowances) for losses on loans and financing	20	12,363	(53,878)	32,482	(72,591)
Impairment writeback/(loss) on:					
Securities		(30,287)	21	(19,412)	(27,421)
Assets acquired in exchange of debts		-	-	72	(936)
Transfer from profit equalisation reserve		-	-	-	181
Writeback of allowance/(Allowance) for doubtful sundry receivables- net		260	(93)	817	(410)
Writeback of provision for commitments		-	6	299	324
Profit before taxation		82,420	151,447	276,033	268,511
Taxation		(22,511)	(39,632)	(66,563)	(73,636)
Net profit attributable to equity holder of the Bank		59,909	111,815	209,470	194,875
EARNINGS PER SHARE (SEN)					
Basic		24.96	46.59	87.28	81.20
Fully diluted		17.62	32.89	61.61	57.32

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2007.

AmInvestment Bank Berhad
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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2007

Group	-----Attributable to equity holder of the Bank----->								
	Non-distributable						Distributable		Total shareholder's equity RM'000
	Share capital RM'000	ICULS RM'000	Capital reserve RM'000	Share premium RM'000	Statutory reserve RM'000	Available-for- sale reserve RM'000	Exchange fluctuation reserve RM'000	Unappropriated profits RM'000	
At 1 April 2006	310,000	120,000	2,815	100,284	329,549	(3,055)	27,179	824,181	
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	-	18,843	-	-	18,843
Interest on ICULS	-	-	-	-	-	-	-	(5,426)	(5,426)
Exchange fluctuation adjustments	-	-	-	-	-	-	1,091	-	1,091
Net income/(expense) recognised directly in equity	-	-	-	-	-	18,843	1,091	(5,426)	14,508
Profit for the period	-	-	-	-	-	-	-	208,836	208,836
Total recognised income/(expense) for the period	-	-	-	-	-	18,843	1,091	203,410	223,344
Final ordinary dividends paid	-	-	-	-	-	-	-	(55,944)	(55,944)
Interim ordinary dividends paid	-	-	-	-	-	-	-	(30,660)	(30,660)
At 31 December 2006	310,000	120,000	2,815	100,284	329,549	15,788	28,270	940,987	1,847,693
At 1 April 2007	340,000	-	2,815	190,284	389,500	12,880	28,477	928,752	1,892,708
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	-	8,669	-	-	8,669
Exchange fluctuation adjustments	-	-	-	-	-	-	(2,467)	-	(2,467)
Net income/(expense) recognised directly in equity	-	-	-	-	-	8,669	(2,467)	-	6,202
Profit for the period	-	-	-	-	-	-	-	242,639	242,639
Total recognised income and (expense) for the period	-	-	-	-	-	8,669	(2,467)	242,639	248,841
Final ordinary dividends paid	-	-	-	-	-	-	-	(79,920)	(79,920)
Interim ordinary dividends paid	-	-	-	-	-	-	-	(48,840)	(48,840)
At 31 December 2007	340,000	-	2,815	190,284	389,500	21,549	26,010	1,042,631	2,012,789

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2007.

AmInvestment Bank Berhad
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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTD.)
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2007

	<-----Attributable to equity holder of the Bank----->							
	Non-distributable					Distributable		Total shareholder's equity RM'000
	Share capital RM'000	ICULS RM'000	Share premium RM'000	Statutory reserve RM'000	Available-for- sale reserve RM'000	Exchange fluctuation reserve RM'000	Unappropriated profits RM'000	
Bank								
At 1 April 2006	310,000	120,000	100,284	329,549	(3,410)	-	778,330	1,634,753
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	19,118	-	-	19,118
Interest on ICULS	-	-	-	-	-	-	(5,426)	(5,426)
Exchange fluctuation adjustments	-	-	-	-	-	5,591	-	5,591
Net income/(expense) recognised directly in equity	-	-	-	-	19,118	5,591	(5,426)	19,283
Profit for the period	-	-	-	-	-	-	194,875	194,875
Total recognised income and expense for the period	-	-	-	-	19,118	5,591	189,449	214,158
Final ordinary dividends paid	-	-	-	-	-	-	(55,944)	(55,944)
Interim ordinary dividends paid	-	-	-	-	-	-	(30,660)	(30,660)
At 31 December 2006	310,000	120,000	100,284	329,549	15,708	5,591	881,175	1,762,307
At 1 April 2007	340,000	-	190,284	389,500	12,828	8,291	858,457	1,799,360
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	8,669	-	-	8,669
Exchange fluctuation adjustments	-	-	-	-	-	517	-	517
Net income/(expense) recognised directly in equity	-	-	-	-	8,669	517	-	9,186
Profit for the period	-	-	-	-	-	-	209,470	209,470
Total recognised income and (expense) for the period	-	-	-	-	8,669	517	209,470	218,656
Final ordinary dividends paid	-	-	-	-	-	-	(79,920)	(79,920)
Interim ordinary dividends paid	-	-	-	-	-	-	(48,840)	(48,840)
At 31 December 2007	340,000	-	190,284	389,500	21,497	8,808	939,167	1,889,256

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2007.

**AmInvestment Bank Berhad
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**UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2007**

	Group		Bank	
	31.12.07 RM'000	31.12.06 RM'000	31.12.07 RM'000	31.12.06 RM'000
Profit before taxation	318,863	286,741	276,033	268,511
Add adjustments for non-operating and non cash items	(126,060)	(75,361)	(129,973)	(159,427)
Operating profit before working capital changes	192,803	211,380	146,060	109,084
Decrease in operating assets	1,473,323	1,884,716	1,431,934	1,907,876
Decrease in operating liabilities	(3,816,438)	(688,800)	(3,868,862)	(777,068)
Cash (used in)/generated from operations	(2,150,312)	1,407,296	(2,290,868)	1,239,892
Taxation paid	(59,551)	(64,127)	(55,618)	(58,716)
Net cash (used in)/generated from operating activities	(2,209,863)	1,343,169	(2,346,486)	1,181,176
Net cash generated from/(used in) investing activities	2,537,218	(1,806,616)	2,521,662	(1,822,813)
Net cash generated from/(used in) financing activities	(133,230)	(103,513)	(128,760)	(99,230)
	2,403,988	(1,910,129)	2,392,902	(1,922,043)
Net increase/(decrease) in cash and cash equivalents	194,125	(566,960)	46,416	(740,867)
Cash and cash equivalents at beginning of period	3,457,791	3,106,184	3,256,086	2,992,725
Cash and cash equivalents at end of period	3,651,916	2,539,224	3,302,502	2,251,858

Note 1 : Cash and cash equivalents

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

	Group		Bank	
	31.12.07 RM'000	31.12.06 RM'000	31.12.07 RM'000	31.12.06 RM'000
Cash and short-term funds	3,665,445	2,539,224	3,314,116	2,251,858
Less: Cash and bank balances and deposit held in trust	(13,529)	-	(11,614)	-
	3,651,916	2,539,224	3,302,502	2,251,858

The Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2007.

EXPLANATORY NOTES :

1. ACCOUNTING POLICIES AND METHOD OF COMPUTATION

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 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 is effective for the Group and the Bank annual reporting date, 31 March 2008. The adoption of FRS 117 has resulted in changes in the accounting policies of the Group and the Bank and are disclosed in Note 32.

The specific and general allowances for loans, advances and financing of the Group and the Bank are computed based on BNM's guidelines on the "Classification of Non-Performing Loans and Provisions for Substandard, Bad and Doubtful Debts" ("BNM/GP3") requirements. However, the Group and the Bank 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 and the Bank 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 and the Bank. 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.

2. AUDIT QUALIFICATION

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

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 2007.

