

ANNUAL REPORT

Financial Statements

Expressed in Ringgit Malaysia
For The Year Ended 31 March 2005

ANNUAL REPORT

2005

2005

Ambank Group

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of AMMB HOLDINGS BERHAD for the financial year ended 31 March 2005.

Principal Activities

The principal activity of the Company is that of an investment holding company.

The subsidiary companies, as listed in Note 13 to the financial statements, provide a wide range of investment banking, commercial banking, retail financing and related financial services which also include the Islamic Banking business, underwriting of general and life insurance, stock and share-broking, futures broking, investment advisory and asset, property and unit trusts management.

There have been no significant changes in the nature of the activities of the Group and the Company during the financial year.

Significant Events

(a) On 27 February 2004 and 31 May 2004, the Company announced the following proposals:

- (i) The Privatisation of AMFB Holdings Berhad ("AMFB") through the acquisition by the Company of 188,927,911 ordinary shares of RM1.00 each in AMFB (the "AMFB Minority Shares"), representing 35.72% of the issued and paid-up share capital of AMFB, not already owned by the Company by way of a scheme of arrangement between AMFB and its shareholders under Section 176 of the Companies Act, 1965 ("AMFB Privatisation"). The AMFB Privatisation was approved by the shareholders of AMFB at the Court Convened Meeting held pursuant to the order of the High Court of Malaya on 31 January 2005. Further, the order of the High Court of Malaya ("Court Order") sanctioning the Scheme of Arrangement was obtained on 17 February 2005.

The Company had also received the approval from the Securities Commission ("SC") via its letter dated 31 January 2005 for the purchase consideration for the AMFB Privatisation amounting to RM1,360,280,959 or RM7.20 per AMFB Minority Share to be satisfied as follows:-

- (a) RM623,462,106 by way of an issuance of 188,927,911 new Company Shares on the basis of one (1) new Company Share valued at RM3.30 per new Company Share for every one (1) existing AMFB Minority Share held; and
- (b) RM736,818,853 in cash, on the basis of RM3.90 for every one (1) existing AMFB Minority Share held.

On 17 March 2005, the AMFB Privatisation was completed following the listing of and quotation of the 188,927,911 Company Shares issued to the minority shareholders of AMFB, and AMFB become a wholly-owned subsidiary of the Company.

The entire issued and paid-up share capital of AMFB was delisted from the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities") with effect from 30 March 2005 pursuant to Paragraph 8.15(6) of the Listing Requirements of Bursa Securities.

- (ii) The listing of the Company's investment banking group, via a newly incorporated company AmInvestment Group Berhad ("AIGB"), on the Main Board of the Bursa Securities ("Listing Scheme"), comprising the following:
 - (a) The incorporation of AIGB, completed on 23 June 2004 as a wholly-owned subsidiary company of the Company, to act as the holding company/listing vehicle of the Company's investment banking group;
 - (b) An internal reorganisation ("Internal Reorganisation") involving the transfer of the Company's 100% equity interest in AmMerchant Bank Berhad ("AmMerchant Bank") for a consideration of RM1,109,442,000 wholly satisfied through the issuance of 1,109,441,998 new ordinary shares of RM1.00 each in AIGB ("Transfer of AmMerchant Bank"), and 100% equity interest in AmSecurities Holding Sdn Bhd ("AMSH") for a consideration of RM214,400,000 to be wholly satisfied by AIGB in cash ("Transfer of AMSH"), prior to the completion of which AmMerchant Bank and AMSH had separately declared dividends to the Company amounting to RM249,840,000 in aggregate;
 - (c) The issue/offer of 646,800,000 Shares comprising 210,558,000 new Shares and 436,242,000 existing Shares, as follows:-
 - (a) 488,400,000 Shares allocated to shareholders of the Company, by way of:-
 - (i) A renounceable restricted offer for sale of 330,278,078 Shares by the Company to the entitled shareholders of the Company; and
 - (ii) A restricted issue of 158,121,922 new Shares to Tan Sri Dato' Azman Hashim and his related companies in direct proportion to their shareholdings in the Company.

Directors' Report (cont'd)

- (b) 39,600,000 Shares allocated by way of a restricted offer for sale by the Company to eligible directors and employees of AIGB and/or its Malaysian-incorporated subsidiary and associated companies, eligible directors of the Company and business associates of the Company, which includes persons who have contributed to the success of the Group; and
 - (c) 118,800,000 Shares allocated to Tan Sri Dato' Azman Hashim as an approved Bumiputera investor, by way of:-
 - (i) An offer for sale of 66,363,922 Shares by the Company; and
 - (ii) a special issue of 52,436,078 new Sharesat an issue/offer price of RM1.40 per Share payable in full on application.
 - (d) The listing of and quotation for the entire enlarged issued and paid-up share capital of AIGB of RM1,320,000,000, comprising 1,320,000,000 ordinary shares of RM1.00 each, on the Main Board of Bursa Securities.
- (iii) The proposed share split involving the subdivision of every one (1) existing ordinary share of RM1.00 each held in the Company on a date to be determined after the Proposed AMFB Privatisation, into two (2) new ordinary shares of RM0.50 each ("Proposed Share Split").

