

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

UNAUDITED BALANCE SHEETS
AS AT 30 JUNE 2008

	Note	Group		Bank	
		30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
ASSETS					
Cash and short-term funds		1,588,109	3,172,633	1,491,489	2,551,326
Deposits and placements with banks and other financial institutions		50,610	750,461	49,431	749,500
Securities held-for-trading	8	246,677	4,971,446	246,515	4,970,666
Securities available-for-sale	9	78,501	1,211,755	78,501	1,210,858
Securities held-to-maturity	10	161,858	661,426	161,856	620,470
Derivative financial assets		2,358	299,018	2,358	299,018
Loans, advances and financing	11	592,331	4,543,095	592,224	4,510,839
Other assets	12	588,951	1,027,814	409,699	769,013
Statutory deposit with Bank Negara Malaysia		-	133,690	-	133,690
Investments in subsidiary companies		-	-	122,671	155,691
Investments in associated companies		2,277	2,225	100	100
Prepaid land lease payments		2,641	2,656	2,641	2,656
Property and equipment		40,585	40,125	35,891	35,024
Deferred tax assets		-	14,175	-	12,965
Intangible assets		53,773	52,721	5,858	4,826
TOTAL ASSETS		3,408,671	16,883,240	3,199,234	16,026,642
LIABILITIES AND EQUITY					
Deposits from customers	13	-	6,232,188	-	5,729,276
Deposits and placements of banks and other financial institutions	14	1,100,635	6,418,326	1,100,635	6,399,711
Derivative financial liabilities		1,010	325,270	1,010	325,270
Recourse obligations on loans sold to Cagamas Berhad		-	35,140	-	35,140
Other liabilities	15	585,131	952,573	449,222	733,987
Term loans		-	271,490	-	271,490
Redeemable unsecured subordinated bonds		595,000	595,000	595,000	595,000
Total Liabilities		2,281,776	14,829,987	2,145,867	14,089,874
Share capital		529,500	340,000	529,500	340,000
Reserves		597,395	1,713,253	523,867	1,596,768
Equity attributable to equity holder of the Bank		1,126,895	2,053,253	1,053,367	1,936,768
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		3,408,671	16,883,240	3,199,234	16,026,642

AmInvestment Bank Berhad
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UNAUDITED BALANCE SHEETS
AS AT 30 JUNE 2008 (CONTD.)

	Note	Group		Bank	
		30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
COMMITMENTS AND CONTINGENCIES	26	926,590	43,926,520	926,590	43,926,520
NET ASSETS PER ORDINARY SHARE (RM)		4.70	8.56	4.39	8.07
NET ASSETS PER ORDINARY SHARE, AFTER DEDUCTING THE NOMINAL AMOUNT OF PREFERENCE SHARE CAPITAL (RM)		4.28	8.14	3.97	7.65
CAPITAL ADEQUACY	30				
Before deducting proposed dividends					
Core Capital Ratio		36.27%	13.79%	40.27%	13.98%
Risk-Weighted Capital Ratio		52.28%	17.94%	53.20%	17.35%
After deducting proposed dividends					
Core Capital Ratio		36.27%	13.16%	40.27%	13.33%
Risk-Weighted Capital Ratio		52.28%	17.31%	53.20%	16.70%

The Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 March 2008.

AmInvestment Bank Berhad
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UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2008

Group	Note	Individual Quarter		Cumulative Quarter	
		30.06.08 RM'000	30.06.07 RM'000	30.06.08 RM'000	30.06.07 RM'000
Revenue		52,971	324,785	52,971	324,785
Interest income	16	47,085	197,264	47,085	197,264
Interest expense	17	(29,327)	(162,806)	(29,327)	(162,806)
Net interest income		17,758	34,458	17,758	34,458
Net income from Islamic banking business		4,651	14,757	4,651	14,757
Other operating income	18	1,235	112,764	1,235	112,764
Net income		23,644	161,979	23,644	161,979
Other operating expenses	19	(59,642)	(69,612)	(59,642)	(69,612)
Operating (Loss)/Profit		(35,998)	92,367	(35,998)	92,367
Writeback of allowance for losses on loans and financing	20	1,095	22,090	1,095	22,090
Impairment writeback on:					
Securities		-	6,400	-	6,400
Assets acquired in exchange of debts		-	72	-	72
Transfer to profit equalisation reserve		-	(32)	-	(32)
Writeback of allowance for doubtful sundry receivables- net		456	296	456	296
Writeback of provision for commitments		-	297	-	297
Profit before share in results of associated companies		(34,447)	121,490	(34,447)	121,490
Share in results of associated companies		52	(15)	52	(15)
Profit before taxation		(34,395)	121,475	(34,395)	121,475
Taxation		(6,195)	(30,514)	(6,195)	(30,514)
Net profit attributable to equity holder of the Bank		(40,590)	90,961	(40,590)	90,961
Attributable to :					
Equity holder of the Bank		(40,590)	90,961	(40,590)	90,961
Minority interests		-	-	-	-
Profit for the period		(40,590)	90,961	(40,590)	90,961
EARNINGS PER SHARE (SEN)					
Basic		(9.45)	37.90	(9.45)	37.90
Fully diluted		(7.67)	26.75	(7.67)	26.75

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2008.

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

UNAUDITED CONSOLIDATED INCOME STATEMENTS (CONTD.)
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2008

Bank	Note	Individual Quarter		Cumulative Quarter	
		30.06.08 RM'000	30.06.07 RM'000	30.06.08 RM'000	30.06.07 RM'000
Revenue		78,518	295,812	78,518	295,812
Interest income	16	46,230	196,203	46,230	196,203
Interest expense	17	(29,327)	(163,375)	(29,327)	(163,375)
Net interest income		16,903	32,828	16,903	32,828
Net income from Islamic banking business		4,651	14,563	4,651	14,563
Other operating income	18	27,637	85,046	27,637	85,046
Net income		49,191	132,437	49,191	132,437
Other operating expenses	19	(41,715)	(54,302)	(41,715)	(54,302)
Operating profit		7,476	78,135	7,476	78,135
Writeback of allowance for losses on loans and financing	20	1,095	21,517	1,095	21,517
Impairment writeback on:					
Securities		-	6,400	-	6,400
Assets acquired in exchange of debts		-	72	-	72
Writeback of allowance for doubtful sundry receivables- net		324	44	324	44
Writeback of provision for commitments		-	297	-	297
Profit before taxation		8,895	106,465	8,895	106,465
Taxation		(3,219)	(27,161)	(3,219)	(27,161)
Net profit attributable to equity holder of the Bank		5,676	79,304	5,676	79,304
EARNINGS PER SHARE (SEN)					
Basic		1.32	33.04	1.32	33.04
Fully diluted		1.07	23.32	1.07	23.32

The Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2008.

AmInvestment Bank Berhad
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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2008

Group	-----Attributable to equity holder of the Bank----->								
	Non-distributable						Distributable		Total shareholder's equity
	Share capital	ICULS	Capital reserve	Share premium	Statutory reserve	Available-for- sale reserve	Exchange fluctuation reserve	Unappropriated profits	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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	-	-	-	-	-	2,416	-	-	2,416
Exchange fluctuation adjustments	-	-	-	-	-	-	(853)	-	(853)
Net income/(expense) recognised directly in equity	-	-	-	-	-	2,416	(853)	-	1,563
Profit for the period	-	-	-	-	-	-	-	90,961	90,961
Total recognised income/(expense) for the period	-	-	-	-	-	2,416	(853)	90,961	92,524
At 30 June 2007	340,000	-	2,815	190,284	389,500	15,296	27,624	1,019,713	1,985,232
At 1 April 2008	340,000	-	2,815	190,284	389,500	23,516	23,853	1,083,285	2,053,253
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	-	(25,000)	-	-	(25,000)
Exchange fluctuation adjustments	-	-	-	-	-	-	3,232	-	3,232
Net income/(expense) recognised directly in equity	-	-	-	-	-	(25,000)	3,232	-	(21,768)
Loss for the period	-	-	-	-	-	-	-	(40,590)	(40,590)
Total recognised income and (expense) for the period	-	-	-	-	-	(25,000)	3,232	(40,590)	(62,358)
Capitalised for Bonus Issue	189,500	-	-	-	(189,500)	-	-	-	-
Special ordinary dividends paid	-	-	-	-	-	-	-	(864,000)	(864,000)
At 30 June 2008	529,500	-	2,815	190,284	200,000	(1,484)	27,085	178,695	1,126,895

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2008.