6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

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

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

7. DIVIDENDS

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

8. SECURITIES HELD-FOR-TRADING

	Group		Bank	
	31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
At Fair Value				
Money Market Securities:				
Treasury bills	3,678	-	3,678	-
Islamic Treasury bills	83,063	-	83,063	-
Malaysian Government Securities	429,279	1,401,040	429,279	1,401,040
Malaysian Government Investment Certificates	77,636	535,577	77,636	535,577
Cagamas bonds	-	60,230	-	60,230
Cagamas Mudharabah bearer bonds	-	16,217	-	16,217
Khazanah bonds	102,935	11,741	102,935	11,741
Negotiable instruments of deposits	14,645	-	14,645	-
Negotiable Islamic Debt Certificates	54,444	60,082	54,444	60,082
Bank Negara Monetary Notes	8,299	413,656	8,299	413,656
Islamic Bank Negara Monetary Notes	49,396	-	49,396	-
	<u>823,375</u>	<u>2,498,543</u>	<u>823,375</u>	<u>2,498,543</u>
Securities Quoted:				
In Malaysia:				
Shares	98,630	170,971	98,630	170,971
Trust units	77,604	88,330	77,604	88,330
Corporate bonds	-	33,922	-	-
Outside Malaysia:				
Shares	93,511	43,067	93,458	43,085
	<u>269,745</u>	<u>336,290</u>	<u>269,692</u>	<u>302,386</u>
Unquoted Private Debt Securities Of Companies Incorporated:				
In Malaysia:				
Corporate bonds	1,412,909	704,771	1,412,909	704,771
Corporate notes	73,577	50,224	73,577	50,224
Islamic corporate bonds	1,650,866	1,548,093	1,650,866	1,548,093
Islamic corporate notes	85,312	63,947	85,312	63,947
Outside Malaysia:				
Corporate bonds	174,831	119,185	174,831	119,185
	<u>3,397,495</u>	<u>2,486,220</u>	<u>3,397,495</u>	<u>2,486,220</u>

	Group		Bank	
	31.12.07	31.03.07	31.12.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:				
Corporate bonds	115,836	239,745	115,836	239,745
Corporate notes	-	39,749	-	39,749
Islamic corporate bonds	4,407	103,119	4,407	103,119
Islamic corporate notes	30,729	30,425	30,729	30,425
	150,972	413,038	150,972	413,038
Total securities held-for-trading	4,641,587	5,734,091	4,641,534	5,700,187

9. SECURITIES AVAILABLE-FOR-SALE

At Fair Value

Money Market Securities:

Negotiable instruments of deposits	220,176	2,580,599	220,176	2,580,599
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Securities Quoted in Malaysia:

Corporate bonds	-	17,329	-	-
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Debt Equity Converted Securities:

Quoted in Malaysia:

Shares - with options	541	15,172	541	15,172
Shares	3,955	5,634	3,955	5,634
Corporate bonds	4,411	-	4,411	-
Loan stocks	9,437	-	9,437	-

Unquoted securities outside Malaysia:

Shares	929	971	-	-
	19,273	21,777	18,344	20,806

Unquoted Private Debt Securities Of Companies Incorporated

In Malaysia:

Corporate bonds	116,134	96,920	116,134	96,920
Islamic corporate bonds	940,505	558,857	940,505	558,857

Outside Malaysia:

Corporate bonds	114,709	-	114,709	-
	1,171,348	655,777	1,171,348	655,777

Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:

Corporate bonds	-	144,258	-	144,258
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Total securities available-for-sale

	1,410,797	3,419,740	1,409,868	3,401,440
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10. SECURITIES HELD-TO-MATURITY

	Group		Bank	
	31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
At Amortised Cost:				
Money Market Securities:				
Negotiable Instrument of Deposit	140,316	89,589	140,316	89,589
Quoted Securities:				
In Malaysia:				
Shares	2	2	-	-
Corporate bonds	26,456	34,560	-	-
Trust Units	2,007	1,001	2,007	1,001
Outside Malaysia:				
Islamic Corporate bonds	6,614	-	-	-
	<u>35,079</u>	<u>35,563</u>	<u>2,007</u>	<u>1,001</u>
Unquoted Securities Of Companies				
Incorporated:				
In Malaysia:				
Shares	60,588	60,588	60,588	60,588
Corporate bonds	100	100	100	100
Outside Malaysia:				
Shares	6,424	7,580	6,424	7,580
	<u>67,112</u>	<u>68,268</u>	<u>67,112</u>	<u>68,268</u>
Debt Equity Converted Securities:				
Quoted in Malaysia:				
Loan stocks - collateralised	971	971	-	-
Loan stocks	158,295	424,490	158,295	424,490
Unquoted securities of companies incorporated in Malaysia:				
Shares	1,679	1,679	-	-
Corporate bonds	278,572	356,556	258,017	334,760
	<u>439,517</u>	<u>783,696</u>	<u>416,312</u>	<u>759,250</u>
Unquoted Private Debt Securities Of Companies Incorporated:				
In Malaysia:				
Islamic corporate bonds	191,151	193,598	191,151	193,598
Corporate bonds and notes denominated in USD	-	56,871	-	56,871
Outside Malaysia:				
Corporate bonds and notes denominated in USD	-	103,680	-	103,680
	<u>191,151</u>	<u>354,149</u>	<u>191,151</u>	<u>354,149</u>

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

	Group		Bank	
	31.12.07	31.03.07	31.12.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Unquoted Guaranteed Private Debt				
Securities Of Companies				
Incorporated In Malaysia:				
Corporate bonds	-	79,216	-	79,216
Total	873,175	1,410,481	816,898	1,351,473
Accumulated impairment losses	(123,217)	(218,884)	(109,345)	(204,506)
Total securities held-to-maturity	749,958	1,191,597	707,553	1,146,967

11. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	31.12.07	31.03.07	31.12.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Term loans and revolving credits				
Customers	4,430,058	4,364,635	4,395,968	4,254,404
Related companies	50,633	31,295	50,633	31,295
Staff loans	23,669	25,055	23,049	24,268
Gross loans, advances and financing	4,504,360	4,420,985	4,469,650	4,309,967
Less:				
Allowance for bad and doubtful debts and financing:				
General	65,171	63,677	64,652	62,386
Specific	159,300	175,651	159,283	150,912
	224,471	239,328	223,935	213,298
Net loans, advances and financing	4,279,889	4,181,657	4,245,715	4,096,669

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

	Group		Bank	
	31.12.07	31.03.07	31.12.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Working capital	1,840,765	1,876,776	1,806,749	1,775,019
Construction	649,019	750,864	649,019	750,864
Purchase of securities	742,209	622,876	742,209	622,876
Fixed assets	249,251	300,362	249,251	300,362
Merger and acquisition	97,511	207,044	97,511	207,044
Non-residential landed properties	171,852	200,638	171,852	194,471
Residential landed properties	50,414	51,749	49,844	51,216
Personal use	49,673	5,391	49,673	5,391
Purchase of transport vehicles	3,423	3,199	3,373	3,167
Other purpose	650,243	402,086	650,169	399,557
Gross loans, advances and financing	<u>4,504,360</u>	<u>4,420,985</u>	<u>4,469,650</u>	<u>4,309,967</u>

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

	Group		Bank	
	31.12.07	31.03.07	31.12.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Domestic :				
Other non-bank financial institutions	79,145	121,453	79,145	121,453
Business enterprises:				
Small medium enterprises	201,443	208,749	201,443	208,528
Others	3,640,205	3,615,883	3,621,793	3,566,541
Government and statutory bodies	47,993	57,489	47,993	22,918
Individuals	334,566	268,461	333,946	267,896
Foreign entities	201,008	148,950	185,330	122,631
	<u>4,504,360</u>	<u>4,420,985</u>	<u>4,469,650</u>	<u>4,309,967</u>

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

	Group		Bank	
	31.12.07	31.03.07	31.12.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Variable rate				
Cost-plus	3,650,229	3,757,465	3,636,118	3,711,708
Other variable rates	148,504	137,867	128,599	75,938
	<u>3,798,733</u>	<u>3,895,332</u>	<u>3,764,717</u>	<u>3,787,646</u>
Fixed rate				
Housing loans	20,248	21,833	19,676	21,101
Hire purchase receivables	3,421	3,222	3,373	3,167
Other fixed rates	681,958	500,598	681,884	498,053
	<u>705,627</u>	<u>525,653</u>	<u>704,933</u>	<u>522,321</u>
	<u>4,504,360</u>	<u>4,420,985</u>	<u>4,469,650</u>	<u>4,309,967</u>

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

	Group		Bank	
	31.12.07	31.03.07	31.12.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Balance at beginning of period/year	364,131	530,269	329,423	497,739
Non-performing during the period/year	71,199	63,991	71,199	63,991
Reclassification to performing loans, advances and financing	(21,272)	(8,585)	(21,272)	(8,585)
Debt equity conversion	(32,807)	-	(32,807)	-
Recoveries	(64,752)	(59,228)	(58,686)	(59,228)
Amount written off	(23,524)	(173,128)	(378)	(173,128)
Exchange fluctuation adjustment	(5,711)	2,001	(215)	(177)
Transfer from stock and share-broking operations	-	8,811	-	8,811
Balance at end of period/year	<u>287,264</u>	<u>364,131</u>	<u>287,264</u>	<u>329,423</u>
Specific allowance	<u>(159,300)</u>	<u>(175,651)</u>	<u>(159,283)</u>	<u>(150,912)</u>
Non-performing loans, advances and financing - net	<u>127,964</u>	<u>188,480</u>	<u>127,981</u>	<u>178,511</u>
Ratios of non-performing loans, advances and financing to total loans, advances and financing - net	<u>2.95%</u>	<u>4.44%</u>	<u>2.97%</u>	<u>4.29%</u>

