

EON CAPITAL BERHAD
(454644-K)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER 2006

		Unaudited	Audited
		30 September	31 December
		2006	2005
	Note	RM'000	RM'000
ASSETS			
Cash and short-term funds		3,880,060	3,200,023
Deposits and placements with banks and other financial institutions		532,984	462,646
Held-for-trading securities	10	77,878	12,528
Derivative financial instruments	18	11,517	19,028
Available-for-sale securities	11	2,785,700	2,424,785
Held-to-maturity securities	12	2,437,764	1,517,082
Loans, advances and financing	13	27,247,818	25,925,754
Other assets	14	722,211	563,031
Statutory deposits with Bank Negara Malaysia		1,049,432	1,001,261
Property, plant and equipment		275,613	279,557
Deferred tax assets		114,934	118,342
Goodwill		137,929	66,497
TOTAL ASSETS		39,273,840	35,590,534
LIABILITIES AND SHAREHOLDERS' FUNDS			
Deposits from customers	16	25,527,481	23,965,678
Deposits and placements of banks and other financial institutions	17	7,160,733	4,583,163
Derivative financial instruments	18	31,640	41,643
Obligations on securities sold under repurchase agreements		260,208	1,201,241
Bills and acceptances payable		1,617,650	1,360,677
Other liabilities	19	603,841	405,491
Recourse obligations on loans sold to Cagamas Berhad		21,527	129,339
Provision for taxation and zakat		39,179	26,617
Long term borrowings	38	245,708	244,488
Subordinated obligations	39	793,354	807,444
TOTAL LIABILITIES		36,301,321	32,765,781
SHARE CAPITAL		693,209	693,209
RESERVES		2,279,310	2,131,544
SHAREHOLDERS' EQUITY		2,972,519	2,824,753
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		39,273,840	35,590,534
COMMITMENTS AND CONTINGENCIES	25	19,710,483	16,358,255
NET ASSETS PER ORDINARY SHARE (RM)		4.29	4.07

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL QUARTER/PERIOD ENDED 30 SEPTEMBER 2006

	Note	Individual quarter		Cumulative quarter	
		Current financial quarter ended 30 September 2006 RM'000	Preceding year corresponding quarter ended 30 September 2005 RM'000	Current financial period ended 30 September 2006 RM'000	Preceding year corresponding period ended 30 September 2005 RM'000
Interest income	20	475,419	395,551	1,335,390	1,187,936
Interest expense	21	(261,037)	(210,386)	(709,723)	(612,630)
Net interest income		214,382	185,165	625,667	575,306
Net income from Islamic Banking business	29	34,525	38,716	108,036	109,311
		248,907	223,881	733,703	684,617
Other operating income	22	38,021	59,481	180,740	187,326
Net income		286,928	283,362	914,443	871,943
Other operating expenses	23	(136,835)	(134,411)	(405,291)	(394,301)
Operating profit		150,093	148,951	509,152	477,642
Allowance for losses on loans, advances and financing	24	(73,078)	(50,594)	(206,304)	(155,204)
Impairment losses on securities		(1,299)	(3,157)	(5,871)	(15,430)
Profit before taxation and zakat		75,716	95,200	296,977	307,008
Taxation	34	(15,462)	(26,086)	(82,001)	(86,969)
Zakat		(1,113)	(1,148)	(3,713)	(3,705)
Net profit for the financial quarter/period		59,141	67,966	211,263	216,334
Earnings per share (sen)					
- Basic	46	8.53	9.80	30.48	31.21
- Diluted	46	8.53	9.80	30.48	31.21

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER/PERIOD ENDED 30 SEPTEMBER 2006

	Note	Issued and fully paid ordinary shares of RM1 each	Share premium	Statutory reserve	Reserve arising on consolidation	Cumulative net unrealised gains/ (losses) on available- for-sale securities	Retained profits	Total
		Share capital						
Balance as at 1 January 2006								
- as previously stated		693,209	1,066,296	473,986	200,897	3,020	387,345	2,824,753
- prior year adjustments	2	-	-	-	(200,897)	-	200,897	-
- as restated		693,209	1,066,296	473,986	-	3,020	588,242	2,824,753
Net profit for the financial period		-	-	-	-	-	211,263	211,263
Net fair value changes on available-for-sale securities, net of tax		-	-	-	-	16,361	-	16,361
Dividends in respect of financial year ended 31 December 2005		-	-	-	-	-	(79,858)	(79,858)
Balance as at 30 September 2006		693,209	1,066,296	473,986	-	19,381	719,647	2,972,519
Balance as at 1 January 2005								
- as previously stated		693,209	1,066,296	401,802	200,897	19,870	219,287	2,601,361
- prior year adjustments	2	-	-	-	(200,897)	-	200,897	-
- as restated		693,209	1,066,296	401,802	-	19,870	420,184	2,601,361
Net profit for the financial period		-	-	-	-	-	216,334	216,334
Net fair value changes on available-for-sale securities, net of tax		-	-	-	-	(9,655)	-	(9,655)
Dividends in respect of financial year ended 31 December 2004		-	-	-	-	-	(42,923)	(42,923)
Balance as at 30 September 2005		693,209	1,066,296	401,802	-	10,215	593,595	2,765,117

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2006

	Current financial period ended 30 September 2006	Preceding year corresponding period ended 30 September 2005
	RM'000	RM'000
Cash Flows From Operating Activities		
Net profit for the financial period	211,263	216,334
Adjustments for investing and financing items not involving movement of cash and cash equivalents	353,344	293,257
Operating profit before working capital changes	<u>564,607</u>	<u>509,591</u>
Increase in operating assets	(2,025,309)	(2,250,521)
Increase in operating liabilities	3,559,912	1,580,389
Cash generated from/(used in) operating activities	<u>2,099,210</u>	<u>(160,541)</u>
Zakat paid	(825)	(8,066)
Income tax paid	(79,072)	(104,476)
Income tax refund	-	13
Net cash generated from/(used in) operating activities	<u>2,019,313</u>	<u>(273,070)</u>
Cash Flows From Investing Activities		
Proceeds from sale of available-for-sales and held-to-maturity securities, net of purchases	(1,272,125)	162,028
Purchase of property, plant and equipment	(29,271)	(162,046)
Proceeds from disposal of property, plant and equipment	1,060	36,638
Acquisition of subsidiary companies (Note 27)	(26,315)	-
Interest/dividend received from available-for-sales and held-to-maturity securities	164,415	231,288
Net dividends received	517	1,529
Net cash (used in)/generated from investing activities	<u>(1,161,719)</u>	<u>269,437</u>
Cash Flows From Financing Activities		
Net dividends paid	(79,858)	(42,923)
Repayment of short term borrowings	(50,621)	-
Interest paid on long term borrowings	(8,040)	(9,349)
Net interest received from interest rate related derivatives	5,977	1,269
Interest paid on subordinated obligations	(45,015)	(45,957)
Net cash used in financing activities	<u>(177,557)</u>	<u>(96,960)</u>
Net increase/(decrease) in cash and cash equivalents	680,037	(100,593)
Cash and cash equivalents:		
- as at beginning of financial period	<u>3,200,023</u>	<u>3,639,250</u>
- as at end of the financial period	<u><u>3,880,060</u></u>	<u><u>3,538,657</u></u>

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EXPLANATORY NOTES

<p>Disclosure requirements pursuant to Malaysian Accounting Standards Board's (MASB) Standard No. FRS134 (Interim Financial Reporting) and Bank Negara Malaysia's Revised Guidelines on Financial Reporting for Licensed Institutions (revised BNM/GP8).</p>

1. Basis of Preparation

The condensed interim financial statements have been prepared in accordance with the Malaysian Accounting Standards Board's (MASB) Standard, FRS134₂₀₀₄ - Interim Financial Reporting, Bank Negara Malaysia's Revised Guidelines on Financial Reporting for Licensed Institutions (revised BNM/GP8) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's financial statements for the financial year ended 31 December 2005.

The specific and general allowances for loans, advances and financing of the Group are computed based on BNM's guidelines on the "Classification of Non-Performing Loans and Provisions for Substandard, Bad and Doubtful Debts" ("BNM/GP3"). In addition, for loans which are in arrears for seven years and above, zero value is assigned to the collateral and full specific provision is made thereon.

The accounting policies and methods of computation adopted by the Group for the condensed interim financial statements are consistent with those adopted in its latest audited financial statements for the financial year ended 31 December 2005, except for those disclosed in Note 2 of these explanatory notes.

2. Changes in Accounting Policies

The new and revised FRS issued by MASB which are applicable to the Group and have resulted in a change in accounting policies effective from 1 January 2006 are FRS 3 – Business Combination and FRS 136 – Impairment of Assets.

FRS 3 requires goodwill acquired in business combinations to be measured at cost less accumulated impairment losses. Goodwill is no longer amortised but is subject to impairment test to be conducted annually as required under FRS 136. The accumulated amortisation of goodwill arising from business combination before 1 January 2006 is netted off against gross goodwill and there is no impact on the shareholders' funds of the Group.