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

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTD.)
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2008

Bank	<-----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	
At 1 April 2007	340,000	-	190,284	389,500	12,828	8,291	858,457	
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	2,416	-	-	2,416
Exchange fluctuation adjustments	-	-	-	-	-	95	-	95
Net income/(expense) recognised directly in equity	-	-	-	-	2,416	95	-	2,511
Profit for the period	-	-	-	-	-	-	79,304	79,304
Total recognised income and expense for the period	-	-	-	-	2,416	95	79,304	81,815
At 30 June 2007	340,000	-	190,284	389,500	15,244	8,386	937,761	1,881,175
At 1 April 2008	340,000	-	190,284	389,500	23,464	8,878	984,642	1,936,768
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	(25,000)	-	-	(25,000)
Exchange fluctuation adjustments	-	-	-	-	-	(77)	-	(77)
Net income/(expense) recognised directly in equity	-	-	-	-	(25,000)	(77)	-	(25,077)
Profit for the period	-	-	-	-	-	-	5,676	5,676
Total recognised income and (expense) for the period	-	-	-	-	(25,000)	(77)	5,676	(19,401)
Capitalised for Bonus Issue	189,500	-	-	(189,500)	-	-	-	-
Special ordinary dividends paid	-	-	-	-	-	-	(864,000)	(864,000)
At 30 June 2008	529,500	-	190,284	200,000	(1,536)	8,801	126,318	1,053,367

The Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2008.

AmInvestment Bank Berhad
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UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2008

	Group		Bank	
	30.06.08	30.06.07	30.06.08	30.06.07
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	(34,395)	121,475	8,895	106,465
Add adjustments for non-operating and non cash items	58,133	(50,033)	8,842	(50,017)
Operating profit before working capital changes	23,738	71,442	17,737	56,448
Decrease in operating assets	756,969	554,625	677,658	928,925
Decrease in operating liabilities	(90,634)	(2,649,041)	(21,017)	(2,853,253)
Cash generated from/(used in) operations	690,073	(2,022,974)	674,378	(1,867,880)
Taxation paid	(17,146)	(22,117)	(12,446)	(19,737)
Net cash generated from/(used in) operating activities	672,927	(2,045,091)	661,932	(1,887,617)
Net cash (used in)/generated from investing activities	(1,272,903)	1,242,685	(736,701)	1,229,335
Net cash (used in)/generated from financing activities	(864,000)	31,712	(864,000)	-
	(2,136,903)	1,274,397	(1,600,701)	1,229,335
Net decrease in cash and cash equivalents	(1,463,976)	(770,694)	(938,769)	(658,282)
Cash and cash equivalents at beginning of period	2,931,865	3,457,791	2,310,779	3,256,086
Cash and cash equivalents at end of period	1,467,889	2,687,097	1,372,010	2,597,804

Note 1: Disposal of subsidiary companies

The assets and liabilities disposed arising on the transfer of Labuan offshore banking of subsidiary of AmInternational (L) Ltd, AMIL, during the financial period ended 30 June 2008 were as follows:

	Unaudited
	As at
	12 April 2008
	RM'000
Net assets disposed:	
Cash and short-term funds	535,393
Securities available-for-sale	897
Securities held-to-maturity	40,954
Loans, advances and financing	32,146
Other assets	1,294
Property and equipment	510
Intangible assets	2
Deposits from customers	(503,510)
Deposits and placements of banks and other financial institutions	(24,115)
Other liabilities	(2,036)
Net assets disposed as at date of disposal	81,535
Loss on transferred of offshore banking subsidiaries	(48,515)
Net value on disposals	33,020
Less : Cash and short-term funds	(535,393)
Cash flow on disposal, net of cash disposed	(502,373)

The Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2008.

Note 2: Transfer of fund based business in treasury, investment and credit lending operations to AmBank and AmIslamic Bank

The fair values of assets and liabilities assumed arising on the transfer of fund based business in treasury, investment and credit lending operations to AmBank and AmIslamic Bank, during the financial period ended 30 June 2008 were as follows:

	Unaudited As at 12 April 2008 RM'000
Net assets transferred:	
Cash and short-term funds	2,105,829
Deposits and placements of banks and other financial institutions	521,540
Securities held-for-trading	4,349,470
Securities available-for-sale	1,132,260
Securities held-to-maturity	458,799
Derivative financial assets	278,964
Loans, advances and financing	4,092,282
Other assets	202,550
Statutory deposit with Bank Negara Malaysia	130,090
Investments in subsidiary companies	33,020
Deferred tax assets	15,439
Deposits from customers	(6,760,077)
Deposits and placements of banks and other financial institutions	(4,473,165)
Derivative financial liabilities	(317,266)
Other liabilities	(72,278)
Recourse obligation on loans sold to Cagamas Berhad	(34,837)
Term loans	(267,920)
Reserves	(24,153)
	<u>1,370,547</u>
Less : Cash and short-term funds	<u>(2,105,829)</u>
Net assets transferred	<u>(735,282)</u>

Note 3 : 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	
	30.06.08	30.06.07	30.06.08	30.06.07
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	1,588,109	2,761,831	1,491,489	2,671,849
Less: Cash and bank balances and deposit held in trust	(120,220)	(74,734)	(119,479)	(74,045)
	<u>1,467,889</u>	<u>2,687,097</u>	<u>1,372,010</u>	<u>2,597,804</u>

The Cash Flow Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2008.

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 2008.

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.

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 2008.

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 30 June 2008.

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	
	30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
At Fair Value				
Money Market Securities:				
Treasury bills	-	26,566	-	26,566
Islamic Treasury bills	-	43,680	-	43,680
Malaysian Government Securities	-	140,489	-	140,489
Malaysian Government Investment Certificates	-	279,402	-	279,402
Cagamas bonds	-	-	-	-
Cagamas Mudharabah bearer bonds	-	2,091	-	2,091
Khazanah bonds	-	59,359	-	59,359
Negotiable instruments of deposits	-	14,389	-	14,389
Negotiable Islamic Debt Certificates	-	313,742	-	313,742
Bank Negara Monetary Notes	-	274,645	-	274,645
Islamic Bank Negara Monetary Notes	-	134,107	-	134,107
	-	1,288,470	-	1,288,470
Securities Quoted:				
In Malaysia:				
Shares	3,798	5,302	3,798	5,302
Trust units	1,505	63,803	1,505	63,803
Outside Malaysia:				
Shares	58,503	70,016	58,341	69,236
	63,806	139,121	63,644	138,341
Unquoted Private Debt Securities Of Companies Incorporated:				
In Malaysia:				
Corporate bonds	56,275	1,235,163	56,275	1,235,163
Corporate notes	-	76,672	-	76,672
Islamic corporate bonds	-	1,790,218	-	1,790,218
Islamic corporate notes	-	151,737	-	151,737
Outside Malaysia:				
Corporate bonds	126,596	142,769	126,596	142,769
	182,871	3,396,559	182,871	3,396,559

	Group		Bank	
	30.06.08	31.03.08	30.06.08	31.03.08
	RM'000	RM'000	RM'000	RM'000
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:				
Corporate bonds	-	116,571	-	116,571
Islamic corporate notes	-	30,725	-	30,725
	-	147,296	-	147,296
Total securities held-for-trading	246,677	4,971,446	246,515	4,970,666
9. SECURITIES AVAILABLE-FOR-SALE				
At Fair Value				
Money Market Securities:				
Negotiable instruments of deposits	-	69,762	-	69,762
Debt Equity Converted Securities:				
Quoted in Malaysia:				
Shares	-	5,128	-	5,128
Corporate bonds	-	4,411	-	4,411
Loan stocks	-	9,145	-	9,145
Unquoted securities outside Malaysia:				
Shares	-	897	-	-
	-	19,581	-	18,684
Unquoted Private Debt Securities Of Companies Incorporated				
In Malaysia:				
Corporate bonds	-	116,610	-	116,610
Islamic corporate bonds	-	927,167	-	927,167
Outside Malaysia:				
Corporate bonds	78,501	78,635	78,501	78,635
	78,501	1,122,412	78,501	1,122,412
Total securities available-for-sale	78,501	1,211,755	78,501	1,210,858

10. SECURITIES HELD-TO-MATURITY

	Group		Bank	
	30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
At Amortised Cost:				
Money Market Securities:				
Negotiable Instrument of Deposit	142,909	141,601	142,909	141,601
Quoted Securities:				
In Malaysia:				
Shares	2	2	-	-
Trust Units	2,013	2,010	2,013	2,010
Islamic Corporate bonds	-	25,552	-	-
Outside Malaysia:				
Islamic Corporate bonds	-	6,388	-	-
	<u>2,015</u>	<u>33,952</u>	<u>2,013</u>	<u>2,010</u>
Unquoted Securities Of Companies				
Incorporated:				
In Malaysia:				
Shares	12,788	60,289	12,788	60,289
Corporate bonds	100	100	100	100
Outside Malaysia:				
Shares	5,401	6,423	5,401	6,423
	<u>18,289</u>	<u>66,812</u>	<u>18,289</u>	<u>66,812</u>
Debt Equity Converted Securities:				
Quoted in Malaysia:				
Loan stocks - collateralised	-	971	-	-
Loan stocks	-	80,595	-	80,595
Unquoted securities of companies incorporated in Malaysia:				
Shares	-	1,679	-	-
Corporate bonds	-	277,869	-	258,016
	<u>-</u>	<u>361,114</u>	<u>-</u>	<u>338,611</u>
Unquoted Private Debt Securities Of Companies Incorporated:				
In Malaysia:				
Islamic corporate bonds	-	190,331	-	190,331
Total	163,213	793,810	163,211	739,365
Accumulated impairment losses	(1,355)	(132,384)	(1,355)	(118,895)
Total securities held-to-maturity	<u>161,858</u>	<u>661,426</u>	<u>161,856</u>	<u>620,470</u>

11. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
Term loans and revolving credits				
Customers	551,309	4,714,081	551,309	4,681,926
Related companies	34,791	35,943	34,791	35,943
Staff loans	22,194	22,516	22,087	21,909
Gross loans, advances and financing	608,294	4,772,540	608,187	4,739,778
Less:				
Allowance for bad and doubtful debts and financing:				
General	9,015	69,179	9,015	68,689
Specific	6,948	160,266	6,948	160,250
	15,963	229,445	15,963	228,939
Net loans, advances and financing	592,331	4,543,095	592,224	4,510,839

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

	Group		Bank	
	30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
Working capital	182,974	1,903,161	182,974	1,871,607
Purchase of securities	307,970	811,799	307,970	811,799
Construction	-	542,489	-	542,489
Fixed assets	62,056	487,834	62,056	487,834
Other purpose	6,244	481,272	6,244	480,672
Merger and acquisition	26,356	278,877	26,356	278,877
Residential landed properties	18,740	49,128	18,649	48,565
Non-residential landed properties	-	165,746	-	165,746
Personal use	500	48,671	500	48,671
Purchase of transport vehicles	3,454	3,563	3,438	3,518
Gross loans, advances and financing	608,294	4,772,540	608,187	4,739,778

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

	Group		Bank	
	30.06.08	31.03.08	30.06.08	31.03.08
	RM'000	RM'000	RM'000	RM'000
Domestic :				
Other non-bank financial institutions	31,513	79,535	31,513	79,535
Business enterprises:				
Small medium enterprises	-	195,769	-	195,768
Others	93,773	3,894,442	93,773	3,875,988
Government and statutory bodies	-	45,399	-	45,399
Individuals	255,188	369,877	255,081	369,270
Foreign entities	227,820	187,518	227,820	173,818
	<u>608,294</u>	<u>4,772,540</u>	<u>608,187</u>	<u>4,739,778</u>

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

	Group		Bank	
	30.06.08	31.03.08	30.06.08	31.03.08
	RM'000	RM'000	RM'000	RM'000
Variable rate				
Cost-plus	228,038	3,927,499	228,038	3,913,802
Other variable rates	168,430	132,494	168,430	114,640
	<u>396,468</u>	<u>4,059,993</u>	<u>396,468</u>	<u>4,028,442</u>
Fixed rate				
Housing loans	18,740	18,954	18,649	18,391
Hire purchase receivables	3,454	3,562	3,438	3,518
Other fixed rates	189,632	690,031	189,632	689,427
	<u>211,826</u>	<u>712,547</u>	<u>211,719</u>	<u>711,336</u>
	<u>608,294</u>	<u>4,772,540</u>	<u>608,187</u>	<u>4,739,778</u>

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

	Group		Bank	
	30.06.08	31.03.08	30.06.08	31.03.08
	RM'000	RM'000	RM'000	RM'000
Balance at beginning of period/year	293,172	364,131	293,172	329,423
Non-performing during the period/year	-	86,324	-	86,324
Reclassification to performing loans, advances and financing	-	(21,272)	-	(21,272)
Debt equity conversion	-	(32,807)	-	(32,807)
Recoveries	(148)	(73,025)	(148)	(66,959)
Amount written off	-	(25,126)	-	(1,980)
Amount vested to AmBank/AmIslamic Bank	(285,844)	-	(285,844)	-
Exchange fluctuation adjustment	-	(5,711)	-	(215)
Reclassification from trade receivable	-	658	-	658
Balance at end of period/year	7,180	293,172	7,180	293,172
Specific allowance	(6,948)	(160,266)	(6,948)	(160,250)
Non-performing loans, advances and financing - net	232	132,906	232	132,922
Ratios of non-performing loans, advances and financing to total loans, advances and financing - net	0.04%	2.88%	0.04%	2.90%

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

	Group		Bank	
	30.06.08	31.03.08	30.06.08	31.03.08
	RM'000	RM'000	RM'000	RM'000
Working capital	-	138,541	-	138,541
Construction	-	107,723	-	107,723
Non-residential landed properties	-	4,801	-	4,801
Purchase of securities	7,180	7,350	7,180	7,350
Personal use	-	4,390	-	4,390
Other purpose	-	30,367	-	30,367
	7,180	293,172	7,180	293,172

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

	Group		Bank	
	30.06.08	31.03.08	30.06.08	31.03.08
	RM'000	RM'000	RM'000	RM'000
General allowance				
Balance at beginning of period/year	69,179	63,677	68,689	62,386
Reversal of allowance during the period/year	1,353	5,780	1,354	6,537
Amount vested to AmBank/AmIslamic Bank	(61,124)	-	(61,124)	-
Exchange fluctuation adjustments	(393)	(278)	96	(234)
Balance at end of period/year	<u>9,015</u>	<u>69,179</u>	<u>9,015</u>	<u>68,689</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	160,266	175,651	160,250	150,912
Allowance during the period/year	-	39,865	-	39,848
Amount written back in respect of recoveries and reversals	(169)	(20,469)	(169)	(20,469)
Net charge to income statements	(169)	19,396	(169)	19,379
Reclassification from sundry receivables	78	1,485	78	1,485
Debt equity conversion	-	(9,046)	-	(9,046)
Amount written off	-	(25,344)	-	(2,480)
Amount vested to AmBank/AmIslamic Bank	(153,211)	-	(153,211)	-
Exchange fluctuation adjustments	(16)	(1,876)	-	-
Balance at end of period/year	<u>6,948</u>	<u>160,266</u>	<u>6,948</u>	<u>160,250</u>

12. OTHER ASSETS

	Group		Bank	
	30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
Trade receivables, net of allowance for doubtful debts	424,916	634,621	265,781	390,256
Other receivables, deposits and prepayments, net of allowance for doubtful debts	137,082	219,865	117,748	194,034
Interest/Dividends receivable	5,901	71,937	5,866	82,472
Amount due from Originators	-	35,140	-	35,140
Amount due from brokers	3,585	57,076	3,585	57,076
Amount due from:				
Ultimate holding company	363	143	363	143
Subsidiary companies	511	-	1,613	1,030
Related companies	15,688	8,127	13,838	7,957
Assets acquired in exchange of debts, net of impairment loss	905	905	905	905
	<u>588,951</u>	<u>1,027,814</u>	<u>409,699</u>	<u>769,013</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	
	30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
Term/Investment deposits	-	5,036,237	-	4,533,325
Other deposits	-	1,195,951	-	1,195,951
	-	6,232,188	-	5,729,276

The deposits are sourced from the following types of customers:

	Group		Bank	
	30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
Business enterprises	-	3,582,319	-	3,081,326
Individuals	-	26,846	-	25,446
Government	-	1,351,198	-	1,351,198
Others	-	1,271,825	-	1,271,306
	-	6,232,188	-	5,729,276

14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
Licensed banks:				
Subsidiary	-	-	-	5,500
Related	950,635	1,094,618	950,635	1,094,618
Others	-	803,632	-	803,632
Licensed investment banks	-	17,174	-	17,174
Other financial institutions	150,000	4,502,902	150,000	4,478,787
	1,100,635	6,418,326	1,100,635	6,399,711

15. OTHER LIABILITIES

	Group		Bank	
	30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
Trade payables	441,568	742,461	340,477	562,141
Other payables and accruals	115,951	180,655	83,526	147,718
Provision for commitments	-	1,940	-	1,940
Amount due to related companies	14,571	14,571	15,206	14,555
Taxation payable	2,598	4,209	-	-
Zakat payable	38	38	38	38
Profit equalisation reserve	-	335	-	95
Proposed preference dividends	7,500	7,500	7,500	7,500
Bank Overdraft	-	541	-	-
Deferred tax liabilities	2,905	323	2,475	-
	585,131	952,573	449,222	733,987

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	
	30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
Balance at beginning of period/year	335	245	95	95
Provision during the period/year/	-	109	-	-
Amount vested to AmBank/AmIslamic Bank	(335)	-	(95)	-
Exchange fluctuation adjustments	-	(19)	-	-
Balance at end of period/year	-	335	-	95

16. INTEREST INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.06.08 RM'000	30.06.07 RM'000	30.06.08 RM'000	30.06.07 RM'000
Short-term funds and deposits with financial institutions	16,690	49,397	16,690	49,397
Securities held-for-trading	9,112	40,390	9,112	40,390
Securities available-for-sale	3,043	32,763	3,043	32,763
Securities held-to-maturity	-	1,084	-	1,084
Loans and advances				
- Interest income other than recoveries from NPLs	16,719	65,473	16,719	65,473
- Recoveries from NPLs	218	6,837	218	6,837
Others	443	635	443	635
Gross interest income	46,225	196,579	46,225	196,579
Amortisation of premiums less accretion of discounts	1,679	728	1,679	728
Interest suspended	(819)	(43)	(819)	(43)
Total after net interest suspension	47,085	197,264	47,085	197,264
Bank				
	Individual Quarter		Cumulative Quarter	
	30.06.08 RM'000	30.06.07 RM'000	30.06.08 RM'000	30.06.07 RM'000
Short-term funds and deposits with financial institutions	16,177	49,839	16,177	49,839
Securities held-for-trading	9,112	40,014	9,112	40,014
Securities available-for-sale	3,043	32,763	3,043	32,763
Securities held-to-maturity	-	1,025	-	1,025
Loans and advances				
- Interest income other than recoveries from NPLs	16,720	64,620	16,720	64,620
- Recoveries from NPLs	218	6,837	218	6,837
Others	100	420	100	420
Gross interest income	45,370	195,518	45,370	195,518
Amortisation of premiums less accretion of discounts	1,679	728	1,679	728
Interest suspended	(819)	(43)	(819)	(43)
Total after net interest suspension	46,230	196,203	46,230	196,203