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

	Group		Bank	
	31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
Working capital	139,990	180,707	139,990	152,166
Construction	115,495	117,146	115,495	117,146
Non-residential landed properties	4,801	16,803	4,801	10,636
Merger and acquisition	-	15,020	-	15,020
Purchase of securities	8,475	14,336	8,475	14,336
Personal use	4,390	4,390	4,390	4,390
Purchase of transport vehicles	65	65	65	65
Other purpose	14,048	15,664	14,048	15,664
	<u>287,264</u>	<u>364,131</u>	<u>287,264</u>	<u>329,423</u>

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

	Group		Bank	
	31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
General allowance				
Balance at beginning of period/year	63,677	63,925	62,386	61,553
Reversal of allowance during the period/year	1,643	(1,260)	2,389	(277)
Transfer from stock and share-broking operations	-	1,321	-	1,321
Exchange fluctuation adjustments	(149)	(309)	(123)	(211)
Balance at end of period/year	<u>65,171</u>	<u>63,677</u>	<u>64,652</u>	<u>62,386</u>
% of total loans, advances and financing less specific allowances	<u>1.50%</u>	<u>1.50%</u>	<u>1.50%</u>	<u>1.50%</u>

Specific allowance

Balance at beginning of period/year	175,651	235,984	150,912	222,357
Allowance during the period/year	29,790	122,090	29,773	109,868
Amount written back in respect of recoveries and reversals	(12,624)	(16,777)	(12,624)	(16,777)
Net charge to income statements	17,166	105,313	17,149	93,091
Transfer from stock and share-broking operations	647	8,741	647	8,741
Debt equity conversion	(9,046)	-	(9,046)	-
Amount written off	(24,052)	(173,278)	(379)	(173,278)
Exchange fluctuation adjustments	(1,066)	(1,109)	-	1
Balance at end of period/year	<u>159,300</u>	<u>175,651</u>	<u>159,283</u>	<u>150,912</u>

12. OTHER ASSETS

	Group		Bank	
	31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
Trade receivables, net of allowance for doubtful debts	395,577	666,909	220,895	452,696
Other receivables, deposits and prepayments, net of allowance for doubtful debts	163,215	195,369	138,246	178,328
Interest/Dividends receivable	85,738	104,399	85,407	103,731
Amount due from Originators	36,952	52,421	36,952	52,421
Amount due from brokers	3,113	22,671	3,113	22,671
Amount due from:				
Ultimate holding company	254	3,561	254	3,561
Subsidiary companies	-	-	2,853	1,691
Related companies	4,642	8,102	4,532	7,995
Assets acquired in exchange of debts, net of impairment loss	2,975	6,832	2,975	6,832
	<u>692,466</u>	<u>1,060,264</u>	<u>495,227</u>	<u>829,926</u>

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

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

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

13. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
Term/Investment deposits	4,295,420	4,822,143	3,797,104	4,617,516
Negotiable instruments of deposits	100,616	300	100,616	300
Other deposits	1,663,511	428,885	1,663,511	428,885
	<u>6,059,547</u>	<u>5,251,328</u>	<u>5,561,231</u>	<u>5,046,701</u>

The deposits are sourced from the following types of customers:

	Group		Bank	
	31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
Business enterprises	4,046,638	3,252,167	3,550,352	3,050,923
Individuals	24,354	35,768	22,857	33,410
Government	971,343	738,043	971,343	738,043
Others	1,017,212	1,225,350	1,016,679	1,224,325
	<u>6,059,547</u>	<u>5,251,328</u>	<u>5,561,231</u>	<u>5,046,701</u>

14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
Licensed banks:				
Subsidiary	-	-	272,794	116,486
Related	1,808,207	4,397,316	1,808,207	4,397,316
Others	1,454,600	1,373,390	1,454,599	1,373,389
Licensed investment banks	29,419	-	29,419	-
Bank Negara Malaysia	-	9,100	-	9,100
Other financial institutions	4,815,935	4,057,326	4,788,640	4,025,322
	<u>8,108,161</u>	<u>9,837,132</u>	<u>8,353,659</u>	<u>9,921,613</u>

15. OTHER LIABILITIES

	Group		Bank	
	31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
Trade payables	522,599	754,012	400,812	584,108
Other payables and accruals	196,717	244,642	176,357	190,704
Provision for commitments	-	299	-	299
Amount due to related companies	15,373	14,678	15,348	14,669
Taxation payable	8,871	4,290	-	780
Dividends payable to holding company	-	-	-	-
Zakat payable	38	38	38	38
Profit equalisation reserve	344	245	95	95
Securities sold not yet-repurchased	409,705	98,209	409,705	98,209
Proposed preference dividends	-	7,400	-	7,400
	<u>1,153,647</u>	<u>1,123,813</u>	<u>1,002,355</u>	<u>896,302</u>

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

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

The movements in profit equalisation reserve are as follows:

	Group		Bank	
	31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
Balance at beginning of period/year	245	276	95	276
Provision during the period/year/ (Amount written back)	109	(25)	-	(181)
Exchange fluctuation adjustments	(10)	(6)	-	-
Balance at end of period/year	<u>344</u>	<u>245</u>	<u>95</u>	<u>95</u>

16. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.12.07 RM'000	31.12.06 RM'000	31.12.07 RM'000	31.12.06 RM'000
Short-term funds and deposits with financial institutions	55,515	42,083	143,390	111,289
Securities held-for-trading	44,269	45,624	135,135	150,952
Securities available-for-sale	14,324	33,586	67,259	81,582
Securities held-to-maturity	7,017	9,009	9,772	17,332
Loans and advances				
- Interest income other than recoveries from NPLs	67,187	60,635	196,376	178,020
- Recoveries from NPLs	8,024	9,309	16,101	25,248
Others	1,495	596	3,054	1,281
Gross interest income	197,831	200,842	571,087	565,704
Amortisation of premiums less accretion of discounts	4,583	1,261	9,867	11,198
Interest suspended	(2,415)	-	(2,458)	-
Total after net interest suspension	199,999	202,103	578,496	576,902
Bank				
	Individual Quarter		Cumulative Quarter	
	31.12.07 RM'000	31.12.06 RM'000	31.12.07 RM'000	31.12.06 RM'000
Short-term funds and deposits with financial institutions	50,021	39,955	137,395	106,337
Securities held-for-trading	44,230	45,328	134,451	150,056
Securities available-for-sale	14,324	33,586	67,259	81,582
Securities held-to-maturity	7,016	9,009	9,713	17,332
Loans and advances				
- Interest income other than recoveries from NPLs	66,618	58,896	194,387	172,287
- Recoveries from NPLs	7,547	9,309	15,624	25,248
Others	1,063	395	1,853	1,014
Gross interest income	190,819	196,478	560,682	553,856
Amortisation of premiums less accretion of discounts	4,583	1,261	9,867	11,198
Interest suspended	(2,415)	-	(2,458)	-
Total after net interest suspension	192,987	197,739	568,091	565,054

17. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	31.12.07 RM'000	31.12.06 RM'000	31.12.07 RM'000	31.12.06 RM'000
Deposits from customers	90,326	70,290	246,791	215,409
Deposit of banks and other financial institutions	43,854	31,820	149,970	113,098
Securities sold under repurchase agreements	-	21,995	16,765	65,565
Subordinated deposits and term loans	1,403	3,958	4,349	11,602
Securities sold not yet repurchased	2,129	260	5,006	794
Redeemable unsecured bonds	9,153	9,153	27,359	27,359
Others	4,165	10,206	21,746	12,598
	<u>151,030</u>	<u>147,682</u>	<u>471,986</u>	<u>446,425</u>

Bank	Individual Quarter		Cumulative Quarter	
	31.12.07 RM'000	31.12.06 RM'000	31.12.07 RM'000	31.12.06 RM'000
Deposits from customers	87,076	67,304	241,221	207,211
Deposit of banks and other financial institutions	42,746	36,057	151,144	125,046
Securities sold under repurchase agreements	-	21,997	16,765	65,567
Subordinated deposits and term loans	1,403	-	4,349	-
Securities sold not yet repurchased	2,129	260	5,006	794
Redeemable unsecured bonds	9,153	9,153	27,359	27,359
Others	4,148	10,207	21,734	12,600
	<u>146,655</u>	<u>144,978</u>	<u>467,578</u>	<u>438,577</u>

18. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	31.12.07 RM'000	31.12.06 RM'000	31.12.07 RM'000	31.12.06 RM'000
Fee income:				
Fees on loans and advances	3,260	2,264	8,994	9,627
Corporate advisory fees	12,905	4,389	31,371	11,759
Guarantee fees	924	1,511	4,424	11,338
Underwriting commissions	3,385	4,301	10,877	13,674
Portfolio management fees	3,690	3,176	12,587	8,515
Unit trust management fees	19,155	11,737	47,007	28,710
Property trust management fees	-	457	-	1,504
Brokerage fees and commissions	29,908	-	113,362	-
Other fee income	7,185	8,275	21,697	15,540
	<u>80,412</u>	<u>36,110</u>	<u>250,319</u>	<u>100,667</u>
Investment and trading income:				
Net (loss)/gain from sale of securities held-for-trading	(2,240)	100,467	88,168	107,104
Net gain/(loss) from sale of securities available-for-sale	958	(1,776)	2,990	681
Net gain on redemption of securities held-to-maturity	48,855	1,727	87,260	35,650
Gain/(Loss) on revaluation of derivatives	1,227	209	(13,022)	9,479
Gross dividend income from:				
Securities held-for-trading	2,804	1,124	9,162	5,205
Securities held-to-maturity	290	773	11,015	11,751
(Loss)/Gain on revaluation of securities held-for-trading	(6,929)	45,227	(69,852)	80,846
	<u>44,965</u>	<u>147,751</u>	<u>115,721</u>	<u>250,716</u>
Other income:				
Foreign exchange gain	713	1,206	2,213	1,058
Gain on disposal of property and equipment - net	60	102	194	150
Rental income	432	360	1,188	1,365
Other non-operating income	132	121	463	413
	<u>1,337</u>	<u>1,789</u>	<u>4,058</u>	<u>2,986</u>
	<u>126,714</u>	<u>185,650</u>	<u>370,098</u>	<u>354,369</u>

18. OTHER OPERATING INCOME (CONTD.)

Bank	Individual Quarter		Cumulative Quarter	
	31.12.07	31.12.06	31.12.07	31.12.06
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Fees on loans and advances	3,159	2,103	8,878	9,390
Corporate advisory fees	12,217	4,275	30,254	11,334
Guarantee fees	699	1,437	3,131	4,499
Underwriting commissions	2,822	4,215	9,880	13,588
Brokerage fees and commissions	22,710	-	87,452	-
Other fee income	7,035	3,135	22,468	9,924
	<u>48,642</u>	<u>15,165</u>	<u>162,063</u>	<u>48,735</u>
Investment and trading income:				
Net (loss)/gain from sale of securities held-for-trading	(2,322)	100,341	87,791	107,399
Net gain/(loss) from sale of securities available-for-sale	958	(2,804)	2,990	(347)
Net gain on redemption of securities held-to-maturity	48,855	1,920	87,675	35,619
Gain/(Loss) on revaluation of derivatives	1,996	287	(11,671)	12,193
Gross dividend income from:				
Unquoted subsidiary companies	2,466	1,232	2,466	1,479
Securities held-for-trading	2,804	1,124	9,162	5,205
Securities held-to-maturity	290	773	11,015	11,751
(Loss)/Gain on revaluation of securities held-for-trading	(6,841)	45,167	(69,476)	79,949
	<u>48,206</u>	<u>148,040</u>	<u>119,952</u>	<u>253,248</u>
Other income:				
Foreign exchange gain	457	739	1,377	555
Gain on disposal of property and equipment - net	60	1	195	12
Rental income	391	341	1,096	1,317
	<u>908</u>	<u>1,081</u>	<u>2,668</u>	<u>1,884</u>
	<u>97,756</u>	<u>164,286</u>	<u>284,683</u>	<u>303,867</u>

20. ALLOWANCE/(WRITEBACK OF ALLOWANCE) FOR LOSSES ON LOANS AND FINANCING

Group	Individual Quarter		Cumulative Quarter	
	31.12.07	31.12.06	31.12.07	31.12.06
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts and financing:				
Specific allowance - net	3,456	55,881	17,166	88,051
<i>Allowance during the period</i>	8,408	63,282	29,790	100,804
<i>Amount written back in respect of recoveries and reversals</i>	(4,952)	(7,401)	(12,624)	(12,753)
General allowance	3,811	1,822	1,643	2,262
Bad debts and financing				
Written off	-	1	153	12
Recovered	(19,741)	(2,991)	(52,172)	(15,429)
Recoveries of allowance for value impairment on amount recoverable from Danaharta	-	-	-	(255)
	<u>(12,474)</u>	<u>54,713</u>	<u>(33,210)</u>	<u>74,641</u>
Bank				
	31.12.07	31.12.06	31.12.07	31.12.06
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts and financing:				
Specific allowance- net	3,456	54,811	17,149	85,151
<i>Allowance during the period</i>	8,408	62,212	29,773	97,904
<i>Amount written back in respect of recoveries and reversals</i>	(4,952)	(7,401)	(12,624)	(12,753)
General allowance	3,922	2,057	2,389	3,112
Bad debts and financing				
Written off	-	1	153	12
Recovered	(19,741)	(2,991)	(52,173)	(15,429)
Recoveries of allowance for value impairment on amount recoverable from Danaharta	-	-	-	(255)
	<u>(12,363)</u>	<u>53,878</u>	<u>(32,482)</u>	<u>72,591</u>

21. SEGMENTAL INFORMATION

BY BUSINESS SEGMENT

	Individual Quarter		Cumulative Quarter	
	31.12.07 RM'000	31.12.06 RM'000	31.12.07 RM'000	31.12.06 RM'000
Investment banking				
Revenue	265,252	374,650	750,589	885,369
Profit before taxation	72,401	146,766	182,622	269,441
Offshore banking				
Revenue	4,193	16,523	43,630	47,200
Profit before taxation	(3,124)	3,580	28,788	(544)
Unit trust management				
Revenue	15,388	9,002	36,340	21,372
Profit before taxation	9,623	5,391	21,253	11,537
Asset management				
Revenue	8,735	5,242	25,305	13,739
Profit before taxation	3,272	2,316	11,337	4,257
Real estate management				
Revenue	18	517	70	1,690
Profit before taxation	18	289	69	1,015
Investment consultant				
Revenue	178	135	510	393
Profit before taxation	95	51	271	131
Stockbroking				
Revenue	44,109	6,761	136,200	9,243
Profit before taxation	16,243	1,133	77,112	1,241
Others				
Revenue	605	3,711	1,821	9,306
Profit before taxation	197	1,380	639	3,096
Total before consolidation adjustments				
Revenue	338,478	416,541	994,465	988,312
Profit before taxation	98,725	160,906	322,091	290,174
Consolidation adjustments				
Revenue	(4,626)	(8,856)	(13,789)	(21,841)
Profit before taxation	(2,578)	(2,521)	(3,228)	(3,433)
Total after consolidation adjustments				
Revenue	333,852	407,685	980,676	966,471
Profit before taxation	96,147	158,385	318,863	286,741

21. SEGMENTAL INFORMATION (CONTD.)

Included in the above is Islamic banking business profit before taxation for the Group and the Bank of RM6.9 million and RM6.7 million, respectively for the quarter ended 31 December 2007 and RM29.9 million and RM29.4 million, respectively for the period ended 31 December 2007 (RM9.1 million and RM8.9 million respectively, for the quarter ended 31 December 2006 and RM22.9 million and RM22.2 million, respectively for the period ended 31 December 2006).

The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia except for AmFrasers International Pte. Ltd. (formerly known as Frasers Ltd.) and its subsidiary companies, activities of which are principally conducted in Singapore, respectively. These activities in Singapore are not significant in relation to the Group's activities in Malaysia.