FRS 3 also requires negative goodwill/reserve arising from consolidation, which represents the excess of fair value of the net identifiable assets acquired over the cost of acquisition, to be recognised immediately in the income statement. The adoption of this accounting policy has resulted in the Group's reserve arising from consolidation in respect of business combination effected prior to 1 January 2006 being adjusted against the opening balance of the Group's retained earnings and there is no impact on the shareholders' funds of the Group.

The change in accounting policies arising from adoption of FRS 3 and FRS 136 has been accounted for prospectively. The discontinuation of amortisation of goodwill has resulted in an increase in profit before tax of the Group of RM1,413,510 and RM3,765,000 for the financial quarter and financial period ended 30 September 2006 respectively. No impairment loss on goodwill has been recommended for the financial period/quarter ended 30 September 2006.

Apart from the above, the other revised and new FRS issued by MASB, which are applicable to the Group and are operative from 1 January 2006, have not resulted in any significant changes to the accounting policies of the Group.

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EXPLANATORY NOTES

3. Audit Report

The audit report of the latest audited annual financial statements was not subject to any qualification.

4. Seasonality or Cyclicity of Operations

The business operations of the Group have not been affected by any material seasonal or cyclical factors.

5. Items Affecting Net Income and Cash Flow

Other than the acquisition of SSSB Jaya (1987) Sdn Bhd (formerly known as SimeSecurities Sdn Bhd) and its subsidiary companies as disclosed in Note 27, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the financial quarter/period ended 30 September 2006.

6. Changes in Estimates

There were no significant changes in estimates arising from prior financial quarter/period that have a material effect on the financial results and position of the Group for the financial quarter/period ended 30 September 2006.

7. Issuance and Repayments

There were no cancellation, repurchase, resale or repayment of debt and equity securities during the current financial quarter/period ended 30 September 2006.

8. Dividends Paid During the Current Financial Quarter/Period

There were no interim dividends paid or declared in respect of financial year ending 31 December 2006 during the financial quarter/period ended 30 September 2006.

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EXPLANATORY NOTES

9. Segment reporting

(a) Segment revenue and segment results

<u>Group</u>	<u>Enterprise Banking</u> RM'000	<u>Retail Banking</u> RM'000	<u>Islamic Banking</u> RM'000	<u>Treasury and Investment Banking</u> RM'000	<u>Stock- broking Business</u> RM'000	<u>Total</u> RM'000
<u>Current financial quarter ended 30 September 2006</u>						
Gross operating revenue ⁽¹⁾	133,151	282,649	69,922	94,931	1,829	582,482
Less: Inter-segment revenue ⁽²⁾	(203)	(292)	-	(257)	-	(752)
	<u>132,948</u>	<u>282,357</u>	<u>69,922</u>	<u>94,674</u>	<u>1,829</u>	<u>581,730</u>
Segment results	21,693	12,985	8,940	34,802	(114)	78,306
Unallocated costs						<u>(2,590)</u>
Profit before taxation and zakat						75,716
Taxation and zakat						<u>(16,575)</u>
Net profit for the financial quarter ended 30 September 2006						<u>59,141</u>
<u>Preceding year corresponding quarter ended 30 September 2005</u>						
Gross operating revenue ⁽¹⁾	115,925	277,495	61,584	59,247	3,852	518,103
Less: Inter-segment revenue ⁽²⁾	(9)	(732)	-	(608)	(572)	(1,921)
	<u>115,916</u>	<u>276,763</u>	<u>61,584</u>	<u>58,639</u>	<u>3,280</u>	<u>516,182</u>
Segment results	23,103	40,032	14,810	18,518	1,368	97,831
Unallocated costs						<u>(2,631)</u>
Profit before taxation and zakat						95,200
Taxation and zakat						<u>(27,234)</u>
Net profit for the financial quarter ended 30 September 2005						<u>67,966</u>

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Group	Enterprise Banking RM'000	Retail Banking RM'000	Islamic Banking RM'000	Treasury and Investment Banking RM'000	Stock- broking Business RM'000	Total RM'000
<u>Current financial period ended 30 September 2006</u>						
Gross operating revenue ⁽¹⁾	385,400	859,111	202,028	265,481	6,675	1,718,695
Less: Inter-segment revenue ⁽²⁾	(543)	(939)	-	(1,386)	-	(2,868)
	<u>384,857</u>	<u>858,172</u>	<u>202,028</u>	<u>264,095</u>	<u>6,675</u>	<u>1,715,827</u>
Segment results	69,669	86,255	35,245	114,099	163	305,431
Unallocated costs						<u>(8,454)</u>
Profit before taxation and zakat						296,977
Taxation and zakat						<u>(85,714)</u>
Net profit for the financial period ended 30 September 2006						<u>211,263</u>
<u>Preceding year corresponding period ended 30 September 2005</u>						
Gross operating revenue ⁽¹⁾	340,759	819,416	181,176	218,583	8,652	1,568,586
Less: Inter-segment revenue ⁽²⁾	(27)	(1,206)	-	(6,687)	(1,577)	(9,497)
	<u>340,732</u>	<u>818,210</u>	<u>181,176</u>	<u>211,896</u>	<u>7,075</u>	<u>1,559,089</u>
Segment results	59,290	116,990	41,925	101,892	(2,430)	317,667
Unallocated costs						<u>(10,659)</u>
Profit before taxation and zakat						307,008
Taxation and zakat						<u>(90,674)</u>
Net profit for the financial period ended 30 September 2005						<u>216,334</u>

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9. Segment reporting (continued)

(b) Segment assets

<u>Group</u>	<u>Enterprise Banking</u>	<u>Retail Banking</u>	<u>Islamic Banking</u>	<u>Treasury and Investment Banking</u>	<u>Stock- broking Business</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>As at</u>						
<u>30 September 2006</u>						
Segment assets	9,219,555	17,264,078	4,969,577	6,807,667	174,465	38,435,342
Unallocated assets						838,498
Total assets						<u>39,273,840</u>
<u>As at</u>						
<u>31 December 2005</u>						
Segment assets	8,492,816	16,989,984	4,312,536	5,075,870	89,771	34,960,977
Unallocated assets						629,557
Total assets						<u>35,590,534</u>

⁽¹⁾Gross operating revenue comprise gross interest income received from loans, advances and financing (net of interest/income suspended), financial investments (net of accretion of discount less amortisation of premium) and inter-bank placements and deposits, realised gains or losses from financial investments, fee income, gross income received from Islamic Banking and other operating revenue.

⁽²⁾Inter-segment transactions are carried out on commercial terms at market rates obtainable in transactions with unrelated parties.

No information by geographical segments is disclosed as the Group carried out its operations predominantly in Malaysia.

10. Held for Trading Securities

	<u>Unaudited</u> <u>30 September 2006</u> RM'000	<u>Audited</u> <u>31 December 2005</u> RM'000
Cagamas bonds	50,075	-
Quoted equity securities in Malaysia	22,831	7,526
Private and Islamic debt securities	4,972	5,002
	<u>77,878</u>	<u>12,528</u>

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11. Available-for-sale Securities

	Unaudited 30 September 2006	Audited 31 December 2005
	RM'000	RM'000
Available-for-sale securities, at fair value		
Bank Negara negotiable notes	113,189	249,286
Malaysian Government Investment Issue	107,996	-
Malaysian Government treasury bills	68,897	19,992
Malaysian Government securities	1,024,523	1,103,977
Cagamas bonds	381,568	448,005
Quoted equity securities in Malaysia	29,490	24,578
Quoted private debt securities	1,491	2,251
Private and Islamic debt securities	764,526	497,404
Negotiable instruments of deposit	199,961	-
Commercial papers	40,948	46,672
Islamic commercial papers	48,763	28,759
	<u>2,781,352</u>	<u>2,420,924</u>
Available-for-sale securities, at cost		
Unquoted equity securities in Malaysia	6,666	7,075
Unquoted equity securities outside Malaysia	896	-
Allowance for impairment	(3,214)	(3,214)
	<u>4,348</u>	<u>3,861</u>
	<u>2,785,700</u>	<u>2,424,785</u>

12. Held-to-maturity Securities

	Unaudited 30 September 2006	Audited 31 December 2005
	RM'000	RM'000
Held-to-maturity securities, at amortised cost		
Cagamas Mudharabah bonds	35,380	35,380
Khazanah bonds	1,245	1,212
Private and Islamic debt securities	718,254	672,014
Islamic commercial papers (Murabahah Notes Issuance Facility)	-	11,000
Credit link notes denominated in USD	184,400	188,975
Callable range accrual notes denominated in USD	630,648	646,294
Structured notes denominated in USD	903,384	-
	<u>2,473,311</u>	<u>1,554,875</u>
Held-to-maturity securities, at cost		
Unquoted equity securities in Malaysia	17,557	17,557
	2,490,868	1,572,432
Allowance for impairment	(53,104)	(55,350)
	<u>2,437,764</u>	<u>1,517,082</u>

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13. Loans, Advances and Financing