17. INTEREST EXPENSE

Group	Individual Quarter		Cumulative Quarter	
	30.06.08 RM'000	30.06.07 RM'000	30.06.08 RM'000	30.06.07 RM'000
Deposits from customers	6,958	73,269	6,958	73,269
Deposit of banks and other financial institutions	12,291	56,423	12,291	56,423
Securities sold under repurchase agreements	-	16,718	-	16,718
Subordinated deposits and term loans	244	1,455	244	1,455
Securities sold not yet repurchased	-	1,130	-	1,130
Redeemable unsecured bonds	9,053	9,053	9,053	9,053
Others	781	4,758	781	4,758
	<u>29,327</u>	<u>162,806</u>	<u>29,327</u>	<u>162,806</u>

Bank	Individual Quarter		Cumulative Quarter	
	30.06.08 RM'000	30.06.07 RM'000	30.06.08 RM'000	30.06.07 RM'000
Deposits from customers	6,958	72,006	6,958	72,006
Deposit of banks and other financial institutions	12,291	58,255	12,291	58,255
Securities sold under repurchase agreements	-	16,718	-	16,718
Subordinated deposits and term loans	244	1,455	244	1,455
Securities sold not yet repurchased	-	1,130	-	1,130
Redeemable unsecured bonds	9,053	9,053	9,053	9,053
Others	781	4,758	781	4,758
	<u>29,327</u>	<u>163,375</u>	<u>29,327</u>	<u>163,375</u>

18. OTHER OPERATING INCOME

Group	Individual Quarter		Cumulative Quarter	
	30.06.08 RM'000	30.06.07 RM'000	30.06.08 RM'000	30.06.07 RM'000
Fee income:				
Fees on loans and advances	2,954	2,136	2,954	2,136
Corporate advisory fees	8,861	11,239	8,861	11,239
Guarantee fees	429	1,764	429	1,764
Underwriting commissions	3,448	919	3,448	919
Portfolio management fees	4,627	4,558	4,627	4,558
Unit trust management fees	16,386	13,319	16,386	13,319
Brokerage fees and commissions	19,519	42,801	19,519	42,801
Other fee income	3,656	10,334	3,656	10,334
	<u>59,880</u>	<u>87,070</u>	<u>59,880</u>	<u>87,070</u>
Investment and trading income:				
Net (loss)/gain from sale of securities held-for-trading	(12,398)	79,233	(12,398)	79,233
Net (loss)/gain from sale of securities available-for-sale	(50)	669	(50)	669
Net gain on redemption of securities held-to-maturity	250	3,039	250	3,039
Loss on transfer of offshore banking subsidiary	(48,515)	-	(48,515)	-
Loss on revaluation of derivatives	(3,096)	(10,918)	(3,096)	(10,918)
Gross dividend income from:				
Securities held-for-trading	896	3,159	896	3,159
Securities held-to-maturity	25	613	25	613
Gain/(Loss) on revaluation of securities held-for-trading	5,015	(50,908)	5,015	(50,908)
	<u>(57,873)</u>	<u>24,887</u>	<u>(57,873)</u>	<u>24,887</u>
Other income:				
Foreign exchange (loss)/gain	(1,450)	322	(1,450)	322
Gain on disposal of property and equipment - net	423	6	423	6
Rental income	251	343	251	343
Other non-operating income	4	136	4	136
	<u>(772)</u>	<u>807</u>	<u>(772)</u>	<u>807</u>
	<u>1,235</u>	<u>112,764</u>	<u>1,235</u>	<u>112,764</u>

18. OTHER OPERATING INCOME (CONTD.)

Bank	Individual Quarter		Cumulative Quarter	
	30.06.08	30.06.07	30.06.08	30.06.07
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Fees on loans and advances	2,954	2,121	2,954	2,121
Corporate advisory fees	8,755	11,064	8,755	11,064
Guarantee fees	429	1,488	429	1,488
Underwriting commissions	3,448	785	3,448	785
Brokerage fees and commissions	15,216	33,396	15,216	33,396
Other fee income	6,403	10,247	6,403	10,247
	<u>37,205</u>	<u>59,101</u>	<u>37,205</u>	<u>59,101</u>
Investment and trading income:				
Net (loss)/gain from sale of securities held-for-trading	(12,390)	78,917	(12,390)	78,917
Net (loss)/gain from sale of securities available-for-sale	(50)	669	(50)	669
Net gain on redemption of securities held-to-maturity	250	3,040	250	3,040
Loss on revaluation of derivatives	(3,096)	(10,730)	(3,096)	(10,730)
Gross dividend income from:				
Unquoted subsidiary companies	540	-	540	-
Securities held-for-trading	896	3,159	896	3,159
Securities held-to-maturity	25	613	25	613
Gain/(Loss) on revaluation of securities held-for-trading	5,015	(50,035)	5,015	(50,035)
	<u>(8,810)</u>	<u>25,633</u>	<u>(8,810)</u>	<u>25,633</u>
Other income:				
Foreign exchange loss	(1,432)	(8)	(1,432)	(8)
Gain on disposal of property and equipment - net	423	5	423	5
Rental income	251	315	251	315
	<u>(758)</u>	<u>312</u>	<u>(758)</u>	<u>312</u>
	<u>27,637</u>	<u>85,046</u>	<u>27,637</u>	<u>85,046</u>

19. OTHER OPERATING EXPENSES

Group	Individual Quarter		Cumulative Quarter	
	30.06.08 RM'000	30.06.07 RM'000	30.06.08 RM'000	30.06.07 RM'000
Personnel/Staff costs				
- Salaries, allowances and bonuses	24,169	34,243	24,169	34,243
- Others	12,830	10,547	12,830	10,547
	<u>36,999</u>	<u>44,790</u>	<u>36,999</u>	<u>44,790</u>
Establishment costs				
- Depreciation of property and equipment	2,006	1,684	2,006	1,684
- Amortisation of computer software	365	379	365	379
- Computerisation costs	4,577	3,390	4,577	3,390
- Rental	2,343	2,505	2,343	2,505
- Others	1,147	906	1,147	906
	<u>10,438</u>	<u>8,864</u>	<u>10,438</u>	<u>8,864</u>
Marketing and communication expenses				
- Sales commission	750	508	750	508
- Advertising	1,739	1,232	1,739	1,232
- Travel and entertainment	1,860	1,763	1,860	1,763
- Others	1,962	1,950	1,962	1,950
	<u>6,311</u>	<u>5,453</u>	<u>6,311</u>	<u>5,453</u>
Administration and general expenses				
- Professional fees	3,184	7,413	3,184	7,413
- Others	2,710	3,092	2,710	3,092
	<u>5,894</u>	<u>10,505</u>	<u>5,894</u>	<u>10,505</u>
	<u>59,642</u>	<u>69,612</u>	<u>59,642</u>	<u>69,612</u>
Bank				
Personnel/Staff costs				
- Salaries, allowances and bonuses	15,441	26,844	15,441	26,844
- Others	9,716	8,024	9,716	8,024
	<u>25,157</u>	<u>34,868</u>	<u>25,157</u>	<u>34,868</u>
Establishment costs				
- Depreciation of property and equipment	1,635	1,354	1,635	1,354
- Amortisation of computer software	344	362	344	362
- Computerisation costs	2,699	2,202	2,699	2,202
- Rental	1,198	1,425	1,198	1,425
- Others	459	389	459	389
	<u>6,335</u>	<u>5,732</u>	<u>6,335</u>	<u>5,732</u>
Marketing and communication expenses				
- Sales commission	750	504	750	504
- Advertising	1,596	1,127	1,596	1,127
- Travel and entertainment	1,328	1,426	1,328	1,426
- Others	1,184	1,182	1,184	1,182
	<u>4,858</u>	<u>4,239</u>	<u>4,858</u>	<u>4,239</u>
Administration and general expenses				
- Professional fees	2,623	6,750	2,623	6,750
- Others	2,742	2,713	2,742	2,713
	<u>5,365</u>	<u>9,463</u>	<u>5,365</u>	<u>9,463</u>
	<u>41,715</u>	<u>54,302</u>	<u>41,715</u>	<u>54,302</u>