22. VALUATIONS OF PROPERTY AND EQUIPMENTS

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

23. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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

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

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

25. BORROWINGS

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

	Group		Bank	
	31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
(i) Deposits from customers				
Due within six months	5,675,628	4,792,903	5,177,312	4,588,276
Six months to one year	183,919	256,375	183,919	256,375
One year to three years	200,000	202,050	200,000	202,050
Total	<u>6,059,547</u>	<u>5,251,328</u>	<u>5,561,231</u>	<u>5,046,701</u>
(ii) Deposits and placements of banks and other financial institutions				
Due within six months	5,965,098	7,032,034	6,210,596	7,116,515
Six months to one year	93,317	393,617	93,317	393,617
One year to three years	750,383	1,083,734	750,383	1,083,734
Three years to five years	1,299,363	1,327,747	1,299,363	1,327,747
Total	<u>8,108,161</u>	<u>9,837,132</u>	<u>8,353,659</u>	<u>9,921,613</u>
<i>Recap :</i>				
Interbank lendings	5,349,051	5,167,740	5,029,668	5,148,720
Interbank borrowings	(2,039,698)	(4,398,514)	(2,312,491)	(4,514,999)
Net interbank lendings	<u>3,309,353</u>	<u>769,226</u>	<u>2,717,177</u>	<u>633,721</u>
(iii) Term loans				
Due within one year				
Secured	<u>99,210</u>	<u>103,680</u>	<u>99,210</u>	<u>103,680</u>
(iv) Redeemable unsecured subordinated bonds				
More than one year	<u>595,000</u>	<u>595,000</u>	<u>595,000</u>	<u>595,000</u>

26. COMMITMENTS AND CONTINGENCIES

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

As at 31 December 2007, the commitments and contingencies outstanding are as follows:

Group	31.12.07			31.03.07		
	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	540,000	33,331	16,666	290,000	7,438	3,719
Interest rate swaps:						
Related companies	8,637,165	100,745	20,150	9,733,356	222,264	44,453
Others	25,565,349	573,560	115,226	22,210,223	535,135	111,156
Foreign exchange related contracts:						
Forward exchange contracts	2,092,682	46,624	9,324	3,178,447	112,043	22,408
Cross currency swaps	643,194	69,834	13,966	811,310	92,886	18,577
Malaysian Government securities futures	-	-	-	5,000	6	3
Equity related contracts:						
Options	150,151	-	-	165,618	-	-
Futures	17,443	-	-	-	-	-
	<u>37,645,984</u>	<u>824,094</u>	<u>175,332</u>	<u>36,393,954</u>	<u>969,772</u>	<u>200,316</u>
Commitments						
Irrevocable commitments to extend credit maturing :						
within one year	928,715	-	-	538,155	-	-
more than one year	618,481	309,240	308,721	191,815	95,908	95,277
Sell and buy back agreements	1,969,334	1,969,334	1,028,660	2,801,157	2,801,157	1,397,343
Forward purchase commitments	9,348	9,348	2,514	834,911	834,911	218,958
	<u>3,525,878</u>	<u>2,287,922</u>	<u>1,339,895</u>	<u>4,366,038</u>	<u>3,731,976</u>	<u>1,711,578</u>
Contingent Liabilities						
Guarantees given on behalf of customers	938,616	938,616	841,327	700,533	700,533	597,603
Underwriting liabilities	703,802	351,901	260,780	795,000	397,500	257,100
Certain transaction-related contingent items	431,640	215,820	215,820	522,509	261,255	235,918
	<u>2,074,058</u>	<u>1,506,337</u>	<u>1,317,927</u>	<u>2,018,042</u>	<u>1,359,288</u>	<u>1,090,621</u>
	<u>43,245,920</u>	<u>4,618,353</u>	<u>2,833,154</u>	<u>42,778,034</u>	<u>6,061,036</u>	<u>3,002,515</u>

Bank	31.12.07			31.03.07		
	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	540,000	33,331	16,666	290,000	7,438	3,719
Interest rate swaps:						
Related companies	8,637,165	100,745	20,150	9,733,356	222,264	44,453
Others	25,565,349	573,560	115,226	22,210,223	535,135	111,156
Foreign exchange related contracts:						
Forward exchange contracts	2,092,682	46,624	9,324	3,178,447	112,043	22,408
Cross currency swaps	643,194	69,834	13,966	811,310	92,886	18,577
Malaysian Government securities futures	-	-	-	5,000	6	3
Equity related contracts:						
Options	150,151	-	-	165,618	-	-
Futures	17,443	-	-	-	-	-
	<u>37,645,984</u>	<u>824,094</u>	<u>175,332</u>	<u>36,393,954</u>	<u>969,772</u>	<u>200,316</u>
Commitments						
Irrevocable commitments to extend credit maturing:						
within one year	928,715	-	-	538,155	-	-
more than one year	618,481	309,240	308,721	191,815	95,908	95,277
Sell and buy back agreements	1,969,334	1,969,334	1,028,660	2,801,157	2,801,157	1,397,343
Forward purchase commitments	2,835	2,835	2,514	834,911	834,911	218,958
	<u>3,519,365</u>	<u>2,281,409</u>	<u>1,339,895</u>	<u>4,366,038</u>	<u>3,731,976</u>	<u>1,711,578</u>
Contingent Liabilities						
Guarantees given on behalf of customers	938,616	938,616	841,328	697,468	697,468	594,538
Underwriting liabilities	703,802	351,901	260,780	795,000	397,500	257,100
Certain transaction-related contingent items	431,640	215,820	215,820	522,509	261,255	235,918
	<u>2,074,058</u>	<u>1,506,337</u>	<u>1,317,928</u>	<u>2,014,977</u>	<u>1,356,223</u>	<u>1,087,556</u>
	<u>43,239,407</u>	<u>4,611,840</u>	<u>2,833,155</u>	<u>42,774,969</u>	<u>6,057,971</u>	<u>2,999,450</u>

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

- (a) As required, the Bank has given a continuing guarantee to Bank Negara Malaysia on behalf of AmInternational to meet all its liabilities and financial obligations and requirements.
- (b) A suit dated 12 December 2005 was filed by Meridian Asset Management Sdn Bhd ("Meridian") against AmTrustee Berhad ("AmTrustee"), an associated company of the Bank 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 the Bank 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 the 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.

- (c) On 17th January 2008 AmInvestment Group Berhad ("AIGB") announced that, with regard to earlier announcements on 12 June, 2007, 19 June 2007, 1 August 2007 and 20th August, 2007 relating to suit K22-81 of 2007 filed by Unitangkob (Malaysia) Berhad and four (4) others in the High Court of Sabah and Sarawak at Kota Kinabalu ("Unitangkob Action") against AIGB's subsidiary, AmInvestment Bank Berhad ("Bank"), the High Court has struck out the Unitangkob Action and awarded costs to the Bank.

27. RELATED PARTY TRANSACTIONS

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

28. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2007, derivative financial instruments outstanding are as follows:

The Group and The Bank

Items	Principal Amount RM'000	1 month or less RM'000	>1 - 3 months RM'000	>3 - 6 months RM'000	>6 - 12 months RM'000	>1 - 5 years RM'000	>5 years RM'000	Margin requirement
Interest rate related contracts :								
Interest rate futures	540,000	-	10,000	30,000	40,000	460,000	-	1,333
Interest rate swaps	34,202,514	210,518	364,000	8,606,489	7,010,000	16,953,820	1,057,687	10,830
Foreign exchange related contracts :								
Forward exchange contracts	2,092,682	690,253	601,694	396,725	404,010	-	-	746
Cross currency swaps	643,194	-	-	-	47,495	595,699	-	1,117
Equity related contracts:								
Options	150,151	7,550	-	-	16,035	126,566	-	-
Futures	17,443				17,443			
Total	37,645,984	908,321	975,694	9,033,214	7,534,983	18,136,085	1,057,687	14,027

RISK MANAGEMENT POLICY ON FINANCIAL DERIVATIVES

Purpose of engaging in financial derivatives

Financial derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices. They include swaps, forward rate agreements, futures, options and combinations of these instruments. Derivatives are contracts that transfer risks, mainly market risks. Financial derivatives is one of the financial instruments engaged by the Group both for revenue purposes as well as to manage the Group's own market risk exposure. The Group's involvement in financial derivatives is currently focussed on interest rate derivatives and foreign exchange rate derivatives.

The principal exchange rate contracts used are forward foreign exchange contracts and cross currency swaps. Forward foreign exchange contracts are agreements to buy or sell a specified quantity of foreign currency on a specified future date at an agreed rate. A cross currency swap generally involves the exchange, or notional exchange, of equivalent amounts of two currencies and a commitment to exchange interest periodically until the principal amounts are re-exchanged on a future date.

The principal interest rate contracts used are interest rate futures, interest rate swaps and forward rate agreements. Forward rate agreements are contracts for the payment of the difference between a specified interest rate and a reference rate on a notional deposit at a future settlement date. There is no exchange of principal. An interest rate futures is an exchange traded contract whose value is based on the difference between a specific interest rate and a reference rate on a notional deposit at a future settlement date. Interest rate swap transactions generally involve the exchange of fixed and floating interest payment obligations without the exchange of the underlying principal amounts.

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

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

Risk associated with financial derivatives

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

Market risk of derivatives used for trading purposes

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

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

As at 31 December 2007, value at risk of foreign exchange-related derivatives contracts used for trading purposes of the Group and the Bank was RM5,932,174 (RM1,424,763 as at 31 March 2007).

The value at risk of the interest rate derivatives related contracts used for trading purposes of the Group and the Bank was RM35,435,798 (RM7,851,503 as at 31 March 2007).