	Unaudited	Audited
	30 September 2006	31 December 2005
	RM'000	RM'000
Overdrafts	2,417,534	2,325,974
Term loans/financing:		
Housing loans/financing	5,939,590	5,526,004
Syndicated term loan/financing	708,883	308,345
Hire purchase receivables	12,613,071	12,417,469
Lease receivables	26	2,265
Other term loans/financing	4,916,389	4,878,189
Bills receivable	2,078	5,549
Trust receipts	206,135	174,824
Claims on customers under acceptance credits	2,213,954	1,881,473
Staff loans/financing	207,586	217,821
Credit cards	879,019	756,137
Revolving credit	1,055,292	1,342,882
Other loans/financing	52,149	45,696
	31,211,706	29,882,628
Less: Unearned interest and income	(3,133,610)	(3,003,501)
Gross loans, advances and financing	28,078,096	26,879,127
Less: Allowances for bad and doubtful debts and financing:		
- General	(414,951)	(394,821)
- Specific	(415,327)	(558,552)
Total net loans, advances and financing	27,247,818	25,925,754

(i) The loans, advances and financing are disbursed to the following type of customers:

Domestic non-bank financial institutions	260,673	281,453
(of which: Stockbroking companies)	-	-
Domestic business enterprises	10,077,557	9,300,254
(of which: Small and medium enterprises)	4,653,817	3,819,201
Government and statutory bodies	25,338	35,238
Individuals	17,653,161	17,220,058
Other domestic entities	23,549	8,198
Foreign entities	37,818	33,926
Gross loans, advances and financing	28,078,096	26,879,127

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EXPLANATORY NOTES

13. Loans, Advances and Financing (continued)

	Unaudited 30 September 2006 RM'000	Audited 31 December 2005 RM'000
(ii) The loans, advances and financing analysed by interest rate/profit rate sensitivity are as follows:		
Fixed rate	14,446,980	14,099,651
(of which: (i) Housing loans/financing	2,034,307	1,857,523
(ii) Hire purchase receivables)	10,789,119	10,661,980
Variable rate	13,631,116	12,779,476
(of which: (i) Base lending rate plus	8,952,031	8,696,964
(ii) Cost plus)	3,713,751	3,127,909
 Gross loans, advances and financing	28,078,096	26,879,127
 (iii) The loans, advances and financing analysed by their economic purposes are as follows:		
Agriculture, hunting, forestry and fishing	347,203	274,194
Mining and quarrying	36,248	35,237
Manufacturing	2,544,746	2,355,575
Electricity, gas and water	170,138	104,571
Construction	2,040,989	1,665,334
(of which: Infrastructure)	238,695	117,254
Real estate	877,808	618,515
Purchase of landed property	5,997,278	6,248,374
(of which: (i) Residential	5,290,134	4,930,292
(ii) Non-residential)	707,144	1,318,082
Wholesale and retail trade and restaurants and hotels	2,364,711	2,149,183
Transport, storage and communication	600,938	553,484
Finance, insurance and business services	765,300	639,320
Purchase of securities	284,574	666,180
Purchase of transport vehicles	9,812,084	9,760,553
Consumption credit	1,595,253	1,493,021
Others	640,826	315,586
Gross loans, advances and financing	28,078,096	26,879,127

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EXPLANATORY NOTES

13. Loans, Advances and Financing (continued)

	Unaudited 30 September 2006	Audited 31 December 2005
	RM'000	RM'000
(iv) Movements in non-performing loans, advances and financing are as follows:		
Balance as at 1 January	2,136,520	1,573,028
Classified as non-performing during the financial period/year	3,524,956	1,935,810
Reclassified as performing during the financial period/year	(2,984,412)	(750,132)
Loans/financing converted to securities	-	(365)
Amount recovered	(494,706)	(383,998)
Amount written off	(367,446)	(237,823)
Balance as at 30 September/ 31 December	<u>1,814,912</u>	<u>2,136,520</u>
 Non-performing loans, advances and financing which have no adverse financial impact on the Group	 <u>(234,467)</u>	 <u>(294,388)</u>
	1,580,445	1,842,132
Specific allowance	<u>(343,638)</u>	<u>(458,880)</u>
Net non-performing loans, advances and financing	<u>1,236,807</u>	<u>1,383,252</u>
As % of total loans, advances and financing, net of specific allowance	<u>4.5%</u>	<u>5.3%</u>
 (v) The non-performing loans, advances and financing analysed by their economic purposes are as follows:		
Agriculture, hunting, forestry and fishing	16,628	5,014
Mining and quarrying	276	4,099
Manufacturing	196,432	261,968
Electricity, gas and water	535	102
Construction	183,829	236,766
(of which: (i) Infrastructure)	<u>7,728</u>	<u>13,906</u>
Real estate	80,227	73,698
Purchase of landed property	630,072	841,995
(of which: (i) Residential	<u>547,561</u>	<u>592,036</u>
(ii) Non-residential)	<u>82,511</u>	<u>249,959</u>
Wholesale and retail trade and restaurants and hotels	187,415	112,215
Transport, storage and communication	30,973	27,049
Finance, insurance and business services	45,579	58,688
Purchase of securities	24,903	72,939
Purchase of transport vehicles	228,628	312,159
Consumption credit	82,146	94,056
Others	107,269	35,772
	<u>1,814,912</u>	<u>2,136,520</u>

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13. Loans, Advances and Financing (continued)

	Unaudited 30 September 2006 RM'000	Audited 31 December 2005 RM'000
(vi) Movements in allowances for bad and doubtful debts and financing:		
General allowance		
Balance as at 1 January	394,821	408,350
Allowance made during the financial period/year	20,130	(13,529)
Balance as at 30 September / 31 December	<u>414,951</u>	<u>394,821</u>
As % of gross loans, advances and financing, net of specific allowance	<u>1.5%</u>	<u>1.5%</u>
Specific allowance		
Balance as at 1 January	558,552	561,931
Allowance made during the financial period/year	296,270	360,727
Allowance charged to deferred asset/other assets during the financial period/year	6,783	10,649
Amount recovered	(74,795)	(109,892)
Recoveries set-off against deferred asset	(4,038)	(26,675)
Amount transferred to allowance for impairment of securities	-	(365)
Amount written off	(367,445)	(237,823)
Balance as at 30 September/ 31 December	<u>415,327</u>	<u>558,552</u>

14. Other Assets

	Unaudited 30 September 2006 RM'000	Audited 31 December 2005 RM'000
Trade receivables, net of allowances for bad and doubtful debts of RM RM3,984,900 (31.12.2005: RM3,965,000)	26,736	13,890
Interest/income receivable	60,777	49,032
Other debtors, deposits and prepayments, net of allowances for bad and doubtful debts of RM6,761,000 (31.12.2005: RM6,874,000)	268,640	67,839
Initial payment for acquisition of subsidiary companies	-	4,976
Tax recoverable	19,874	22,364
Deferred asset account	324,657	382,220
Amount due from originating non-banking institutions for mortgage loans sold on their behalf to Cagamas Berhad	21,527	22,710
	<u>722,211</u>	<u>563,031</u>

15. Valuation of Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

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16. Deposits from Customers

	Unaudited 30 September 2006	Audited 31 December 2005
	RM'000	RM'000
Demand deposits	2,680,640	2,372,991
Savings deposits	2,164,356	2,143,456
Fixed/investment deposits	20,682,485	18,948,431
Negotiable instruments of deposit	-	500,800
	25,527,481	23,965,678
 (i) The maturity structure of fixed/investment deposits and negotiable instruments of deposit is as follows:		
One year or less	19,957,276	19,241,902
More than one year	725,209	207,329
	20,682,485	19,449,231
 (ii) The deposits are sourced from the following type of customers:		
Government and statutory bodies	3,677,457	2,889,073
Business enterprises	10,296,388	9,827,144
Individuals	10,549,449	10,432,138
Others	1,004,187	817,323
	25,527,481	23,965,678

17. Deposits and Placements of Banks and Other Financial Institutions

	Unaudited 30 September 2006	Audited 31 December 2005
	RM'000	RM'000
Licensed banks	1,021,083	256,437
Licensed finance companies	5	453
Licensed merchant banks	102	60,043
Bank Negara Malaysia	1,461,609	1,453,007
Other financial institutions	4,677,934	2,813,223
	7,160,733	4,583,163
 (i) The maturity structure of deposits and placements of banks and other financial institutions is as follows:		
One year or less	5,199,927	3,118,661
More than one year	1,960,806	1,464,502
	7,160,733	4,583,163

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18. Derivative Financial Instruments

The fair values of derivative financial instruments recognised on balance sheet are as follows:

	Unaudited 30 September 2006 RM'000	Audited 31 December 2005 RM'000
Derivatives at fair value through profit and loss:		
- Interest rate swaps	10,033	11,302
- Foreign currency forwards	1,484	7,726
Total derivative financial instruments - assets	<u>11,517</u>	<u>19,028</u>
Derivatives at fair value through profit and loss:		
- Interest rate swaps	5,519	-
- Foreign currency forwards	1,580	7,095
		-
Derivatives designated as fair value hedges:		
- Interest rate swaps	24,541	34,548
Total derivative financial instruments - liabilities	<u>31,640</u>	<u>41,643</u>

19. Other Liabilities

	Unaudited 30 September 2006 RM'000	Audited 31 December 2005 RM'000
Trade payable	13,862	9,421
Other liabilities	350,590	194,625
Interest/dividend payable	228,809	191,788
Profit equalisation reserves	10,580	9,657
	<u>603,841</u>	<u>405,491</u>