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

Group	Individual Quarter		Cumulative Quarter	
	30.06.08	30.06.07	30.06.08	30.06.07
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts and financing:				
Specific allowance - net	(169)	4,284	(169)	4,284
<i>Allowance during the period</i>	-	8,388	-	8,388
<i>Amount written back in respect of recoveries and reversals</i>	(169)	(4,104)	(169)	(4,104)
General allowance	1,354	634	1,354	634
Bad debts and financing				
Written off	-	55	-	55
Recovered	(2,280)	(27,063)	(2,280)	(27,063)
	(1,095)	(22,090)	(1,095)	(22,090)
Bank	Individual Quarter		Cumulative Quarter	
	30.06.08	30.06.07	30.06.08	30.06.07
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts and financing:				
Specific allowance- net	(169)	4,284	(169)	4,284
<i>Allowance during the period</i>	-	8,388	-	8,388
<i>Amount written back in respect of recoveries and reversals</i>	(169)	(4,104)	(169)	(4,104)
General allowance	1,354	1,207	1,354	1,207
Bad debts and financing				
Written off	-	55	-	55
Recovered	(2,280)	(27,063)	(2,280)	(27,063)
	(1,095)	(21,517)	(1,095)	(21,517)

21. SEGMENTAL INFORMATION

BY BUSINESS SEGMENT

	Individual Quarter		Cumulative Quarter	
	30.06.08 RM'000	30.06.07 RM'000	30.06.08 RM'000	30.06.07 RM'000
Investment banking				
Revenue	59,633	247,691	59,633	247,691
Profit before taxation	4,506	76,887	4,506	76,887
Offshore banking				
Revenue	(1,997)	12,735	(1,997)	12,735
Profit before taxation	(3,947)	2,999	(3,947)	2,999
Unit trust management				
Revenue	10,213	10,583	10,213	10,583
Profit before taxation	7,119	6,275	7,119	6,275
Asset management				
Revenue	8,580	7,610	8,580	7,610
Profit before taxation	2,399	3,663	2,399	3,663
Real estate management				
Revenue	11	17	11	17
Profit before taxation	5	17	5	17
Investment consultant				
Revenue	5	156	5	156
Profit before taxation	4	70	4	70
Stockbroking				
Revenue	26,294	50,360	26,294	50,360
Profit before taxation	4,463	31,522	4,463	31,522
Others				
Revenue	579	580	579	580
Profit before taxation	(64)	154	(64)	154
Total before consolidation adjustments				
Revenue	103,318	329,732	103,318	329,732
Profit before taxation	14,485	121,587	14,485	121,587
Consolidation adjustments				
Revenue	(50,347)	(4,947)	(50,347)	(4,947)
Profit before taxation	(48,880)	(112)	(48,880)	(112)
Total after consolidation adjustments				
Revenue	52,971	324,785	52,971	324,785
Profit before taxation	(34,395)	121,475	(34,395)	121,475

21. SEGMENTAL INFORMATION (CONTD.)

Included in the above is Islamic banking business profit before taxation of RM5.7 million for the Group and the Bank respectively, for the quarter and period ended 30 June 2008 (RM14.1 million and RM13.9 million respectively, for the quarter and period ended 30 June 2007).

The Group's activities are principally conducted in Malaysia except for AmFrasers International Pte. Ltd. and its subsidiary companies, activities of which are principally conducted in Singapore, which contributed to a loss before tax of RM3.9 million for the quarter and period ended 30 June 2008.

22. VALUATIONS OF PROPERTY AND EQUIPMENTS

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

23. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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

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

On 12 April, the Bank completed the business transfer of assets and liabilities relating to the Bank's 100% shareholding interest in Labuan offshore banking subsidiary of AmInternational (L) Ltd (AMIL) at book value to AmBank. The balance sheets are as follows:

ASSETS	RM'000
Cash and short-term funds	535,393
Securities available-for-sale	897
Securities held-to-maturity	40,954
Loans, advances and financing	32,146
Other assets	1,294
Property and equipment	510
Intangible assets	2
TOTAL ASSETS	<u>611,196</u>
 LIABILITIES AND SHAREHOLDER'S EQUITY	
Deposits from customers	503,510
Deposits and placements of banks and other financial institutions	24,115
Other liabilities	2,036
Total liabilities	<u>529,661</u>
Share capital	33,020
Reserves	48,515
Shareholder's equity	<u>81,535</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	<u>611,196</u>
 COMMITMENTS AND CONTINGENCIES	 -

25. BORROWINGS

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

	Group		Bank	
	30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
(i) Deposits from customers				
Due within six months	-	5,982,121	-	5,479,800
Six months to one year	-	49,476	-	49,476
One year to three years	-	200,591	-	200,000
Total	-	6,232,188	-	5,729,276
(ii) Deposits and placements of banks and other financial institutions				
Due within six months	411,745	4,354,383	411,745	4,335,768
Six months to one year	425,590	233,998	425,590	233,998
One year to three years	263,300	552,713	263,300	552,713
Three years to five years	-	1,277,232	-	1,277,232
Total	1,100,635	6,418,326	1,100,635	6,399,711
<i>Recap :</i>				
Interbank lendings	1,559,870	3,780,176	1,490,757	3,250,923
Interbank borrowings	(950,635)	(1,094,618)	(950,635)	(1,100,118)
Net interbank lendings	609,235	2,685,558	540,122	2,150,805
(iii) Term loans				
Due within one year				
Secured	-	271,490	-	271,490
(iv) Redeemable unsecured subordinated bonds				
More than one year	595,000	595,000	595,000	595,000

26. COMMITMENTS AND CONTINGENCIES

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

As at 30 June 2008, the commitments and contingencies outstanding are as follows:

Group	30.06.08			31.03.08		
	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	-	-	-	270,000	194,810	97,404
Interest rate swaps:						
Related companies	-	-	-	8,625,073	101,966	17,993
Others	-	-	-	26,770,307	601,940	126,949
Foreign exchange related contracts:						
Forward exchange contracts	-	-	-	2,681,436	62,447	12,489
Cross currency swaps	-	-	-	624,647	76,143	15,228
Malaysian Government securities futures	-	-	-	-	-	-
Equity related contracts:						
Options	140,833	-	-	151,596	-	-
Futures	-	-	-	363	-	-
	<u>140,833</u>	<u>-</u>	<u>-</u>	<u>39,123,422</u>	<u>1,037,306</u>	<u>270,063</u>
Commitments						
Irrevocable commitments to extend credit maturing :						
within one year	44,735	22,368	19,744	770,099	-	-
more than one year	156,451	31,290	13,661	591,789	295,895	294,970
Sell and buy back agreements	-	-	-	1,216,782	1,216,782	879,744
Forward purchase commitments	-	-	-	338,081	338,081	30,108
	<u>201,186</u>	<u>53,658</u>	<u>33,405</u>	<u>2,916,751</u>	<u>1,850,758</u>	<u>1,204,822</u>
Contingent Liabilities						
Guarantees given on behalf of customers	487,355	487,355	455,724	783,221	783,221	782,700
Underwriting liabilities	97,216	-	-	650,000	325,000	241,800
Certain transaction-related contingent items	-	-	-	453,126	226,563	214,301
	<u>584,571</u>	<u>487,355</u>	<u>455,724</u>	<u>1,886,347</u>	<u>1,334,784</u>	<u>1,238,801</u>
	<u>926,590</u>	<u>541,013</u>	<u>489,129</u>	<u>43,926,520</u>	<u>4,222,848</u>	<u>2,713,686</u>

Bank	30.06.08			31.03.08		
	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	-	-	-	270,000	194,810	97,404
Interest rate swaps:						
Related companies	-	-	-	8,625,073	101,966	17,993
Others	-	-	-	26,770,307	601,940	126,949
Foreign exchange related contracts:						
Forward exchange contracts	-	-	-	2,681,436	62,447	12,489
Cross currency swaps	-	-	-	624,647	76,143	15,228
Malaysian Government securities futures	-	-	-	-	-	-
Equity related contracts:						
Options	140,833	-	-	151,596	-	-
Futures	-	-	-	363	-	-
	<u>140,833</u>	<u>-</u>	<u>-</u>	<u>39,123,422</u>	<u>1,037,306</u>	<u>270,063</u>
Commitments						
Irrevocable commitments to extend credit maturing:						
within one year	44,735	22,368	19,744	770,099	-	-
more than one year	156,451	31,290	13,661	591,789	295,895	294,970
Sell and buy back agreements	-	-	-	1,216,782	1,216,782	879,744
Forward purchase commitments	-	-	-	338,081	338,081	30,108
	<u>201,186</u>	<u>53,658</u>	<u>33,405</u>	<u>2,916,751</u>	<u>1,850,758</u>	<u>1,204,822</u>
Contingent Liabilities						
Guarantees given on behalf of customers	487,355	487,355	455,724	783,221	783,221	782,700
Underwriting liabilities	97,216	-	-	650,000	325,000	241,800
Certain transaction-related contingent items	-	-	-	453,126	226,563	214,301
	<u>584,571</u>	<u>487,355</u>	<u>455,724</u>	<u>1,886,347</u>	<u>1,334,784</u>	<u>1,238,801</u>
	<u>926,590</u>	<u>541,013</u>	<u>489,129</u>	<u>43,926,520</u>	<u>4,222,848</u>	<u>2,713,686</u>

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

- (a) The Bank has given guarantees in favour of Labuan International Financial Exchange ("LFX") in respect of USD 5 million each for AmInternational to act as a Listing Sponsor and as a Trading agent of the LFX.
- (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.

