

# Achievements

## A LEGACY OF EXCELLENCE

AmFinance's beginnings can be traced back to 1964, when a company was incorporated under the name of Malaysian Industrial Finance Corporation Limited. This company later became a member of the AMMB Holdings Berhad (Group) in 1977, when the Group acquired a 70.0% stake in its equity. It was then renamed Arab-Malaysian Finance Berhad (AMFB). In September 1982, the Group acquired a further 30.0% stake and made AMFB a fully-owned subsidiary.

In 1990, AMFB made a significant headway by taking over First Malaysia Finance Berhad under a rescue scheme approved by the Ministry of Finance. Overnight, the acquisition increased AMFB's branch network from 26 to 55 branches and broadened its customer base.

1992 was a cornerstone year for AMFB. It was on April 20 AMFB assumed its listing status when the entire issued and paid-up capital of the Company of 150,000,000 shares was quoted on the Bursa Malaysia Securities Berhad (then known as Kuala Lumpur Stock Exchange or KLSE).

In December 1998, in line with the Government's plan to consolidate the industry to withstand the challenges of liberalisation and globalisation, AMFB once again made history by acquiring the assets and liabilities of Abrar Finance Berhad. The acquisition of Abrar Finance further reinforced AMFB's foothold in the Islamic banking arena.

Over the years' AMFB had grown from strength to strength and more often than not, was an institution of firsts in providing innovative products and services to its customers. We were the first finance company to introduce Extended Banking Hours and 'Sunday Banking' services at our branches; the first finance company to offer public share issue payments through ATMs; the first in introducing an Interest-Free Hire Purchase based on the principle of Al-Ijarah Thumma Al-Bai and the first finance company to operate a full-fledged Islamic Banking Scheme branch.

On the Islamic Banking front, AMFB topped Bank Negara Malaysia's list of Top Banking Institutions Providing Islamic Banking Services (IBS) for two consecutive years in 1997 and 1998. In June 2002, AMFB won the Annual SI-KPMG Shareholder Value Award for the Financial Services Sector.

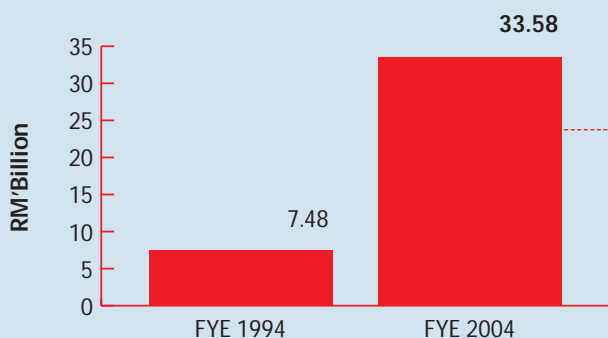
The completion of the merger exercise between AMFB and MBf Finance Berhad on 15 June 2002 marked the creation of the country's largest finance company in terms of asset size and branch network, and the emergence of Arab-Malaysian Banking Group as the fifth largest banking group in the country. Under the acquisition plan, AMFB's assets and liabilities were vested into MBf Finance, which was then renamed AmFinance Berhad (AmFinance) in line with the Group's rebranding initiative. AmFinance Berhad carried on the combined finance company businesses of AMFB and MBf Finance. The rebranding of AmFinance in tandem with the Group's rebranding exercise, ushered in a new era as the Group strengthened its position in the consumer financing business. The AmBank Group was awarded Superbrand status in 2003.

AmFinance had continuously strengthened its financial profile amidst the challenging competitive environment. Today, AmFinance has become a strong household name in the local banking scene offering customers an extensive range of financial solutions ranging from deposits, consumer financing, small and medium-sized loans to corporate financing.



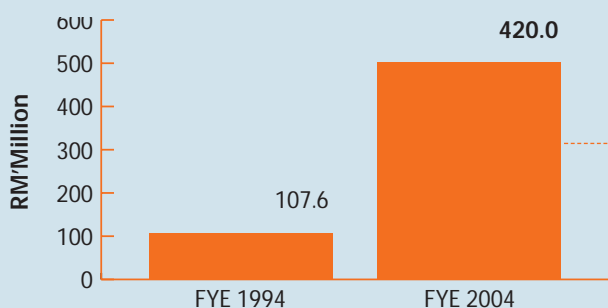
# THE SCORE BOARD

## AMFB Assets Growth



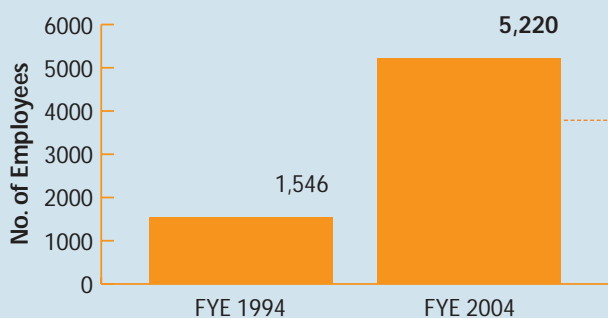
The Group's asset size has been consistently rising mainly due to large loans financing and a strong cash-flow position. In recent years, the Group focused on lending to the retail customer segment resulting in consumer financing forming 90.0% of the total financing extended by the Company.