The value at risk of the options related contracts used for trading purposes of the Group and the Bank was nil (RM26,007,862 as at 31 March 2007).

The use of these instruments to hedge underlying exposures arising from funding or for fixed income instruments acquired for investment purposes are not included in the market risk numbers above.

Credit risk

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

As at 31 December 2007, the amounts of counterparty credit risk, measured in term of the cost to replace the profitable contracts of the Group and the Bank was RM58,100,569 (RM27,277,893 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.

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

Group 31.12.07	<-----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	2,800,597	133,445	-	-	-	-	731,403	-	-	3,665,445	3.88
Securities purchased under resale agreements	605,327	-	-	-	-	-	-	-	-	605,327	1.20
Deposits and placements with banks and other financial institutions	820	900,000	99,312	-	-	749,500	-	-	-	1,749,632	5.38
Securities held-for-trading	-	-	-	-	-	-	-	4,641,587	-	4,641,587	3.50
Securities available-for-sale	150,258	-	-	15,176	564,075	662,015	19,273	-	-	1,410,797	5.73
Securities held-to-maturity	22,177	6,614	26,974	10,262	564,152	54,332	65,447	-	-	749,958	4.48
Loans, advances and financing:											
- performing	2,080,213	1,385,547	348,546	80,440	296,605	37,476	(11,731)	-	-	4,217,096	6.19
- non-performing *	-	-	-	-	-	-	62,793	-	-	62,793	-
Amount due from Originators	-	2,682	7,334	26,936	-	-	-	-	-	36,952	4.24
Other non-interest sensitive balances	-	-	-	-	-	-	1,146,399	-	-	1,146,399	-
TOTAL ASSETS	5,659,392	2,428,288	482,166	132,814	1,424,832	1,503,323	2,013,584	4,641,587	-	18,285,986	
LIABILITIES AND EQUITY											
Deposits from customers	4,253,480	697,154	344,783	177,729	200,000	-	386,401	-	-	6,059,547	3.54
Deposits and placements of banks and other financial institutions	3,965,460	1,193,796	719,926	82,137	704,086	1,260,856	181,900	-	-	8,108,161	2.82
Recourse obligations on loans sold to Cagamas Berhad	-	2,682	7,334	26,936	-	-	-	-	-	36,952	4.24
Term loans	-	-	-	99,210	-	-	-	-	-	99,210	5.45

Group	<-----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				
31.12.07										
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	6.10
Other non-interest sensitive balances	-	-	-	-	-	-	1,374,327	-	1,374,327	-
Total Liabilities	8,218,940	1,893,632	1,072,043	386,012	904,086	1,855,856	1,942,628	-	16,273,197	
Share capital	-	-	-	-	-	-	340,000	-	340,000	
Reserves							1,672,789	-	1,672,789	-
TOTAL LIABILITIES AND EQUITY	8,218,940	1,893,632	1,072,043	386,012	904,086	1,855,856	3,955,417	-	18,285,986	
On-balance sheet interest rate gap sensitivity	(2,559,548)	534,656	(589,877)	(253,198)	520,746	(352,533)	(1,941,833)	4,641,587	-	
Off-balance sheet interest rate gap sensitivity	(1,826,380)	2,501,694	(333,733)	387,184	(822,981)	80,181	-	-	(14,035)	
Total interest rate gap sensitivity	(4,385,928)	3,036,350	(923,610)	133,986	(302,235)	(272,352)	(1,941,833)	4,641,587	(14,035)	
Cumulative interest rate gap sensitivity	(4,385,928)	(1,349,578)	(2,273,188)	(2,139,202)	(2,441,437)	(2,713,789)	(4,655,622)	(14,035)		

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

Group	-----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					
31.3.07											
ASSETS											
Cash and short-term funds	2,701,042	-	-	-	-	-	782,655	-	3,483,697	3.93	
Securities purchased under resale agreements	393,329	-	-	-	-	-	-	-	393,329	2.92	
Deposits and placements with banks and other financial institutions	-	1,075,713	3,628	-	-	749,500	-	-	1,828,841	6.06	
Securities held-for-trading	-	-	-	-	-	-	-	5,734,091	5,734,091	3.90	
Securities available-for-sale	705,048	1,002,593	946,873	-	447,834	278,285	39,107	-	3,419,740	4.09	
Securities held-to-maturity	1,340	-	139,763	151,905	556,277	172,900	169,412	-	1,191,597	6.64	
Loans, advances and financing:											
- performing	1,851,092	1,730,499	86,266	78,591	258,826	18,616	41,642	-	4,065,532	6.39	
- non-performing *	-	-	-	-	-	-	116,125	-	116,125	-	
Amount due from Originators	-	400	9,441	2,980	39,600	-	-	-	52,421	4.30	
Other non-interest sensitive balances	-	-	-	-	-	-	1,693,758	-	1,693,758	-	
TOTAL ASSETS	5,651,851	3,809,205	1,185,971	233,476	1,302,537	1,219,301	2,842,699	5,734,091	21,979,131		
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	4,254,941	1,582,415	770,335	387,713	1,062,070	1,290,584	489,074	-	9,837,132	4.15	
Obligations on securities sold under repurchase agreements	2,737,032	49,275	3,072	-	-	-	-	-	2,789,379	3.38	
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	

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					
Other non-interest sensitive balances	-	-	-	-	-	-	1,457,483	-	1,457,483	-	
Total Liabilities	10,020,843	2,753,512	1,074,990	656,869	1,323,198	1,885,584	2,371,427	-	20,086,423		
Share capital	-	-	-	-	-	-	340,000	-	340,000	-	
Reserves	-	-	-	-	-	-	1,552,708	-	1,552,708	-	
TOTAL LIABILITIES AND EQUITY	10,020,843	2,753,512	1,074,990	656,869	1,323,198	1,885,584	4,264,135	-	21,979,131		
On-balance sheet interest rate gap sensitivity	(4,368,992)	1,055,693	110,981	(423,393)	(20,661)	(666,283)	(1,421,436)	5,734,091	-		
Off-balance sheet interest rate gap sensitivity	(3,257,352)	1,198,962	(600,545)	484,174	1,354,685	908,233	-	-	88,157		
Total interest rate gap sensitivity	(7,626,344)	2,254,655	(489,564)	60,781	1,334,024	241,950	(1,421,436)	5,734,091	88,157		
Cumulative interest rate gap sensitivity	(7,626,344)	(5,371,689)	(5,861,253)	(5,800,472)	(4,466,448)	(4,224,498)	(5,645,934)	88,157			

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

Bank 31.12.07	<-----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	2,503,359	132,280	-	-	-	-	678,477	-	3,314,116	3.64
Securities purchased under resale agreements	605,327	-	-	-	-	-	-	-	605,327	1.20
Deposits and placements with banks and other financial institutions	-	900,000	99,210	-	-	749,500	-	-	1,748,710	5.38
Securities held-for-trading	-	-	-	-	-	-	-	4,641,534	4,641,534	3.50
Securities available-for-sale	150,258	-	-	15,176	564,075	662,015	18,344	-	1,409,868	5.73
Securities held-to-maturity	12,844	-	518	10,262	564,152	54,330	65,447	-	707,553	4.38
Loans, advances and financing:										
- performing	2,057,273	1,385,547	337,664	68,096	296,548	36,914	344	-	4,182,386	6.18
- non-performing *	-	-	-	-	-	-	63,329	-	63,329	-
Amount due from Originators	-	2,682	7,334	26,936	-	-	-	-	36,952	4.24
Other non-interest sensitive balances	-	-	-	-	-	-	1,048,568	-	1,048,568	-
TOTAL ASSETS	5,329,061	2,420,509	444,726	120,470	1,424,775	1,502,759	1,874,509	4,641,534	17,758,343	
LIABILITIES AND EQUITY										
Deposits from customers	3,757,133	695,185	344,783	177,729	200,000	-	386,401	-	5,561,231	3.40
Deposits and placements of banks and other financial institutions	4,236,600	1,168,153	719,926	82,137	704,086	1,260,857	181,900	-	8,353,659	2.80
Recourse obligations on loans sold to Cagamas Berhad	-	2,682	7,334	26,936	-	-	-	-	36,952	4.24
Term loans	-	-	-	99,210	-	-	-	-	99,210	5.45
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	6.10