27. RELATED PARTY TRANSACTIONS

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

28. DERIVATIVE FINANCIAL INSTRUMENTS

As at 30 June 2008, 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	-	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-	-	-
Foreign exchange related contracts :								
Forward exchange contracts	-	-	-	-	-	-	-	-
Cross currency swaps	-	-	-	-	-	-	-	-
Equity related contracts:								
Options	140,833	-	-	-	47,679	93,154	-	-
Futures	-	-	-	-	-	-	-	-
Total	140,833	-	-	-	47,679	93,154	-	-

RISK MANAGEMENT POLICY ON FINANCIAL DERIVATIVES

Purpose of engaging in financial derivatives

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

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

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

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

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

Risk associated with financial derivatives

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

Market risk of derivatives used for trading purposes

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

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

As at 30 June 2008, value at risk of foreign exchange-related derivatives contracts used for trading purposes of the Group and the Bank was RM Nil (RM5,824,499 as at 31 March 2008).

The value at risk of the interest rate derivatives related contracts used for trading purposes of the Group and the Bank was RM Nil (RM22,381,970 as at 31 March 2008).

The value at risk of the options related contracts used for trading purposes of the Group and the Bank was RM Nil (RM Nil as at 31 March 2008).

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

Credit risk

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

As at 30 June 2008, the amounts of counterparty credit risk, measured in term of the cost to replace the profitable contracts of the Group and the Bank was RM Nil (RM55,506,579 as at 31 March 2008). 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 30.06.08	<-----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	1,516,110	-	-	-	-	-	71,999	-	1,588,109	3.50	
Deposits and placements with banks and other financial institutions	460	49,431	719	-	-	-	-	-	50,610	3.60	
Securities held-for-trading	-	-	-	-	-	-	-	246,677	246,677	5.64	
Securities available-for-sale	-	9,613	12,817	-	16,325	39,746	-	-	78,501	5.68	
Securities held-to-maturity	-	-	-	48,997	93,915	-	18,946	-	161,858	3.72	
Loans, advances and financing:											
- performing	220,089	336,571	15,051	7,307	5,193	16,503	400	-	601,114	6.90	
- non-performing *	-	-	-	-	-	-	(8,783)	-	(8,783)	-	
Other non-interest sensitive balances	-	-	-	-	-	-	690,585	-	690,585	-	
TOTAL ASSETS	1,736,659	395,615	28,587	56,304	115,433	56,249	773,147	246,677	3,408,671		
LIABILITIES AND EQUITY											
Deposits and placements of banks and other financial institutions	360,330	51,215	375,590	50,000	263,300	-	200	-	1,100,635	2.73	
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	6.10	
Other non-interest sensitive balances	-	-	-	-	-	-	586,141	-	586,141	-	
Total Liabilities	360,330	51,215	375,590	50,000	263,300	595,000	586,341	-	2,281,776		
Share capital	-	-	-	-	-	-	529,500	-	529,500		
Reserves	-	-	-	-	-	-	597,395	-	597,395	-	
TOTAL LIABILITIES AND EQUITY	360,330	51,215	375,590	50,000	263,300	595,000	1,713,236	-	3,408,671		

Group	<-----Non-trading book ----->							Non- interest sensitive	Trading Book	Total	Effective interest rate %
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years	RM'000				
30.06.08											
On-balance sheet interest rate gap sensitivity	1,376,329	344,400	(347,003)	6,304	(147,867)	(538,751)	(940,089)	246,677	-	-	
Off-balance sheet interest rate gap sensitivity	-	-	-	-	-	-	-	-	-	-	
Total interest rate gap sensitivity	1,376,329	344,400	(347,003)	6,304	(147,867)	(538,751)	(940,089)	246,677	-	-	
Cumulative interest rate gap sensitivity	1,376,329	1,720,729	1,373,726	1,380,030	1,232,163	693,412	(246,677)	-	-	-	

* 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	Trading Book	Total	Effective interest rate %
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years	RM'000				
31.3.08	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
ASSETS											
Cash and short-term funds	2,596,804	-	-	-	-	-	575,829	-	-	3,172,633	3.33
Deposits and placements with banks and other financial institutions	860	-	101	-	-	749,500	-	-	-	750,461	7.65
Securities held-for-trading	-	-	-	-	-	-	-	4,971,446	4,971,446	4,971,446	3.59
Securities available-for-sale	-	-	-	65,740	518,050	608,384	19,581	-	-	1,211,755	6.03
Securities held-to-maturity	9,532	6,388	35,685	1,060	330,806	98,920	179,035	-	-	661,426	4.46
Loans, advances and financing:											
- performing	2,536,467	1,452,763	75,253	81,791	300,359	30,556	2,179	-	-	4,479,368	6.07
- non-performing *	-	-	-	-	-	-	63,727	-	-	63,727	-
Derivative financial assets	-	-	-	-	-	-	299,018	-	-	299,018	-
Amount due from Originators	-	6,430	26,042	-	2,668	-	-	-	-	35,140	4.33
Other non-interest sensitive balances	-	-	-	-	-	-	1,238,266	-	-	1,238,266	-
TOTAL ASSETS	5,143,663	1,465,581	137,081	148,591	1,151,883	1,487,360	2,377,635	4,971,446	16,883,240		
LIABILITIES AND EQUITY											
Deposits from customers	4,453,427	775,486	322,661	55,829	200,000	-	424,785	-	-	6,232,188	3.43
Deposits and placements of banks and other financial institutions	3,564,168	517,486	116,916	220,352	605,444	1,138,801	255,159	-	-	6,418,326	3.14
Derivative financial liabilities	-	-	-	-	-	-	325,270	-	-	325,270	-
Recourse obligations on loans sold to Cagamas Berhad	-	6,430	26,042	-	2,668	-	-	-	-	35,140	4.33
Term loans	-	-	-	271,490	-	-	-	-	-	271,490	5.45
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	-	595,000	6.10

Group 31.3.08	<-----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	-	-	-	-	-	-	952,573	-	952,573	-	
Total Liabilities	8,017,595	1,299,402	465,619	547,671	808,112	1,733,801	1,957,787	-	14,829,987	-	
Share capital	-	-	-	-	-	-	340,000	-	340,000	-	
Reserves	-	-	-	-	-	-	1,713,253	-	1,713,253	-	
TOTAL LIABILITIES AND EQUITY	8,017,595	1,299,402	465,619	547,671	808,112	1,733,801	4,011,040	-	16,883,240		
On-balance sheet interest rate gap sensitivity	(2,873,932)	166,179	(328,538)	(399,080)	343,771	(246,441)	(1,633,405)	4,971,446	-	-	
Off-balance sheet interest rate gap sensitivity	(1,951,885)	2,446,598	(460,571)	(31,237)	(338,838)	315,508	-	-	(20,425)	-	
Total interest rate gap sensitivity	(4,825,817)	2,612,777	(789,109)	(430,317)	4,933	69,067	(1,633,405)	4,971,446	(20,425)		
Cumulative interest rate gap sensitivity	(4,825,817)	#####	(3,002,149)	(3,432,466)	(3,427,533)	(3,358,466)	(4,991,871)	(20,425)			

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

Bank 30.06.08	<-----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	1,431,726	-	-	-	-	-	59,763	-	1,491,489	3.50
Deposits and placements with banks and other financial institutions	-	49,431	-	-	-	-	-	-	49,431	3.60
Securities held-for-trading	-	-	-	-	-	-	-	246,515	246,515	5.64
Securities available-for-sale	-	9,613	12,817	-	16,325	39,746	-	-	78,501	5.68
Securities held-to-maturity	-	-	-	48,997	93,912	-	18,947	-	161,856	3.72
Loans, advances and financing:										
- performing	220,089	336,568	15,048	7,301	5,165	16,503	333	-	601,007	6.90
- non-performing *	-	-	-	-	-	-	(8,783)	-	(8,783)	-
Other non-interest sensitive balances	-	-	-	-	-	-	579,218	-	579,218	-
TOTAL ASSETS	1,651,815	395,612	27,865	56,298	115,402	56,249	649,478	246,515	3,199,234	
LIABILITIES AND EQUITY										
Deposits and placements of banks and other financial institutions	360,330	51,215	375,590	50,000	263,300	-	200	-	1,100,635	2.73
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	6.10
Other non-interest sensitive balances	-	-	-	-	-	-	450,232	-	450,232	-
Total Liabilities	360,330	51,215	375,590	50,000	263,300	595,000	450,432	-	2,145,867	-
Share capital	-	-	-	-	-	-	529,500	-	529,500	-
Reserves	-	-	-	-	-	-	523,867	-	523,867	-
TOTAL LIABILITIES AND EQUITY	360,330	51,215	375,590	50,000	263,300	595,000	1,503,799	-	3,199,234	