## Pre-tax Profit



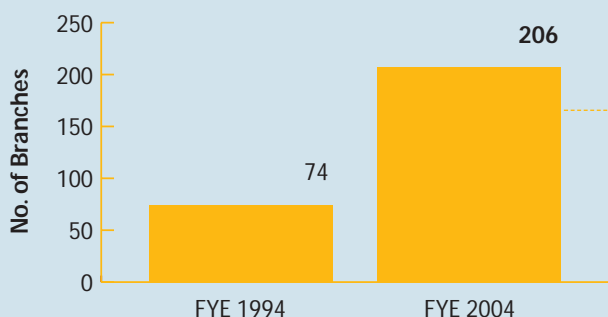
The AMFB Group's commitment to provide consistent value to our shareholders is evident from the strong performance achieved by the AMFB Group. In 2004, the Group topped the list of financial institutions in providing best returns to shareholders as discovered in a survey conducted by The Edge magazine.

## Staff Strength



The total number of employees has almost grown by fourfold since 1994 to about 5220 of employees in 2004. Throughout the years, the Company spent substantial amounts on staff training and development to improve the Company's productivity and enhance customer service.

## Branch Network



With barely 19 branches in the 1960s, the Group's branch network was further expanded over the years to increase customer reach in line with its aim to become a customer-focused financial institution. Today, the Group's branch network stands at 206 branches, strategically located throughout the country.

## OUR ACHIEVEMENTS

### Timeline

1987	Launched SMART (Share Margin Trading) share financing facilities
1992	Launched Step-Up Savings Account, a variation of existing graduated-interest savings scheme that offer premier rates of interest on progressively higher balances
1993	Launched <i>Skim Perbankan Tanpa Faedah</i> , sales of VISA Travellers Cheques, Currency Exchange Services
1994	Completed automation of all major functions
1995	Launched 'Arif', an interest-free HP facility for motor vehicles under the Al-Ijarah Thumma Al-Bai principle
1996	Launched AM-Genius Savings Account, in conjunction with national savings campaign, and Afdhal Investment Account
1997	<p>Most of the key consumer financing portfolios were migrated to the Systematic Integrated Banking System enabling online payment, enquiries and account servicing nationwide</p> <p>Launched Interest-Plus – a savings-cum-investment package, a joint-effort with Arab-Malaysian Unit Trust (now AmInvestment Services)</p>
1998	<p>Launched Arab Malaysian – Astro FD promotion in collaboration with Measat Broadcast Network Systems Sdn Bhd. The campaign attracted over RM1.0 billion in retail deposits during the two-month promotional period</p> <p>Launched AM 50 Plus, a FD account tailored to match the needs of senior savers with higher returns</p> <p>Established an integrated call centre system to attend to customer inquiries</p>
1999	<p>Launched HomeFree, AMFB's first ever housing loan with complementary legal and processing fees</p> <p>Implemented interactive voice response system at the Call Centre to facilitate customers tele-banking activities</p>
2000	<p>The retail banking IT systems of AmBank Berhad and AMFB have been consolidated into one hardware platform to enable cross-selling and servicing of retail products</p> <p>Launched AmSureLife (a yearly renewable term insurance which guarantees coverage for death and total permanent disability), FD Quantum and GIA Quantum</p>
2001	<p>Introduced web-enabled Loan Origination Solution to streamline credit and lending processes by automating workflow, imaging technology and repository of accounts information</p> <p>Introduced an Automated Legal Electronic Recovery Tracking (ALERT), a web-based system designed to centralise legal recovery functions</p> <p>Launched <i>Tabung Perumahan Ehsan</i> (TPE), a residential housing financial scheme to help the less fortunate.</p>
2002	<p>Launched Branch Broking services at selected branches nationwide</p> <p>Launched integrated internet channel, i.e ambg.com.my and I-Amstar</p>
2003	<p>Rollout of mobile banking services in collaboration with Celcom</p> <p>Launched Personalised Financial Advisory Service (AMFAST)</p> <p>Launched MegaFD, a hybrid product consisting of FD and Life Insurance</p>



## NOTABLES



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- First finance company in Malaysia to introduce 'Extended Banking Hours'
- First finance company in Malaysia to link-up with Amex in offering Gold Card services to its clients
- First finance company in Malaysia to offer public share issue payments through ATMs
- First finance company in Malaysia to offer two-generation housing loan scheme spanning up to 60 years
- First finance company in Malaysia to tie-up with Interpayment Services Ltd, the world's leading issuer of Visa Travellers' cheques
- First finance company in Malaysia to offer instant approval for personal loans via its telephone service, Phone-A-Loan
- First finance company in Malaysia to offer loans to hawkers and petty traders under the Loan Fund for Hawkers and the Petty Traders Scheme
- Awarded in 1997 as one of the top three finance companies in Malaysia to support Credit Guarantee Corporation Berhad's New Principal Guarantee Scheme Loans
- AMFB was ranked number one by the Malaysian Islamic Banking Institutions Directory for two consecutive years, i.e. 1997 and 1998 (published by BNM) for its Islamic deposits and financing
- Opened its first full-fledged Skim Perbankan Tanpa Faedah (SPTF) branch in 1997. The branch offers a diverse and sophisticated array of Islamic Banking facilities
- AM50 Plus was selected as one of the three finalists in the 'Customer Service Programme' category in the Asian Banking Awards 1999, organised by the Asian Banking Digest
- AMFB won the annual SI-KPMG Shareholders Value Award – the Financial Services Sector in 2002