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20. Interest Income

	Individual quarter		Cumulative quarter	
	Current financial quarter ended 30 September 2006 RM'000	Preceding year corresponding quarter ended 30 September 2005 RM'000	Current financial period ended 30 September 2006 RM'000	Preceding year corresponding period ended 30 September 2005 RM'000
Loans and advances				
- Interest income other than recoveries	373,058	346,142	1,080,013	1,017,314
- Recoveries from non-performing loans, advances and financing	14,595	8,520	39,121	32,922
Money at call and deposit placements with financial institutions	54,412	25,460	140,539	66,531
Held for trading securities	6,152	3,765	12,608	15,255
Available-for-sale securities	37,672	25,988	93,826	82,640
Held-to-maturity securities	2,702	9,917	21,111	44,109
	488,591	419,792	1,387,218	1,258,771
Amortisation of premium less accretion of discount	(2,076)	(11,266)	(16,671)	(34,487)
Interest suspended	(11,096)	(12,975)	(35,157)	(36,348)
Total interest income	475,419	395,551	1,335,390	1,187,936

21. Interest Expense

	Individual quarter		Cumulative quarter	
	Current financial quarter ended 30 September 2006 RM'000	Preceding year corresponding quarter ended 30 September 2005 RM'000	Current financial period ended 30 September 2006 RM'000	Preceding year corresponding period ended 30 September 2005 RM'000
Deposits and placements of banks and other financial institutions	49,725	33,670	128,465	85,258
Deposits from customers	194,611	156,733	529,328	466,602
Loans sold to Cagamas Berhad	-	2,389	1,884	7,765
Subordinated obligations	11,755	12,016	35,255	36,221
Long term borrowings	4,427	5,206	1,511	15,615
Others	519	372	13,280	1,169
	261,037	210,386	709,723	612,630

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22. Other Operating Income

	Individual quarter		Cumulative quarter	
	Current financial quarter ended 30 September 2006 RM'000	Preceding year corresponding quarter ended 30 September 2005 RM'000	Current financial period ended 30 September 2006 RM'000	Preceding year corresponding period ended 30 September 2005 RM'000
Fee and commission income:				
- Commission	10,360	7,944	27,955	23,293
- Service charges and fees	24,940	20,965	79,277	56,436
- Guarantee fees	3,686	3,206	9,583	8,850
- Advisory and arrangement fees	1,769	8,535	6,470	23,137
- Underwriting commission	518	549	2,423	3,141
- Brokerage	1,550	1,250	5,181	4,403
Net gains/(losses) arising from sale of securities:				
- Held for trading securities	1,812	497	1,691	(265)
- Available-for-sale securities	1,632	6,966	23,705	51,831
Gains on redemption of held-to-maturity securities	561	69	561	1,244
Dividend income				
- Held for trading securities	-	92	-	242
- Available-for-sale securities	458	781	1,925	1,730
Net unrealised losses on fair value changes on held for trading securities	(1,798)	(292)	(1,357)	(2,683)
Net unrealised gains/(losses) on fair value changes on derivatives held at fair value through profit and loss				
- interest rate swaps	(19,229)	-	(6,787)	-
- foreign currency forwards	(5,528)	-	(727)	-
- future contracts	27	-	(2)	-
- equity forwards	352	-	-	-
Net unrealised gains on fair value changes between the interest rate swaps and subordinated debts designated as fair value hedges	1,432	-	6,647	-
Net gains from foreign exchange translations	10,535	5,958	12,721	10,128
Other income/(expenditure):				
- Rental income from premises	766	373	2,138	1,697
- Gain on disposal of property, plant and equipment	5	111	144	800
- Other operating income	3,914	208	7,893	5,940
- Other non-operating income	296	2,248	1,208	1,204
- Net allowances written-back/(made) in respect of other bad and doubtful debts	(67)	70	61	(3,753)
- Bad debts written off	30	(49)	30	(49)
	38,021	59,841	180,740	187,326

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23. Other Operating Expenses

	Individual quarter		Cumulative quarter	
	Current financial quarter ended 30 September 2006	Preceding year corresponding quarter ended 30 September 2005	Current financial period ended 30 September 2006	Preceding year corresponding period ended 30 September 2005
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	68,517	63,742	206,840	190,029
Promotion and marketing related expenses	12,625	14,748	37,944	46,572
Establishment related expenses	28,762	29,663	84,446	84,127
General administrative expenses	26,931	26,258	76,061	73,573
	136,835	134,411	405,291	394,301
(i) Personnel expenses comprise the following:				
Salaries, bonuses and allowances	55,750	50,739	167,963	153,827
Defined contribution plan	9,062	8,602	27,623	25,153
Other employee benefits	3,705	4,401	11,254	11,049
	68,517	63,742	206,840	190,029
(ii) Promotion and marketing related expenses comprise the following:				
Hire-purchase handling fees and commissions	9,428	12,761	30,197	39,067
Others	3,197	1,987	7,747	7,505
	12,625	14,748	37,944	46,572
(iii) Establishment related expenses comprise the following:				
Depreciation of property, plant and equipment	9,387	9,886	29,467	30,127
Repair and maintenance	7,091	4,938	15,504	13,724
Rental of premises	3,691	5,447	14,150	16,120
Hire of equipment	959	1,812	2,612	4,579
Others	7,634	7,580	22,713	19,577
	28,762	29,663	84,446	84,127

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23. Other Operating Expenses (continued)

	Individual quarter		Cumulative quarter	
	Current financial quarter ended 30 September 2006 RM'000	Preceding year corresponding quarter ended 30 September 2005 RM'000	Current financial period ended 30 September 2006 RM'000	Preceding year corresponding period ended 30 September 2005 RM'000
(iv) General administrative expenses comprise the following:				
Communication costs	5,595	5,881	15,296	15,636
Printing and stationeries	3,963	5,532	11,340	12,218
Loss on disposal of property, plant and equipment	217	12	409	6,032
Property, plant and equipment written off	45	-	362	-
Amortisation of goodwill	-	701	-	2,104
Legal and other professional charges	6,520	5,866	19,105	15,284
Others	10,591	8,266	29,549	22,299
	<u>26,931</u>	<u>26,258</u>	<u>76,061</u>	<u>73,573</u>

24. Allowances for Losses on Loans, Advances and Financing

	Individual quarter		Cumulative quarter	
	Current financial quarter ended 30 September 2006 RM'000	Preceding year corresponding quarter ended 30 September 2005 RM'000	Current financial period ended 30 September 2006 RM'000	Preceding year corresponding financial period ended 30 September 2005 RM'000
Allowances for bad and doubtful debts and financing:				
(a) Specific allowance:				
- Made	110,843	87,196	296,271	231,350
- Written back	(29,452)	(40,353)	(74,796)	(83,190)
(b) General allowance:				
- Made	6,460	11,079	20,130	27,745
Bad debts and financing:				
- Recovered	(14,739)	(7,337)	(35,306)	(20,832)
- Written off	(34)	9	5	131
	<u>73,078</u>	<u>50,594</u>	<u>206,304</u>	<u>155,204</u>

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25. Commitments and Contingencies

In the normal course of business of the banking group, the Group makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

The risk-weighted exposures of the Group are as follows :

	Unaudited			Audited		
	30 September 2006			31 December 2005		
	Principal amount	Credit equivalent amount*	Risk weight amount	Principal amount	Credit equivalent amount*	Risk weight amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	394,506	394,506	394,506	329,386	329,386	329,386
Certain transaction-related contingent items	815,224	407,612	407,612	757,860	378,930	378,930
Short term self-liquidating trade-related contingencies	138,957	27,791	27,791	148,980	29,796	29,796
Assets sold with recourse and commitments with certain drawdown	385,984	376,050	295,069	474,000	474,000	444,886
Obligations under underwriting agreements	332,000	166,000	20,750	474,000	237,000	29,625
Irrevocable commitments to extend credit :						
- maturity more than one year	2,279,994	1,139,997	839,035	1,860,019	930,010	615,700
- maturity less than one year	8,014,952	-	-	7,093,110	-	-
Foreign exchange related contracts - maturity less than one year	3,951,531	61,460	49,224	2,660,485	44,944	34,837
Interest rate related contracts - maturity more than one year	3,175,368	63,507	14,177	2,347,070	70,412	16,350
Others	221,967	-	-	213,345	-	-
	<u>19,710,483</u>	<u>2,636,923</u>	<u>2,048,164</u>	<u>16,358,255</u>	<u>2,494,478</u>	<u>1,879,510</u>

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

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26. Capital Adequacy

The Group is not required to maintain any capital adequacy ratio requirements. The following disclosure of capital adequacy ratios of the Group is made on a voluntary basis for information only.