Bank 31.12.07	<-----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					
Other non-interest sensitive balances	-	-	-	-	-	-	1,223,035	-	1,223,035	-	
Total Liabilities	7,993,733	1,866,020	1,072,043	386,012	904,086	1,855,857	1,791,336	-	15,869,087	-	
Share capital	-	-	-	-	-	-	340,000	-	340,000	-	
Reserves	-	-	-	-	-	-	1,549,256	-	1,549,256	-	
TOTAL LIABILITIES AND EQUITY	7,993,733	1,866,020	1,072,043	386,012	904,086	1,855,857	3,680,592	-	17,758,343		
On-balance sheet interest rate gap sensitivity	(2,664,672)	554,489	(627,317)	(265,542)	520,689	(353,098)	(1,806,083)	4,641,534	-		
Off-balance sheet interest rate gap sensitivity	(1,826,380)	2,501,694	(333,733)	387,184	(822,981)	80,181	-	-	(14,035)		
Total interest rate gap sensitivity	(4,491,052)	3,056,183	(961,050)	121,642	(302,292)	(272,917)	(1,806,083)	4,641,534	(14,035)		
Cumulative interest rate gap sensitivity	(4,491,052)	(1,434,869)	(2,395,919)	(2,274,277)	(2,576,569)	(2,849,486)	(4,655,569)	(14,035)			

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

Bank 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	2,539,711	-	-	-	-	-	737,071	-	-	3,276,782	3.81
Securities purchased under resale agreements	374,155	-	-	-	-	-	-	-	-	374,155	2.92
Deposits and placements with banks and other financial institutions	-	1,175,328	-	-	-	749,500	-	-	-	1,924,828	6.08
Securities held-for-trading	-	-	-	-	-	-	-	5,700,187	5,700,187	5,700,187	3.89
Securities available-for-sale	705,048	1,002,593	946,873	-	447,834	278,287	20,805	-	-	3,401,440	4.08
Securities held-to-maturity	1,340	-	139,763	138,005	630,363	172,900	64,596	-	-	1,146,967	6.64
Loans, advances and financing:											
- performing	1,774,547	1,730,499	105,402	78,591	273,058	18,084	363	-	-	3,980,544	6.39
- non-performing *	-	-	-	-	-	-	116,125	-	-	116,125	-
Amount due from Originators	-	400	9,441	2,980	39,600	-	-	-	-	52,421	4.30
Other non-interest sensitive balances	-	-	-	-	-	-	1,564,677	-	-	1,564,677	-
TOTAL ASSETS	5,394,801	3,908,820	1,201,479	219,576	1,390,855	1,218,771	2,503,637	5,700,187	21,538,126		
LIABILITIES AND EQUITY											
Deposits from customers	2,829,551	1,118,050	291,231	162,387	221,528	-	423,954	-	-	5,046,701	3.51
Deposits and placements of banks and other financial institutions	4,372,596	1,582,418	770,335	387,713	1,062,070	1,290,584	455,897	-	-	9,921,613	4.11
Obligations on securities sold under repurchase agreements	2,737,032	49,275	3,072	-	-	-	-	-	-	2,789,379	3.38
Recourse obligation on loans sold to Cagamas Berhad	-	400	9,441	2,980	39,600	-	-	-	-	52,421	4.30
Term loan	-	-	-	103,680	-	-	-	-	-	103,680	5.60

Bank	<-----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				
31.3.07										
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	6.10
Other non-interest sensitive balances	-	-	-	-	-	-	1,229,972	-	1,229,972	-
Total Liabilities	9,939,179	2,750,143	1,074,079	656,760	1,323,198	1,885,584	2,109,823	-	19,738,766	
Share capital	-	-	-	-	-	-	340,000	-	340,000	-
Reserves	-	-	-	-	-	-	1,459,360	-	1,459,360	-
TOTAL LIABILITIES AND EQUITY	9,939,179	2,750,143	1,074,079	656,760	1,323,198	1,885,584	3,909,183	-	21,538,126	
On-balance sheet interest rate gap sensitivity	(4,544,378)	1,158,677	127,400	(437,184)	67,657	(666,813)	(1,405,546)	5,700,187	-	
Off-balance sheet interest rate gap sensitivity	(3,257,352)	1,198,962	(600,545)	484,174	1,354,685	908,233	-	-	88,157	
Total interest rate gap sensitivity	(7,801,730)	2,357,639	(473,145)	46,990	1,422,342	241,420	(1,405,546)	5,700,187	88,157	
Cumulative interest rate gap sensitivity	(7,801,730)	(5,444,091)	(5,917,236)	(5,870,246)	(4,447,904)	(4,206,484)	(5,612,030)	88,157		

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

30. CAPITAL ADEQUACY

The capital adequacy ratios of the Group and the Bank (including the operation of AmInternational (L) Ltd) as at 31 December 2007 are analysed as follows:

	Group		Bank	
	31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
Tier 1 capital				
Paid-up ordinary share capital	240,000	240,000	240,000	240,000
Paid-up non-cumulative preference share capital	100,000	100,000	100,000	100,000
Share premium	190,284	190,284	190,284	190,284
Capital reserve	2,815	2,815	-	-
Statutory reserve	389,500	389,500	389,500	389,500
Exchange fluctuation reserve	29,667	28,477	24,348	23,157
Unappropriated profit at end of period/year	998,393	928,752	911,849	891,048
	<u>1,950,659</u>	<u>1,879,828</u>	<u>1,855,981</u>	<u>1,833,989</u>
Less: Deferred tax assets, net	(42,321)	(43,468)	(41,936)	(43,083)
Goodwill	(47,686)	(46,866)	-	-
Total Tier 1 capital	<u>1,860,652</u>	<u>1,789,494</u>	<u>1,814,045</u>	<u>1,790,906</u>
Tier 2 capital				
Redeemable unsecured subordinated bonds	595,000	595,000	595,000	595,000
General allowance for bad and doubtful debts	65,275	63,905	65,275	63,905
Total	<u>660,275</u>	<u>658,905</u>	<u>660,275</u>	<u>658,905</u>
Total capital funds	2,520,927	2,448,399	2,474,320	2,449,811
Less: Investment in capital of related financial institutions	54,000	56,074	54,000	56,074
Investment in subsidiary companies	-	-	122,671	121,852
Capital base	<u>2,466,927</u>	<u>2,392,325</u>	<u>2,297,649</u>	<u>2,271,885</u>
Capital Ratios:				
Core capital ratio	12.48%	11.75%	12.40%	12.00%
Risk-weighted capital ratio	16.55%	15.71%	15.70%	15.22%
Core capital ratio (net of proposed ordinary dividend)	12.48%	11.23%	12.40%	11.46%
Risk-weighted capital ratio (net of proposed ordinary dividend)	<u>16.55%</u>	<u>15.18%</u>	<u>15.70%</u>	<u>14.68%</u>

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

Group	31.12.07		31.03.07	
	Principal Amount RM'000	Risk-Weighted Amount RM'000	Principal Amount RM'000	Risk-Weighted Amount RM'000
0%	1,731,298	-	2,359,827	-
10%	853	85	1,359	136
20%	5,051,359	1,010,272	7,168,582	1,433,716
50%	21,242	10,621	228,956	114,478
100%	9,294,991	9,294,991	7,900,813	7,900,813
	<u>16,099,743</u>	<u>10,315,969</u>	<u>17,659,537</u>	<u>9,449,143</u>
Add: Counterparty Risk Requirements for unsettled trades		3,557		-
Add: Total risk weighted assets equivalent for market risk		4,586,658		5,778,833
Add: Large exposure risk requirement for single equity		449		449
		<u>14,906,633</u>		<u>15,228,425</u>

Bank	31.12.07		31.03.07	
	Principal Amount RM'000	Risk-Weighted Amount RM'000	Principal Amount RM'000	Risk-Weighted Amount RM'000
0%	1,731,286	-	2,359,815	-
10%	853	85	1,359	136
20%	4,959,124	991,825	7,062,589	1,412,518
50%	21,192	10,596	228,757	114,378
100%	9,040,501	9,040,501	7,622,487	7,622,487
	<u>15,752,956</u>	<u>10,043,007</u>	<u>17,275,007</u>	<u>9,149,519</u>
Add: Counterparty Risk Requirements for unsettled trades		1		-
Add: Total risk weighted assets equivalent for market risk		4,586,658		5,778,833
Add: Large exposure risk requirement for single equity		449		449
		<u>14,630,115</u>		<u>14,928,801</u>

31. OPERATIONS OF ISLAMIC BANKING

BALANCE SHEETS AS AT 31 DECEMBER 2007

The state of affairs as at 31 December 2007 and the results for the period ended 31 December 2007 of the Islamic banking business of the Group and the Bank and included in the financial statements after elimination of intercompany transactions and balances are summarised as follows:

	Group		Bank	
	31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
ASSETS				
Cash and short-term funds	644,231	704,124	645,529	704,121
Securities held-for-trading	183,451	407,673	183,451	407,673
Securities available-for-sale	-	17,596	-	-
Securities held-to-maturity	33,137	35,092	-	-
Financing, advances and other loans	33,877	33,649	33,877	33,649
Statutory deposit with				
Bank Negara Malaysia	14,500	14,500	14,500	14,500
Other receivables, deposits and prepayments	4,240	10,348	4,240	10,348
Property and equipment	89	33	89	33
Deferred tax assets	164	158	164	158
TOTAL ASSETS	913,689	1,223,173	881,850	1,170,482
LIABILITIES AND ISLAMIC BANKING FUNDS				
Deposits from customers	386,936	424,870	386,401	423,843
Deposits and placements of banks and other financial institutions	207,899	489,074	181,900	455,897
Converted fund	711	14,197	-	-
Other liabilities	13,305	12,117	13,056	11,968
Total Liabilities	608,851	940,258	581,357	891,708
ISLAMIC BANKING FUNDS				
Capital funds	102,839	102,839	100,000	100,000
Reserves	201,999	180,076	200,493	178,774
Islamic Banking Funds	304,838	282,915	300,493	278,774
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	913,689	1,223,173	881,850	1,170,482
COMMITMENTS AND CONTINGENCIES				
	2,528,410	3,401,236	2,528,410	3,401,236

**UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2007**

Group	Individual Quarter		Cumulative Quarter	
	31.12.07	31.12.06	31.12.07	31.12.06
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	4,911	7,788	19,903	21,738
Writeback of allowance/(Allowance) for losses on financing	735	(9,854)	1,121	(9,407)
Transfer (to)/from profit equalisation reserve	(36)	(63)	(109)	62
Total attributable income	5,610	(2,129)	20,915	12,393
Income attributable to depositors	(6,499)	(6,178)	(20,413)	(20,485)
(Loss)/Income attributable to the Group	(889)	(8,307)	502	(8,092)
Income derived from investment of Islamic Banking Funds	8,727	18,322	32,592	33,947
Total net income	7,838	10,015	33,094	25,855
Other operating expenses	(983)	(870)	(3,215)	(3,003)
Profit before taxation	6,855	9,145	29,879	22,852
Taxation	(1,811)	(2,410)	(7,716)	(5,988)
Profit after taxation	5,044	6,735	22,163	16,864

**UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2007**

Bank	Individual Quarter		Cumulative Quarter	
	31.12.07	31.12.06	31.12.07	31.12.06
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	4,413	6,639	18,099	18,276
Writeback of allowance/(Allowance) for losses on financing	735	(9,854)	1,121	(9,407)
Transfer from profit equalisation reserve	-	-	-	181
Total attributable income	5,148	(3,215)	19,220	9,050
Income attributable to depositors	(6,115)	(5,245)	(18,947)	(17,591)
(Loss)/Income attributable to the Bank	(967)	(8,460)	273	(8,541)
Income derived from investment of Islamic Banking Funds	8,654	18,253	32,377	33,719
Total net income	7,687	9,793	32,650	25,178
Other operating expenses	(983)	(870)	(3,215)	(3,003)
Profit before taxation	6,704	8,923	29,435	22,175
Taxation	(1,811)	(2,410)	(7,716)	(5,988)
Profit after taxation	4,893	6,513	21,719	16,187

31a. FINANCING ACTIVITIES

	Group		Bank	
	31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
Term financing				
Syndicated financing	19,344	19,730	19,344	19,730
Other term financing	15,017	15,026	15,017	15,026
Revolving credit	23,189	22,943	23,189	22,943
Gross financing	57,550	57,699	57,550	57,699
Allowance for bad and doubtful debts and financing :				
- general	(516)	(513)	(516)	(513)
- specific	(23,157)	(23,537)	(23,157)	(23,537)
	(23,673)	(24,050)	(23,673)	(24,050)
Net financing	33,877	33,649	33,877	33,649

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

	Group		Bank	
	31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
Gross				
Balance at beginning of period/year	23,537	39,920	23,537	39,920
Non-performing during the period/year	6	50	6	50
Recoveries	(386)	(330)	(386)	(330)
Amount written-off	-	(16,103)	-	(16,103)
Balance at end of period/year	23,157	23,537	23,157	23,537
Specific allowance	(23,157)	(23,537)	(23,157)	(23,537)
Net non-performing financing	-	-	-	-
Ratio of net non-performing financing to total financing - net	-	-	-	-

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

	Group		Bank	
	31.12.07 RM'000	31.03.07 RM'000	31.12.07 RM'000	31.03.07 RM'000
General Allowance				
Balance at beginning of period/year	513	1,125	513	1,125
Allowance/(Reversal of allowance) during the period/year	3	(612)	3	(612)
Balance at end of period/year	516	513	516	513
% of total financing less specific allowance	1.50%	1.50%	1.50%	1.50%
Specific Allowance				
Balance at beginning of period/year	23,537	29,911	23,537	29,911
(Reversal of allowance)/Allowance during the period/year	(380)	9,870	(380)	9,870
Amount written off	-	(16,244)	-	(16,244)
Balance at end of period/year	23,157	23,537	23,157	23,537

31b. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	31.12.07	31.03.07	31.12.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Mudarabah				
Special Investment deposits	386,936	424,870	386,401	423,843

31c. OTHER LIABILITIES

	Group		Bank	
	31.12.07	31.03.07	31.12.07	31.03.07
	RM'000	RM'000	RM'000	RM'000
Other payables and accruals	5,201	2,784	5,201	2,784
Taxation and zakat payable	7,760	9,089	7,760	9,089
Profit equalisation reserve	344	244	95	95
	<u>13,305</u>	<u>12,117</u>	<u>13,056</u>	<u>11,968</u>

32. CHANGE IN ACCOUNTING POLICIES AND RECLASSIFICATION

(a) Changes in accounting policy

During the financial period, the Group and Bank has adopted the revised FRS 117: Leases issued by MASB that is effective for the Group and Bank'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 and the Bank 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 and the Bank as at 31 March 2007 have been restated. There were no effects on the income statements of the Group and the Bank for the 3rd quarter ended 31 December 2007.

(b) Restatement of comparatives

The following comparative amounts for the Group 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	2,716
Property and equipment	39,474	(2,716)	36,758

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

The Bank posted a lower pretax profit of RM82.4 million for the third quarter as compared to RM151.4 million for the corresponding quarter ended 31 December 2006, mainly due to lower net income for Islamic Banking operation of RM6.9 million as compared to RM19.6 million for the corresponding quarter ended 31 December 2006, lower other operating income of RM97.7 million as compared to RM164.3 million in the corresponding quarter ended 31 December 2006 driven by net loss from sale of securities held-for-trading of RM2.3 million and loss on revaluation of securities held-for-trading of RM6.8 million, impairment loss on securities of RM30.3 million and higher other operating expenses. However, the reduction was reduced by a writeback of allowance for losses on loans and financing of RM12.4 million as compared to an allowance of RM53.9 million made for the quarter ended 31 December 2006.

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

For the period ended 31 December 2007, the Group and the Bank reported higher pretax profit of RM318.9 million (RM286.7 million for the period ended 31 December 2006) and RM276.0 million (RM268.5 million for the period ended 31 December 2006), respectively and are attributed to:

- (i) Writeback of allowance for losses on loan and financing of RM33.2 million and RM32.5 million (RM74.6 million and RM72.6 million allowances for losses made for the period ended 31 December 2006) for the Group and the Bank, respectively.
- (ii) Higher fee income of RM250.3 million and RM162.1 million driven mainly by higher corporate advisory, unit trust management and brokerage fees (RM100.7 million and RM48.7 million incurred for the period ended 31 December 2006) for the Group and the Bank, respectively.

However, the increased was reduced by;

- (i) Lower investment and trading income of RM115.7 million and RM119.9 million (RM253.2 million and RM250.7 million for the period ended 31 December 2006), driven by lower gain from sale of securities held-for-trading, loss on revaluation of derivatives and loss on revaluation of securities held-for-trading for the Group and the Bank.
- (ii) Impairment loss on securities of RM19.4 million for the Group and the Bank (RM33.3 million and RM27.4 million for the period ended 31 December 2006 for the Group and the Bank, respectively).
- (iii) Lower income from Islamic banking business of RM32.1 million and RM31.5 million (RM35.2 million and RM34.4 million for the period ended 31 December 2006) for the Group and the Bank, respectively.

Shareholder's equity stood at RM2.0 billion (RM1.9 billion as at 31 March 2007) for the Group and RM1.9 billion (RM1.8 billion as at 31 March 2007) for the Bank.

In the opinion of the directors, the results of operations of the Group and the Bank for the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

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

35. CURRENT PERIOD PROSPECTS

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