Bank	<-----Non-trading book ----->							Non- interest sensitive	Trading Book	Effective interest rate
	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years	Over 5 years			
30.06.08	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
On-balance sheet interest rate gap sensitivity	1,291,485	344,397	(347,725)	6,298	(147,898)	(538,751)	(854,321)	246,515	-	
Off-balance sheet interest rate gap sensitivity	-	-	-	-	-	-	-	-	-	
Total interest rate gap sensitivity	1,291,485	344,397	(347,725)	6,298	(147,898)	(538,751)	(854,321)	246,515	-	
Cumulative interest rate gap sensitivity	1,291,485	1,635,882	1,288,157	1,294,455	1,146,557	607,806	(246,515)	-		

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

Bank 31.3.08	<-----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	1,994,772	-	-	-	-	-	556,554	-	2,551,326	3.41
Deposits and placements with banks and other financial institutions	-	-	-	-	-	749,500	-	-	749,500	7.65
Securities held-for-trading	-	-	-	-	-	-	-	4,970,666	4,970,666	3.59
Securities available-for-sale	-	-	-	65,740	518,050	608,384	18,684	-	1,210,858	6.03
Securities held-to-maturity	518	-	10,133	1,060	330,803	98,920	179,036	-	620,470	4.37
Loans, advances and financing:										
- performing	2,505,314	1,452,763	75,253	81,791	300,085	30,110	1,290	-	4,446,606	6.08
- non-performing *	-	-	-	-	-	-	64,233	-	64,233	-
Derivative financial assets	-	-	-	-	-	-	299,018	-	299,018	-
Amount due from Originators	-	6,430	26,042	-	2,668	-	-	-	35,140	4.33
Other non-interest sensitive balances	-	-	-	-	-	-	1,078,825	-	1,078,825	-
TOTAL ASSETS	4,500,604	1,459,193	111,428	148,591	1,151,606	1,486,914	2,197,640	4,970,666	16,026,642	
LIABILITIES AND EQUITY										
Deposits from customers	3,952,439	773,563	322,661	55,829	200,000	-	424,784	-	5,729,276	3.49
Deposits and placements of banks and other financial institutions	3,569,668	493,371	116,916	220,352	605,444	1,138,800	255,160	-	6,399,711	3.14
Derivative financial liabilities	-	-	-	-	-	-	325,270	-	325,270	-
Recourse obligation on loans sold to Cagamas Berhad	-	6,430	26,042	-	2,668	-	-	-	35,140	4.33
Term loan	-	-	-	271,490	-	-	-	-	271,490	5.45

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					
31.3.08											
Redeemable unsecured subordinated bonds	-	-	-	-	-	595,000	-	-	595,000	6.10	
Other non-interest sensitive balances	-	-	-	-	-	-	733,987	-	733,987	-	
Total Liabilities	7,522,107	1,273,364	465,619	547,671	808,112	1,733,800	1,739,201	-	14,089,874		
Share capital	-	-	-	-	-	-	340,000	-	340,000	-	
Reserves	-	-	-	-	-	-	1,596,768	-	1,596,768	-	
TOTAL LIABILITIES AND EQUITY	7,522,107	1,273,364	465,619	547,671	808,112	1,733,800	3,675,969	-	16,026,642		
On-balance sheet interest rate gap sensitivity	(3,021,503)	185,829	(354,191)	(399,080)	343,494	(246,886)	(1,478,329)	4,970,666	-		
Off-balance sheet interest rate gap sensitivity	(1,951,885)	2,446,598	(460,571)	(31,237)	(338,838)	315,508	-	-	(20,425)		
Total interest rate gap sensitivity	(4,973,388)	2,632,427	(814,762)	(430,317)	4,656	68,622	(1,478,329)	4,970,666	(20,425)		
Cumulative interest rate gap sensitivity	(4,973,388)	#####	(3,155,723)	(3,586,040)	(3,581,384)	(3,512,762)	(4,991,091)	(20,425)			

* 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 as at 30 June 2008 are analysed as follows:

	Group		Bank	
	30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
Tier 1 capital				
Paid-up ordinary share capital	429,500	240,000	429,500	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	200,000	389,500	200,000	389,500
Exchange fluctuation reserve	23,853	23,853	8,878	18,290
Unappropriated profit at end of period/year	178,696	1,083,285	120,642	1,023,693
	<u>1,125,148</u>	<u>2,029,737</u>	<u>1,049,304</u>	<u>1,961,767</u>
Less: Deferred tax assets, net	(14,175)	(14,175)	(12,965)	(12,965)
Goodwill	(47,686)	(47,685)	-	-
Total Tier 1 capital	<u>1,063,287</u>	<u>1,967,877</u>	<u>1,036,339</u>	<u>1,948,802</u>
Tier 2 capital				
Redeemable unsecured subordinated bonds	595,000	595,000	595,000	595,000
General allowance for bad and doubtful debts	9,465	69,316	9,465	69,316
Total	<u>604,465</u>	<u>664,316</u>	<u>604,465</u>	<u>664,316</u>
Less: restriction on subordinated debt capital	(63,357)	-	(76,830)	-
Total	<u>541,108</u>	<u>664,316</u>	<u>527,635</u>	<u>664,316</u>
Total capital funds	1,604,395	2,632,193	1,563,974	2,613,118
Less: Investment in capital of related financial institutions	71,955	72,439	71,955	72,439
Investment in subsidiary companies	-	-	122,671	122,671
Capital base	<u>1,532,440</u>	<u>2,559,754</u>	<u>1,369,348</u>	<u>2,418,008</u>
Capital Ratios:				
Core capital ratio	36.27%	13.79%	40.27%	13.98%
Risk-weighted capital ratio	52.28%	17.94%	53.20%	17.35%
Core capital ratio (net of proposed ordinary dividend)	36.27%	13.16%	40.27%	13.33%
Risk-weighted capital ratio (net of proposed ordinary dividend)	<u>52.28%</u>	<u>17.31%</u>	<u>53.20%</u>	<u>16.70%</u>

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

Group	30.06.08		31.03.08	
	Principal Amount RM'000	Risk-Weighted Amount RM'000	Principal Amount RM'000	Risk-Weighted Amount RM'000
0%	133	-	1,426,801	-
10%	-	-	-	-
20%	1,521,274	304,255	3,929,771	785,954
35%	13,664	4,782	12,942	4,530
50%	195,242	97,621	2,096,554	1,048,277
75%	6,512	4,884	49,099	36,824
100%	1,781,345	1,781,345	7,465,043	7,465,043
150%	23,336	35,004	192,386	288,579
	<u>3,541,506</u>	<u>2,227,891</u>	<u>15,172,596</u>	<u>9,629,208</u>
Add: Counterparty Risk Requirements for unsettled trades		-		-
Add: Total risk weighted assets equivalent for market risk		486,366		3,825,956
Operational risk weighted assets		216,668		814,555
Add: Large exposure risk requirement for single equity		449		449
		<u>2,931,374</u>		<u>14,270,167</u>

Bank	30.06.08		31.03.08	
	Principal Amount RM'000	Risk-Weighted Amount RM'000	Principal Amount RM'000	Risk-Weighted Amount RM'000
0%	120	-	1,426,788	-
10%	-	-	-	-
20%	1,423,488	284,698	3,842,908	768,582
35%	13,664	4,782	12,942	4,530
50%	195,242	97,621	2,096,554	1,048,277
75%	6,512	4,884	49,099	36,824
100%	1,549,375	1,549,375	7,154,941	7,154,941
150%	21,160	31,739	192,386	288,579
	<u>3,209,561</u>	<u>1,973,099</u>	<u>14,775,618</u>	<u>9,301,733</u>
Add: Counterparty Risk Requirements for unsettled trades		-		-
Add: Total risk weighted assets equivalent for market risk		485,921		3,825,956
Operational risk weighted assets		114,257		811,742
Add: Large exposure risk requirement for single equity		449		449
		<u>2,573,726</u>		<u>13,939,879</u>

31. OPERATIONS OF ISLAMIC BANKING

BALANCE SHEETS AS AT 30 JUNE 2008

The state of affairs as at 30 June 2008 and the results for the period ended 30 June 2008 of the Islamic banking business of the Group and the Bank and included in the financial statements after elimination of intercompany transactions and balances are summarised as follows:

	Group		Bank	
	30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
ASSETS				
Cash and short-term funds	10,137	506,871	10,137	506,870
Securities held-for-trading	-	459,712	-	459,712
Securities available-for-sale	-	-	-	-
Securities held-to-maturity	-	32,373	-	-
Financing, advances and other loans	-	18,848	-	18,848
Statutory deposit with				
Bank Negara Malaysia	-	14,500	-	14,500
Other receivables, deposits and prepayments	33,700	2,789	33,700	2,789
Property and equipment	88	93	88	93
Deferred tax assets	-	82	-	82
Intangible assets	3	3	3	3
TOTAL ASSETS	43,928	1,035,271	43,928	1,002,897
LIABILITIES AND ISLAMIC BANKING FUNDS				
Deposits from customers	-	426,268	-	424,785
Deposits and placements of banks and other financial institutions	200	279,281	200	255,159
Converted fund	-	2,160	-	-
Other liabilities	9,536	12,074	9,536	11,834
Total Liabilities	9,736	719,783	9,736	691,778
ISLAMIC BANKING FUNDS				
Capital funds	30,000	102,839	30,000	100,000
Reserves	4,192	212,649	4,192	211,119
Islamic Banking Funds	34,192	315,488	34,192	311,119
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	43,928	1,035,271	43,928	1,002,897
COMMITMENTS AND CONTINGENCIES				
	166,412	1,846,587	166,412	1,846,587

**UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2008**

Group	Individual Quarter		Cumulative Quarter	
	30.06.08	30.06.07	30.06.08	30.06.07
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	236	6,098	236	6,098
Writeback of allowance for losses on financing	1,832	383	1,832	383
Transfer (to)/from profit equalisation reserve	-	(32)	-	(32)
Total attributable income	2,068	6,449	2,068	6,449
Income attributable to depositors	(655)	(6,786)	(655)	(6,786)
Income/(Loss) attributable to the Group	1,413	(337)	1,413	(337)
Income derived from investment of Islamic Banking Funds	5,070	15,445	5,070	15,445
Total net income	6,483	15,108	6,483	15,108
Other operating expenses	(816)	(1,004)	(816)	(1,004)
Profit before taxation	5,667	14,104	5,667	14,104
Taxation	(1,475)	(3,764)	(1,475)	(3,764)
Profit after taxation	4,192	10,340	4,192	10,340

**UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2008**

Bank	Individual Quarter		Cumulative Quarter	
	30.06.08	30.06.07	30.06.08	30.06.07
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	236	5,317	236	5,317
Writeback of allowance for losses on financing	1,832	383	1,832	383
Transfer from profit equalisation reserve	-	-	-	-
Total attributable income	2,068	5,700	2,068	5,700
Income attributable to depositors	(655)	(6,130)	(655)	(6,130)
Income/(Loss) attributable to the Bank	1,413	(430)	1,413	(430)
Income derived from investment of Islamic Banking Funds	5,070	15,376	5,070	15,376
Total net income	6,483	14,946	6,483	14,946
Other operating expenses	(816)	(1,004)	(816)	(1,004)
Profit before taxation	5,667	13,942	5,667	13,942
Taxation	(1,475)	(3,764)	(1,475)	(3,764)
Profit after taxation	4,192	10,178	4,192	10,178

31a. FINANCING ACTIVITIES

	Group		Bank	
	30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
Term financing				
Syndicated financing	-	19,374	-	19,374
Other term financing	-	4	-	4
Revolving credit	-	22,946	-	22,946
Gross financing	-	42,324	-	42,324
Allowance for bad and doubtful debts and financing :				
- general	-	(287)	-	(287)
- specific	-	(23,189)	-	(23,189)
	-	(23,476)	-	(23,476)
Net financing	-	18,848	-	18,848

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

	Group		Bank	
	30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
Gross				
Balance at beginning of period/year	23,189	23,537	23,189	23,537
Non-performing during the period/year	-	37	-	37
Recoveries	-	(385)	-	(385)
Amount written-off	-	-	-	-
Amount vested to AmIslamic Bank	(23,189)	-	(23,189)	-
Balance at end of period/year	-	23,189	-	23,189
Specific allowance	-	(23,189)	-	(23,189)
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	
	30.06.08 RM'000	31.03.08 RM'000	30.06.08 RM'000	31.03.08 RM'000
General Allowance				
Balance at beginning of period/year	287	513	287	513
Reversal of allowance during the period/year	-	(226)	-	(226)
Amount vested to AmIslamic Bank	(287)	-	(287)	-
Balance at end of period/year	-	287	-	287
% of total financing less specific allowance	-	1.50%	-	1.50%
Specific Allowance				
Balance at beginning of period/year	23,189	23,537	23,189	23,537
Reversal of allowance during the period/year	-	(348)	-	(348)
Amount vested to AmIslamic Bank	(23,189)	-	(23,189)	-
Balance at end of period/year	-	23,189	-	23,189

31b. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30.06.08	31.03.08	30.06.08	31.03.08
	RM'000	RM'000	RM'000	RM'000
Mudarabah				
Special Investment deposits	-	426,268	-	424,785

31c. OTHER LIABILITIES

	Group		Bank	
	30.06.08	31.03.08	30.06.08	31.03.08
	RM'000	RM'000	RM'000	RM'000
Other payables and accruals	1,429	5,053	1,429	5,053
Amount owing to head office	-	68	-	68
Taxation and zakat payable	8,107	6,618	8,107	6,618
Profit equalisation reserve	-	335	-	95
	9,536	12,074	9,536	11,834

32. CHANGE IN ACCOUNTING POLICIES AND RECLASSIFICATION

There were no changes in accounting policies and reclassification in the current financial quarter.

33. BUSINESS AND INTERNAL TRANSFERS

Pursuant to the Business Transfers of the Bank's fund based activity to AmBank and AmIslamic Bank, the unaudited balance sheets as at 12 April 2008 for the Bank are as follows:

	Unaudited As at 12 April 2008 RM'000
ASSETS	
Cash and short-term funds	2,105,829
Deposits and placements with banks and other financial institutions	521,540
Securities held-for-trading	4,349,470
Securities available-for-sale	1,132,260
Securities held-to-maturity	458,799
Derivative financial assets	278,964
Loans, advances and financing	4,092,282
Other assets	202,551
Statutory deposit with Bank Negara Malaysia	130,090
Investments in subsidiary companies	33,020
Deferred tax assets	15,439
TOTAL ASSETS	<u>13,320,244</u>
LIABILITIES AND SHAREHOLDER'S EQUITY	
Deposits from customers	6,760,077
Deposits and placements with banks and other financial institutions	4,473,165
Derivative financial liabilities	317,266
Other liabilities	72,278
Recourse obligation on loans sold to Cagamas Berhad	34,837
Term loans	267,920
Total liabilities	<u>11,925,543</u>
Reserves	24,153
Shareholder's equity	<u>24,153</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	<u>11,949,696</u>
COMMITMENTS AND CONTINGENCIES	<u>46,950,719</u>
Net Assets Vested	<u>1,370,548</u>

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

After the transfer of fund based business in treasury, investment and credit lending operations to AmBank and AmIslamic Bank on 12 April 2008, the Bank posted a lower pretax profit of RM8.9 million for the quarter as compared to RM106.5 million for the quarter ended 30 June 2007, mainly due to lower net income for Islamic Banking operation of RM4.7 million as compared to RM14.6 million for the quarter ended 30 June 2007, lower net interest income of RM16.9 million as compared to RM32.8 million in the quarter ended 30 June 2007, lower other operating income of RM27.6 million as compared to RM85.0 million in the quarter ended 30 June 2007 as a result of investment and trading loss of RM8.8 million and lower writeback of allowance for losses on loans and financing of RM1.1 million as compared to RM21.5 million for the quarter ended 30 June 2007.

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

Similarly after the business transfer, including the Labuan offshore banking subsidiary of AmInternational (L) Ltd (AMIL) at cost, for the period ended 30 June 2008, the Group and the Bank reported pretax loss of RM34.4 million (pretax profit of RM121.5 million for the period ended 30 June 2007) and lower pretax profit of RM8.9 million (RM106.5 million for the period ended 30 June 2007), respectively and are attributed to:

- (i) Lower writeback of allowance for losses on loan and financing of RM1.1 million (RM22.1 million and RM21.5 million for the period ended 30 June 2007) for the Group and the Bank, respectively.
- (ii) Lower fee income of RM59.9 million and RM37.2 million as a result of lower corporate advisory, guarantee and brokerage fees (RM87.1 million and RM59.1 million incurred for the period ended 30 June 2007) for the Group and the Bank, respectively.
- (iii) Lower net interest income of RM17.8 million and RM16.9 million (RM34.5 million and RM32.8 million for the period ended 30 June 2007) for the Group and the Bank, respectively.
- (iv) Investment and trading loss of RM57.8 million and RM8.8 million (gain of RM24.9 million and RM25.6 million for the period ended 30 June 2007), as a result of loss on sale of securities held-for-trading and RM48.5 million loss on transfer of Labuan offshore banking subsidiary (AMIL) at cost to AmBank for the Group and the Bank, respectively.
- (v) Lower income from Islamic banking business of RM4.7 million (RM14.8 million and RM14.6 million for the period ended 30 June 2007) for the Group and the Bank, respectively.

Shareholder's equity stood at RM1.1 billion (RM2.1 billion as at 31 March 2008) for the Group and RM1.1 billion (RM1.9 billion as at 31 March 2008) 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.

36. CURRENT PERIOD PROSPECTS

The Bank will continue to provide a diversified product range of conventional and Islamic investment banking services to the large corporate and institutional clients, following the transfer of the fund-based business activities into AmBank. The Bank will also leverage on regional business expansion opportunities in various capital market activities through the AmBank group's partnership with Australia and New Zealand Banking Group Limited (ANZ). Together with the operational efficiency and steady leadership positions in various market segments and products, will enhance its position as a leading investment bank globally.