	Unaudited 30 September 2006	Audited 31 December 2005
	RM'000	RM'000
The components of Tier 1 and Tier II Capital are as follows:		
Tier 1 Capital:		
Paid-up share capital	693,209	693,209
Share premium	1,066,296	1,066,296
Retained profits	508,834	387,345
Other reserves	473,986	674,883
	2,742,325	2,821,733
Less: Goodwill	(137,929)	(66,497)
Deferred tax assets	(121,399)	(121,399)
Total Tier 1 Capital	2,482,997	2,633,837
Tier II Capital:		
Subordinated obligations	793,354	807,444
General allowance for bad and doubtful debts and financing	414,951	394,821
Total Tier II Capital	1,208,305	1,202,265
Total Capital base	3,691,302	3,836,102
Capital ratios:		
Core capital ratio	8.36%	9.48%
Risk-weighted capital ratio	12.43%	13.81%
Core capital ratio (net of proposed dividends)	8.36%	9.20%
Risk-weighted capital ratio (net of proposed dividends)	12.43%	13.53%

The risk-weighted capital adequacy of the banking and finance company subsidiary company, EON Bank Berhad of 12.18%, the Islamic banking subsidiary company, EONCAP Islamic Banking Berhad of 12.16%, and the merchant bank subsidiary company, Malaysian International Bankers Berhad of 73.49% as at 30 September 2006, exceeded the minimum requirements of 8.00% prescribed by Bank Negara Malaysia.

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27. Acquisition of subsidiary companies

On 22 February 2006, SSSB Jaya (1987) Sdn Bhd (formerly known as SimeSecurities Sdn Bhd) and its subsidiary companies became wholly-owned subsidiary companies of the Group, via EONCAP Securities Sdn Bhd, the wholly-owned stockbroking subsidiary company of the Group. The acquisition of subsidiary companies was settled via cash consideration.

Details of net assets acquired, goodwill arising on consolidation and cash flow arising from the acquisition are as follows:

	<u>At date of acquisition</u> RM'000
Available-for-sale securities	7,453
Receivables	737
Cash and short term funds	4,692
Payables and accruals	(1,209)
Short term borrowings	(50,621)
Deferred tax liabilities	<u>(1,477)</u>
Net liabilities acquired at the date of acquisition	(40,425)
Goodwill arising on consolidation	<u>71,432</u>
Total purchase consideration discharged by cash (inclusive of incidental costs incurred)	31,007
Less : Cash and cash equivalents in subsidiary companies acquired	(4,692)
Net cash outflow on acquisition of subsidiary companies	<u><u>26,315</u></u>

The financial results of SSSB Jaya (1987) Sdn Bhd (formerly known as SimeSecurities Sdn Bhd) and its subsidiary companies for the period between the date of acquisition and the balance sheet date were not significant to the Group.

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28. Interest/Profit Rate Risk

	← Non-trading book →					Non-Interest /profit sensitive	Trading book	Total	Effective interest /profit rate %
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 - 5 years	Over 5 years				
As at 30 September 2006	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Assets									
Cash and short-term funds	3,736,684	-	-	-	-	143,376	-	3,880,060	3.59
Deposits and placements with financial institutions	-	397,096	135,888	-	-	-	-	532,984	3.84
Held for trading securities	-	-	-	-	-	-	77,878	77,878	4.41
Derivative financial instruments	-	-	-	-	-	11,517	-	11,517	-
Available-for-sale securities	58,928	236,190	490,182	1,812,952	152,119	35,329	-	2,785,700	3.83
Held-to-maturity securities	-	1,245	910,428	1,353,495	155,039	17,557	-	2,437,764	5.99
Loans, advances and financing									
- performing	11,862,554	143,287	711,526	5,178,591	8,356,783	10,381	-	26,263,122	6.76
- non-performing	-	-	-	-	-	^984,696	-	984,696	-
Other assets ⁽¹⁾	15,301	-	-	-	-	2,284,818	-	2,300,119	7.00
Total assets	15,673,467	777,818	2,248,024	8,345,038	8,663,941	3,487,674	77,878	39,273,840	

^ The amount represents non-performing loans, advances and financing, net of specific allowance and general allowance for loans, advances and financing made in accordance with the Group's accounting policy on allowances for bad and doubtful debts and financing.

Note:

(1) Other assets include statutory deposits with Bank Negara Malaysia, property, plant and equipment, deferred tax assets, clients and brokers balances and goodwill arising on consolidation.

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EXPLANATORY NOTES

28. Interest/Profit Rate Risk (continued)

	← Non-trading book →					Non-Interest /profit sensitive	Trading book	Total	Effective interest /profit rate %
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 - 5 years	Over 5 years				
As at 30 September 2006 (continued)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Liabilities									
Deposits from customers	9,331,541	4,789,300	7,832,127	725,209	-	2,849,304	-	25,527,481	3.24
Deposits and placements of banks and other financial institutions	1,424,948	1,576,475	2,231,430	484,674	1,400,000	43,206	-	7,160,733	4.45
Derivative financial instruments	-	-	-	-	-	31,640	-	31,640	-
Obligations on securities sold under repurchase agreements	260,208	-	-	-	-	-	-	260,208	2.92
Bills and acceptances payable	-	-	-	-	-	1,617,650	-	1,617,650	
Other liabilities ⁽²⁾	6,911	-	-	-	-	636,109	-	643,020	3.05
Recourse obligation on loans sold to Cagamas Berhad	-	-	-	-	-	21,527	-	21,527	-
Subordinated obligations	-	-	-	855,000	-	¹⁽ⁱⁱ⁾ (61,646)	-	793,354	5.38
Long term borrowings	-	-	-	250,000	-	¹⁽ⁱ⁾ (4,292)	-	245,708	6.45
Total liabilities	11,023,608	6,365,775	10,063,557	2,314,883	1,400,000	5,133,498	-	36,301,321	
Shareholders' Funds	-	-	-	-	-	2,972,519	-	2,972,519	
Total Liabilities and Shareholders' Funds	11,023,608	6,365,775	10,063,557	2,314,883	1,400,000	8,106,017	-	39,273,840	
On-balance sheet interest/profit sensitivity gap	4,649,859	(5,587,957)	(7,815,533)	6,030,155	7,263,941				
Off-balance sheet interest /profit sensitivity gap	-	885,120	-	(885,120)	-				
Total interest sensitivity gap	4,649,859	(4,702,837)	(7,815,533)	5,145,035	7,263,941				

- Note:
- (1) The negative balance represents (i) unamortised discount for long term secured fixed rate bonds, and (ii) unamortised discount, positive fair value changes arising from fair value hedges and foreign currency translation gains of the subordinated obligations derived in accordance with the Group's accounting policy.
- (2) Other liabilities include clients and brokers balances, remisier deposits and provision for taxation and zakat.

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28. Interest/Profit Rate Risk (continued)

	← Non-trading book →					Non-Interest /profit sensitive	Trading book	Total	Effective interest /profit rate %
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 - 5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 31 December 2005									
Assets									
Cash and short-term funds	3,063,438	-	-	-	-	136,585	-	3,200,023	3.48
Deposits and placements									
with financial institutions	-	349,261	113,385	-	-	-	-	462,646	3.14
Held for trading securities	-	-	-	-	-	-	12,528	12,528	2.56
Derivative financial instruments	-	-	-	-	-	19,028	-	19,028	-
Available-for-sale securities	179,927	273,153	113,319	1,743,397	84,299	30,690	-	2,424,785	4.18
Held-to-maturity securities	846,270	45,000	-	479,828	128,427	17,557	-	1,517,082	2.36
Loans, advances and financing									
- performing	11,038,768	450,265	460,163	5,069,217	7,713,451	10,677	-	24,742,541	6.73
- non-performing	-	-	-	-	-	^1,183,213	-	1,183,213	-
Other assets ⁽¹⁾	8,332	-	-	-	-	2,020,356	-	2,028,688	7.03
Total assets	15,136,735	1,117,679	686,867	7,292,442	7,926,177	3,418,106	12,528	35,590,534	

^ The amount represents non-performing loans, advances and financing, net of specific allowance and general allowance for loans, advances and financing made in accordance with the Group's accounting policy on allowances for bad and doubtful debts and financing.

Note:

(1) Other assets include statutory deposits with Bank Negara Malaysia, property, plant and equipment, deferred tax assets, clients and brokers balances and goodwill arising on consolidation.

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EXPLANATORY NOTES

28. Interest/Profit Rate Risk (continued)

	←————— Non-trading book —————→					Non- Interest/ profit sensitive	Trading book	Total	Effective interest /profit rate %
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 – 5 years	Over 5 years				
As at 31 December 2005 (continued)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Liabilities									
Deposits from customers	10,436,583	4,326,155	6,622,620	207,329	-	2,372,991	-	23,965,678	2.77
Deposits and placements of banks and other financial institutions	931,432	870,767	1,273,662	9,058	1,400,000	98,244	-	4,583,163	3.79
Derivative financial instruments	-	-	-	-	-	41,643	-	41,643	-
Obligations on securities sold under repurchase agreements	1,201,241	-	-	-	-	-	-	1,201,241	2.95
Bills and acceptances payable	-	-	-	-	-	1,360,677	-	1,360,677	-
Other liabilities ⁽²⁾	6,495	-	-	-	-	425,613	-	432,108	2.80
Recourse obligation on loans sold to Cagamas Berhad	-	-	106,629	-	-	22,710	-	129,339	4.22
Subordinated obligations	-	-	-	855,000	-	¹⁽ⁱⁱ⁾ (47,556)	-	807,444	5.38
Long term borrowings	-	-	-	250,000	-	¹⁽ⁱ⁾ (5,512)	-	244,488	6.45
Total liabilities	12,575,751	5,196,922	8,002,911	1,321,387	1,400,000	4,268,810	-	32,765,781	
Shareholders' Funds	-	-	-	-	-	2,824,753	-	2,824,753	
Total Liabilities and Shareholders' Funds	12,575,751	5,196,922	8,002,911	1,321,387	1,400,000	7,093,563	-	35,590,534	
On-balance sheet interest/profit sensitivity gap	2,560,984	(4,079,243)	(7,316,044)	5,971,055	6,526,177				
Off-balance sheet interest/profit sensitivity gap	(1,000)	-	1,000	-	-				
Total interest sensitivity gap	2,559,984	(4,079,243)	(7,315,044)	5,971,055	6,526,177				

- Note:**
- (1) The negative balance represents (i) unamortised discount for long term secured fixed rate bonds, and (ii) unamortised discount, positive fair value changes arising from fair value hedges and foreign currency translation gains of the subordinated obligations derived in accordance with the Group's accounting policy.
- (2) Other liabilities include clients and brokers balances, remisier deposits and provision for taxation and zakat.

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29. The Operation of Islamic Banking

29(i) Islamic banking assets and liabilities

	Unaudited	Audited
	<u>30 September 2006</u>	<u>31 December 2005</u>
	RM'000	RM'000
Included in the Group's balance sheets are Islamic banking assets and liabilities of a subsidiary company as follows:		
ASSETS		
Cash and short term funds	512,808	220,401
Available-for-sale securities	217,182	99,334
Held-to-maturity securities	52,069	52,253
Financing, advances and other loans (Note 29(iii))	3,998,272	3,765,793
Other assets	29,560	7,416
Statutory deposits with Bank Negara Malaysia	157,824	137,843
Deferred tax assets	20,193	-
Property, plant and equipment	1,862	1,316
TOTAL ASSETS	<u>4,989,770</u>	<u>4,284,356</u>
LIABILITIES		
Deposits from customers (Note 29(iv))	3,539,615	2,985,396
Deposits and placements of banks and other financial institutions	843,015	746,115
Bills and acceptances payable	57,216	6,806
Provision for taxation and zakat	8,176	8,590
Other liabilities	126,856	34,073
TOTAL LIABILITIES	<u>4,574,878</u>	<u>3,780,980</u>
NET ISLAMIC BANKING ASSETS	<u>414,892</u>	<u>503,376</u>
COMMITMENTS AND CONTINGENCIES	<u>1,177,430</u>	<u>1,093,274</u>

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EXPLANATORY NOTES

29. The Operation of Islamic Banking (continued)

29(ii) Financial results contribution from operation of Islamic Banking

	Individual quarter		Cumulative quarter	
	Current financial quarter ended 30 September 2006	Preceding year corresponding quarter ended 30 September 2005	Current financial period ended 30 September 2006	Preceding year corresponding period ended 30 September 2006
	RM'000	RM'000	RM'000	RM'000
The financial results contribution from Islamic Banking operation to the Group's financial results are as follows:				
<u>Group</u>				
Income derived from investment of depositors' funds	63,417	56,255	183,608	165,739
Allowances for losses on financing	(7,208)	(4,938)	(23,216)	(16,794)
Transfer (to)/from profit equalisation reserve	(1,153)	2,924	(924)	2,795
Total attributable income	55,056	54,241	159,468	151,560
Income attributable to depositors	(34,244)	(25,793)	(93,068)	(74,660)
	20,812	28,448	66,400	76,900
Income derived from investment of shareholder's funds	6,505	5,330	18,420	15,437
Total net income	27,317	33,778	84,820	92,337
Other operating expenses	(18,377)	(5,828)	(38,474)	(15,610)
Profit before zakat	8,940	27,950	46,346	76,727
Taxation	(1,421)	-	(4,440)	-
Zakat	(1,113)	(1,148)	(3,713)	(3,705)
Profit after tax and zakat	6,406	26,802	38,193	73,022

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EXPLANATORY NOTES

29. The Operation of Islamic Banking (continued)

29(iii) Financing, Advances and Other Loans

	Unaudited	Audited
	30 September 2006	31 December 2005
	RM'000	RM'000
Overdrafts	266,842	168,430
Term financing		
Housing financing	1,991,466	1,860,814
Hire purchase receivables	2,059,937	1,992,907
Other term financing	1,177,182	1,140,651
Trust receipts	4,466	2,398
Claims on customers under acceptance credits	100,536	65,869
Staff financing	38,906	40,697
Revolving credit	77,656	134,585
Other financing	5,709	5,434
	5,722,700	5,411,785
Less: Unearned income	(1,625,825)	(1,533,289)
	4,096,875	3,878,496
Less: Allowances for bad and doubtful financing:		
- General	(60,887)	(57,347)
- Specific	(37,716)	(55,356)
Total net financing, advances and other loans	3,998,272	3,765,793
 (a) Movements in non-performing financing, advances and other loans are as follows:		
Balance as at 1 January	281,559	140,303
Non-performing financing which have no adverse financial impact on the Group transferred out from Islamic banking operation	(19,858)	-
Classified as non-performing during the financial period/year	636,630	309,367
Reclassified as performing during the financial period/year	(575,970)	(120,108)
Amount recovered	(69,849)	(32,705)
Amount written off	(25,551)	(15,298)
Balance as at 30 September / 31 December	226,961	281,559
Non-performing financing which have no adverse financial impact on the Group	-	(20,143)
	226,961	261,416
Specific allowance	(37,716)	(42,116)
Net non-performing financing, advances and other loans	189,245	219,300
As % of total financing, advances and other loans, net of specific allowance	4.7%	5.8%

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29. The Operation of Islamic Banking (continued)

29(iii) Financing, Advances and Other Loans (continued)

	<u>Unaudited</u> <u>30 September 2006</u> RM'000	<u>Audited</u> <u>31 December 2005</u> RM'000
(b) Movements in allowances for bad and doubtful financing are as follows:		
<u>General allowance</u>		
Balance as at 1 January	57,347	57,717
Allowance made during the financial period/year	3,540	(370)
Balance as at 30 September / 31 December	60,887	57,347
As % of total financing, net of specific allowance	1.5%	1.5%
<u>Specific allowance</u>		
Balance as at 1 January	55,356	51,406
Allowance in respect of non-performing financing which have no adverse financial impact transferred out from Islamic banking operation	(13,005)	-
Allowance made during the financial period/year	29,465	30,799
Allowance charged to deferred asset/other assets during the financial period/year	34	156
Amount recovered	(8,583)	(11,292)
Recoveries set-off against deferred asset	-	(414)
Amount written off	(25,551)	(15,299)
Balance as at 30 September / 31 December	37,716	55,356

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29. The Operation of Islamic Banking (continued)

29(iv) Deposits from Customers

	Unaudited 30 September 2006 RM'000	Audited 31 December 2005 RM'000
<u>Non-Mudarabah:</u>		
Al-Wadiah demand deposits	572,800	425,570
Al-Wadiah savings deposits	127,547	120,941
<u>Mudarabah:</u>		
Al-Fareed demand deposits	60,109	34,080
Al-Mudarabah savings deposits	41,116	32,055
Total demand and savings deposits	801,572	612,646
<u>Mudarabah:</u>		
General investment deposits	2,542,018	2,107,434
Bai Al-Inah HARI	196,025	265,316
Total investment deposits	2,738,043	2,372,750
Total deposits from customers	3,539,615	2,985,396

30. Significant Events During the Financial Quarter/Period ended 30 September 2006

- i) On 22 February 2006, EONCAP Securities Sdn Bhd (“ECS”), the stockbroking subsidiary of the Group, has completed the acquisition of the entire issued and paid-up share capital of SimeSecurities Sdn Bhd (“SimeSec”) for a cash consideration of RM24,840,803. On 24 April 2006, SimeSec ceased business and, with effect from 3 May 2006, changed its name to SSSB Jaya (1987) Sdn Bhd. Its dealer’s licence was surrendered to Bursa Malaysia on 8 May 2006. The salient terms and conditions of the acquisition are disclosed in EON Capital Berhad’s announcement to Bursa Malaysia Securities Berhad on 28 October 2005.
- ii) EON Bank Berhad (“EBB”) has set up EONCAP Islamic Bank Berhad (“EIBB”), a wholly-owned subsidiary company, to carry out the Islamic Banking business upon meeting all pre-licensing conditions. On 1 April 2006, EIBB commenced its Islamic Banking operation upon completion of the transfer of Islamic Banking business from EBB to EIBB (“Business Transfer”) pursuant to an Order obtained from the High Court of Malaya under Section 3(4) of the Islamic Banking Act, 1983. The salient terms and conditions of the Business Transfer are disclosed in EON Capital Berhad’s announcement to Bursa Malaysia Securities Berhad on 20 March 2006.
- iii) On 30 June 2006, Malaysian International Bankers Berhad (“MIMB”), the merchant bank subsidiary company of the Group had received a letter jointly issued by Bank Negara Malaysia (“BNM”) and the Securities Commission (“SC”) informing that the Minister of Finance had, on 28 September 2006, given its approval under Section 49(7) of the Banking and Financial Institutions Act 1989 and Section 124B of the Securities Commission Act 1993 for the merchant bank subsidiary company and its wholly-owned subsidiary company, ECS, to enter into an agreement for the transfer of the assets and liabilities (“Business Transfer”) from ECS to MIMB in connection with the establishment of an investment bank by MIMB. The salient terms and conditions of the Business Transfer are disclosed in EON Capital Berhad’s announcement to Bursa Malaysia Securities Berhad on 4 July 2006.

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30. Significant Events During the Financial Quarter/Period ended 30 September 2006 (Cont'd)

Other than the above, there were no significant events during the financial quarter/period ended 30 September 2006 that have not been disclosed in these condensed financial statements.

31. Changes in the Composition of the Group

Other than the acquisition of SSSB Jaya (1987) Sdn Bhd (formerly known as SimeSecurities Sdn Bhd) and the commencement of operation of EONCAP Islamic Bank Berhad as mentioned in paragraph 30, there were no significant changes in the composition of the Group during the financial period ended 30 September 2006 that have not been disclosed in these condensed financial statements.

32. Significant Event Subsequent to the Balance Sheet Date

There were no other significant events subsequent to the balance sheet date that have not been disclosed in these condensed financial statements.

33. Other Commitments

	Unaudited 30 September 2006 RM'000	Audited 31 December 2005 RM'000
- Authorised and contracted for	25,909	48,494
- Authorised but not contracted for	15,342	12,598
	<u>41,251</u>	<u>61,092</u>
Analysed as follows:		
- Property, plant and equipment	41,251	34,727
- Acquisition of a subsidiary company	-	26,365
	<u>41,251</u>	<u>61,092</u>

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Additional disclosure requirements pursuant to paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

34. Taxation

The analysis of the tax expense for the financial period ended 30 September 2006 is as follows:-

	Individual quarter		Cumulative quarter	
	Current financial quarter ended 30 September 2006 RM'000	Preceding year corresponding quarter ended 30 September 2005 RM'000	Current financial period ended 30 September 2006 RM'000	Preceding year corresponding period ended 30 September 2005 RM'000
Malaysian income tax:				
- Charge for the financial quarter/period	17,957	31,673	86,429	95,846
- Under/(over) provision in respect of prior years	2	(13)	2	9
	17,959	31,660	86,431	95,855
Transfer to deferred tax asset	(2,497)	(5,574)	(4,430)	(8,886)
	15,462	26,086	82,001	86,969

The Group's effective tax rate for the financial quarter ended 30 September 2006 was higher than the statutory tax rate because certain expenses were not deductible for tax purposes.

35. Unquoted Investments and Properties

There were no sale of unquoted investments and properties for the financial quarter ended 30 September 2006 other than in the ordinary course of banking business.

36. Quoted Securities

Financial institutions are exempted from the disclosure requirements relating to quoted securities.

37. Status of Corporate Proposals Announced But Not Completed

On 30 June 2006, Malaysian International Banker Berhad ("MIMB"), the merchant bank subsidiary company, had received a letter jointly issued by Bank Negara Malaysia ("BNM") and the Securities Commission ("SC") informing that the Minister of Finance had, on 28 September 2006, given its approval under Section 49(7) of the Banking and Financial Institutions Act 1989 and Section 124B of the Securities Commission Act 1993 for MIMB and its wholly-owned subsidiary, EONCAP Securities Sdn Bhd ("ECS"), to enter into an agreement for the transfer of the assets and liabilities ("Business Transfer") from ECS to MIMB in connection with the establishment of an investment bank by MIMB subject to, amongst others, the following conditions:

- (i) MIMB shall comply with all requirements of the Guidelines on Investment Bank issued by BNM and SC at all times; and
- (ii) MIMB shall complete the implementation of the proposed rationalisation within one (1) year from the date the approval was obtained from the Minister of Finance and shall inform BNM and the SC upon completion of the said scheme.

The salient terms and conditions of the Business Transfer are disclosed in EON Capital Berhad's announcement to Bursa Malaysia Securities Berhad on 4 July 2006.

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38. Long Term Borrowings

	Unaudited 30 September 2006	Audited 31 December 2005
	RM'000	RM'000
Secured fixed rate bonds, at par	250,000	250,000
Less: Unamortised discounts	(4,292)	(5,512)
	245,708	244,488

The secured fixed rate bonds comprise of two tranches of RM100 million (Tranche 2 maturing on 12 December 2007) and RM150 million (Tranche 3 maturing on 12 December 2009). In December 2005, Rating Agency Malaysia Berhad has reaffirmed the Bond rating of A2, which was awarded in July 2003. The bonds bear interest at 6.00% per annum (Tranche 2) and 6.75% per annum (Tranche 3) on the nominal value of the outstanding bonds, payable semi annually. Tranche 1 of the bonds has been fully redeemed by the Group on its maturity date.

39. Subordinated Obligations

	Unaudited 30 September 2006	Audited 31 December 2005
	RM'000	RM'000
Subordinated obligations, at par	855,000	855,000
Fair value changes arising from fair value hedges	(30,339)	(34,758)
Foreign exchange translations	(25,200)	(4,533)
	799,461	815,709
Less: Unamortised discounts	(6,107)	(8,265)
	793,354	807,444

On 21 January 2004, the Bank issued USD225 million (equivalent to RM855 million) nominal value Subordinated Notes ('Notes') with a fixed coupon rate of 5.375% per annum, payable semi-annually in arrears in July and January each year (subject to the revision of interest rates as explained below). The Notes will mature on 21 January 2014 and are listed on the Luxembourg Stock Exchange. In March 2005, Moody's Investors Service Limited has reaffirmed the rating of the Notes of Baa3. The net proceeds arising from the issuance of the Notes have been utilised for general banking purposes.

The Bank may, at its option, but subject to the prior approval of Bank Negara Malaysia, redeem all of the Notes, at any time on or after the fifth (5) year from the Issue Date at the principal amount together with accrued interest. Should the Bank decide not to exercise its call option on the fifth (5) year from the Issue Date, the coupon rate will be revised to be equivalent to 3.95% above the US Treasury Rate per annum from the beginning of the sixth (6) year to the final maturity date.

The above Notes constitute unsecured liabilities of the Bank and are subordinated to all deposit liabilities and all other liabilities except those liabilities, which by their terms, rank equally in rights of payment with the Notes. The Notes qualify as Tier 2 capital for the purpose of determining the capital adequacy ratio of the Bank.

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40. Derivative Financial Instruments

Based on the balance sheet as at 14 November 2006, value of contracts of financial instruments of the Group with off-balance sheet risk, traded in the ordinary course of business, classified by remaining period to maturity or next repricing date (whichever is earlier), are as follows:

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
Foreign exchange related contracts - Forward contracts	3,155,964	1,649,331	882,525	550,062	74,046	-	-
Interest rate related contracts - Interest rate swaps	3,151,325	-	1,448,506	-	-	1,702,819	-

Foreign exchange and interest rate related contracts are subject to market risk and credit risk. There were no material equity and commodity related contracts as at 14 November 2006.

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at 14 November 2006, the amount of contracts of the Group which were not hedged and, hence, exposed to market risk was RM40,944,321 (31 December 2005: RM14,248,215).

Credit risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Group has a gain position. As at 14 November 2006, the amount of credit risk of the Group, measured in terms of the cost to replace the profitable contracts, was RM6,021,263 (31 December 2005: RM7,567,814). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Related Accounting Policies

Foreign exchange related contracts

Open forward currency forward contracts represent commitments to purchase or sell fixed amount of currency, including undelivered spot transactions. These contracts are valued at forward rates applicable to their respective dates of maturity as at balance sheet date and unrealised gains or losses are recognised in the income statement in the period in which they arise.

Interest rate swap

Interest rate swaps involve the exchange of interest obligations with a counterparty for a specified period without the exchange of the underlying principal amount. The fair values of these contracts are determined by discounting the estimated net cash flows at zero coupon yield at each reporting date. Interest income or interest expense associated with interest rate swaps are recognised over the life of the swap agreements as a component of interest income or interest expense.

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41. Material Litigation

The disclosure of material litigations is in compliance with the disclosure requirements pursuant to paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The following are pending material litigations in which the Group is involved in the ordinary course of business which, in the opinion of the Board of Directors, do not materially and adversely affect the financial position of the Group as at 30 September 2006 and at the date of this Announcement:-

EON Bank Berhad ('EBB')

- (1) EBB granted a facility of RM4.6 million to the borrower in April 1996 to finance the purchase of properties. The account became non-performing in May 1998.

A Writ of Summons and Statement of Claim was filed by the borrower (Plaintiff) on 29 November 2002 against EBB, alleging that EBB refused to give consent for the Plaintiff's application to sub-divide the land which was charged to EBB. The Plaintiff alleged that it had suffered loss and is claiming an amount of RM21.6 million plus general, aggravated and punitive damages and interest yet to be quantified.

Status update

Trial fixed on 15 to 17 September 2004 has been postponed. No new dates have been fixed yet. The Appeal on the application for striking out the Plaintiff's Statement of Claim fixed for hearing on 14 October 2005 has been vacated. Hearing was fixed on 14 March 2006 but due to the short notice given by the Court, solicitors requested for a postponement. A new date has been fixed on 9 January 2007.

The solicitors are of the view that EBB has a good case.

- (2) A Defence and Counterclaim was filed by the borrower on 1 March 2004 against EBB following EBB's suit against the borrower for total outstanding banking facilities of RM27.3 million. The Defence and Counterclaim was for a sum of RM87.4 million for inter alia, loss of net income as a result of EBB's alleged breach of the terms and conditions of the Facility Agreement dated 21 September 1997.

Status update

Hearing of Summary Judgement of EBB's suit fixed on 27 September 2005 has been postponed to 14 October 2005. Pre-trial case management on the counterclaim has been postponed pending the disposal of the Summary Judgement hearing which was fixed on 9 October 2006 and has been postponed to 14 November 2006 for mention pending a restructuring proposal.

The solicitors are of the opinion that the counterclaim is defensible.

- (3) A Writ of Summons was filed on 25 January 2005 by the Plaintiff against EBB claiming RM50.3 million being General, Aggravated, Exemplary and Special Damages and Interest thereon as a result of EBB wrongfully claiming for an alleged fictitious unsecured claim of RM0.03 million. The property securing the facilities of RM0.19 million granted to a borrower in which the Plaintiff was a partner, was auctioned off and an Adjudicating and Receiving Order (AO & RO) was obtained against the Plaintiff. The Court of Appeal set aside the auction and the High Court set aside the AO & RO as the Court of Appeal and the High Court accepted the Plaintiff's contention that EBB had included a fictitious sum of RM0.03 million in its claim against the Plaintiff. The Plaintiff claims loss and damage for injury to her credit, character and reputation.

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EXPLANATORY NOTES

41. Material Litigation (continued)

EON Bank Berhad ('EBB') (continued)

(3) Status update

The Writ of Summons was served on EBB on 3 February 2005. Memorandum of Appearance was filed on 4 February 2005. Application to strike out the Writ of Summons and Statement of Claim was filed and served on 21 February 2005. At the hearing fixed on 10 March 2005, the application to strike out the suit was withdrawn and solicitors have filed the Statement of Defence.

The Plaintiff has filed an application for Interlocutory Judgement against EBB for wrongful sale in 1996 of the Plaintiff's property resulting from the Court of Appeal setting aside the auction and also for assessment of damages. The hearing fixed on 23 August 2005 has been postponed to 5 September 2005. On that day, the Senior Assistant Registrar directed parties to file in the Written Submissions and fixed 7 October 2005 for mention. The Court has fixed 27 October 2005 for a decision on this application. On that day, the Senior Assistant Registrar granted Order in Terms in favour of the Plaintiff's application with costs. Our solicitors filed an appeal to the Judge in Chambers on 31 October 2005. Hearing of Notice of Appeal has been fixed on 20 January 2006 and at this hearing, the Court ordered parties to file Written Submissions on or before 3 March 2006. On 27 July 2006, the High Court Judge dismissed our appeal with costs. The Plaintiff has filed the Summons-In-Chambers for assessment of damages and the hearing fixed on 9 October 2006 has been adjourned to 16 November 2006. This has been further adjourned to 18 December 2006 for mention to enable EBB to file an Affidavit in reply to the Plaintiff's Affidavit dated 10 November 2006. The total aggregate of the Plaintiff's claim is RM138.3 mil.

Our solicitors are of the view that the damages and costs to be awarded should be substantially lower than the amount claimed and would not have a material adverse impact on the the financial position of the Group.

Ex-Oriental Bank Berhad ('Ex-OBB')

(Ex-OBB refers to litigation in relation to OBB where pursuant to the Vesting Order dated 5 December 2000, the assets and liabilities of the banking business of OBB have been vested to EBB).

- (4) A Writ of Summons was filed on 3 January 2000 by a guarantor for RM135.9 million for wrongful and inequitable enlistment of his name in the Credit Tip-Off Services by ex-OBB.

Status update

On 19 May 2003, the Court dismissed the Plaintiff's action with costs on the grounds that the Plaintiff did not have a valid cause of action and failed to prove his loss. The plaintiff has filed a Notice of Appeal against the Court's decision. No development since the last announcement.

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41. Material Litigation (continued)

Malaysian International Merchant Bankers Berhad ('MIMB')

- (5) A Writ of Summons was filed by MIMB on 17 December 1998 against the borrower and three guarantors for RM21.4 million, being outstanding banking facilities granted plus interest thereon. On 10 April 2000, the High Court granted the order to the borrower to amend its Statement of Defence and to add the Counterclaim for RM70.2 million against MIMB for inter alia, wrongfully terminating the credit facilities of the borrower resulting in the loss of goodwill and reputation of the borrower and loss of projects.

Status update

Further Case Management fixed on 19 October 2004 for mention has been postponed to 22 November 2004. On that day, the Court fixed 13 September 2005 to 16 September 2005 for trial. Trial dates have been vacated and Court has fixed 28 July 2005 for mention pending the borrower obtaining a sanction letter from the Official Liquidator to proceed with the counterclaim against EBB as borrower has been wound up. Case Management fixed on 10 October 2006 has been postponed to 30 November 2006.

The solicitors are of the opinion that the suit is defensible.

- (6) A Writ of Summons was filed by MIMB on 10 December 2003 for RM176,448 against the Defendant for providing advisory, consultancy and administrative services to Defendant wherein the Defendant was supposed to pay the professional fees for the services rendered by MIMB.

The Defendant filed a Defence and Counterclaim which was served on MIMB on 12 January 2006. In the Counterclaim, the Defendant alleged that MIMB was negligent and failed to carry out its duty diligently. The Defendant is claiming compensation totalling RM23,995,743 being expenses and costs incurred by the Defendant and damages.

Status update

MIMB filed an application for Summary Judgement on 23 July 2004 and mention has been fixed on 21 September 2006 pending Defendant's application to transfer the counterclaim to the High Court which has been fixed for hearing on 7 September 2006. This has subsequently been adjourned to 15 November 2006 for mention pending both parties to file their written submissions.

The solicitors are of the opinion that the Defendant's claim is defensible.

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EXPLANATORY NOTES

42. Profit Forecast

There were no profit forecast and profit guarantee issued by the Group.

43. Review of performance for the current financial quarter against immediate preceding financial quarter

The Group's pre-tax profit for the current financial quarter ended 30 September 2006 was RM75.7 million as compared to the RM112.4 million registered during the immediate preceding financial quarter ended 30 June 2006. The decline was mainly attributable to the decrease in non-interest income by 52.2% or RM41.5 million; which was largely due to unrealized loss arising from revaluation of derivatives held at fair value. Notwithstanding that, our net interest income improved from RM208.1 million in 2Q06 to RM214.4 million in 3Q06 while our loan loss and allowance improved from RM74.3 million in 2Q06 to RM73.1 million in 3Q06.

44. Review of performance for the financial quarter ended 30 September 2006 against the corresponding financial quarter of preceding year

Current financial quarter against corresponding financial quarter of preceding year

For the current financial quarter ended 30 September 2006, the Group recorded a net income of RM286.9 million, a 1.3% increase as compared to RM283.4 million achieved in the preceding year's corresponding quarter ended 30 September 2005. The increase in net income was, however, largely offset by higher allowances for losses on loan, advances and financing of RM22.5 million. As a result, the Group registered a pre-tax profit of RM75.7 million as compared to the pre-tax profit of RM95.2 million achieved in the corresponding quarter of preceding year.

Financial year-to-date against previous financial year-to-date

For the current financial period ended 30 September 2006, the Group recorded a pre-tax profit of RM297.0 million, a 3.4% decline as compared to RM307.0 million achieved in the preceding year's corresponding financial period. The decline was mainly attributable to an increase in allowances for losses on loans, advances and financing by RM51.1 million and increase in other operating expenses by RM11.0 million; which offset the increase in net interest income of RM50.4 million.

45. Prospects for 2006

The economic environment in Malaysia is expected to remain favourable and the financial services industry is expected to remain keenly competitive in 2006. The Group will continue to build its presence in the retail and middle market segment and barring any unforeseen circumstances, the Group expects to achieve a satisfactory performance in 2006.

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EXPLANATORY NOTES

46. Earnings Per Share (EPS)

The calculation of the basic earnings per share of the Group, which is based on the net profit for the financial quarter/period ended 30 September 2006 and 30 September 2005 respectively and the weighted average number of ordinary shares in issue during the respective financial quarter/period, are set out as follows:

	Individual quarter		Cumulative quarter	
	Current financial quarter ended 30 September 2006	Preceding year corresponding quarter ended 30 September 2005	Current financial period ended 30 September 2006	Preceding year corresponding period ended 30 September 2005
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial quarter/period	59,141	67,966	211,263	216,334
Weighted average number of ordinary shares in issue during the financial quarter/period	693,209	693,209	693,209	693,209
Basic earnings per share (sen) - basic/diluted	8.53	9.80	30.48	31.21

There were no dilutive potential ordinary shares outstanding as at 30 September 2006.