The Proposed Share Split was approved by the SC on 16 December 2004. The Company had previously obtained SC's approval for the Proposed Share Split to be implemented within 3 months of the completion of the Proposed AMFB Privatisation. The Company had on 29 June 2004 obtained the approval of Bursa Securities for the Proposed Share Split. The Proposed Share Split is pending implementation.

The AMFB Privatisation, Listing Scheme and Proposed Share Split were also approved by the shareholders of the Company at the Extraordinary General Meeting held on 31 January 2005.

The Company had also obtained the approval of Bank Negara Malaysia and the Minister of Finance and the SC for, inter-alia, the AMFB Privatisation and the Proposed Listing of AIGB via their letters dated 10 December 2004 and 16 December 2004, respectively.

The AMFB Privatisation and the Listing Scheme are inter-conditional with each other. The Proposed Share Split is not conditional upon the AMFB Privatisation or the Listing Scheme.

- (b) The Company had on 29 November 2004 obtained Bank Negara Malaysia's ("BNM") approval in principle to undertake Islamic Banking business pursuant to Section 3(4) of the Islamic Banking Act, 1983, through a subsidiary company.

The Islamic Banking license will be issued by the Minister of Finance once all pre-licensing conditions have been satisfactorily fulfilled.

Subsequent Events

Subsequent to the balance sheet date, the Company has proposed a rationalisation exercise in respect of its commercial banking and finance company operations ("the Proposed Rationalisation Exercise") which will culminate in the merger of the commercial banking and finance company operations under one (1) single entity holding a banking and finance company license ("Bafin") involving the following steps:

- (i) Proposed Acquisition By AMFB

The Proposed Acquisition by AMFB involves the acquisition by AMFB of the entire equity interest in AmBank Berhad ("AmBank"), comprising 761,718,750 ordinary shares, from the Company for a purchase consideration equivalent to the carrying value of the Company's investment in AmBank as at the date of completion of the Proposed Acquisition by AMFB. The Purchase Consideration is proposed to be satisfied by the issuance of new Shares in AMFB to the Company at an issue price to be determined based on the unaudited net tangible assets ("NTA") per Share of AMFB as at the completion date.

Upon completion of the Proposed Acquisition by AMFB, AmBank will become a wholly-owned subsidiary of AMFB.

- (ii) Proposed AmBank Acquisition By AmFinance

Upon completion of the Proposed Acquisition by AMFB, AmFinance proposes to acquire the entire equity interest in AmBank comprising 761,718,750 Shares from AMFB for a purchase consideration equivalent to the NTA of AmBank after adjusting for certain non-transferable assets as at the date of completion of the Proposed AmBank Acquisition by AmFinance. The Purchase Consideration is proposed to be satisfied by the issuance of new Shares in AmFinance to AMFB at an issue price to be determined based on the unaudited NTA per Share of AmFinance as at the completion date.

Directors' Report (cont'd)

(iii) Proposed Business Merger

Upon completion of the Proposed AmBank Acquisition by AmFinance, the finance company business of AmFinance and the commercial banking business of AmBank will be merged by way of a transfer of AmBank's assets and liabilities (save for certain non-transferable assets) to AmFinance via a vesting order under Section 50 of the Banking and Financial Institutions Act, 1989.

The Proposed AmBank Acquisition by AmFinance is conditional upon completion of the Proposed Acquisition by AMFB.

The Proposed Acquisition by AMFB, Proposed AmBank Acquisition by AmFinance and Proposed Business Merger are subject to the approvals of SC, Minister of Finance, BNM and other relevant authorities.

On 26 April 2005 and 9 May 2005, the Company had obtained the approval of the Minister of Finance and the Foreign Investment Committee for the proposed merger of AmBank's commercial banking business and finance company business.

Financial Results

	The Group RM'000	The Company RM'000
Profit before share in results of associated companies and taxation	488,887	353,978
Share in results of associated companies	809	-
Profit before taxation	489,696	353,978
Taxation	(203,807)	(103,485)
Profit before minority interests	285,889	250,493
Minority shareholders' interests in results of subsidiary companies	(83,948)	-
Net profit attributable to the shareholders of the Company	201,941	250,493
Unappropriated profit at beginning of year (as restated)	597,636	244,516
Profit available for appropriation	799,577	495,009
Transfer from statutory reserve	250,635	-
Arising from AMFB Privatisation	(69,868)	-
Dividends paid	(53,534)	(53,534)
Unappropriated profit at end of year	926,810	441,475

Business Plan And Strategy

Amid the ongoing liberalization of the financial services sector, the various business lines in the Group will be working towards consolidating their dominant positions in their respective businesses while at the same time growing their presence in segments in which they already have a significant and growing presence. It is envisioned that the business growth will come from enhanced operational efficiencies, cross selling activities, product innovation and workforce productivity.

Briefly, the Group's investment banking business will work towards consolidating and enhancing its market positions in the capital markets through product innovation and operational efficiencies. The Group's commercial and retail banking businesses plans to increase their presence in market segments where they already have meaningful market share and in new market segments in which the Group believes that it can gain significant market share. The Group's insurance business is planning to enhance its delivery channels to spur growth. Meanwhile, the Group's Islamic banking business has plans to increase its income stream via the introduction of new Syariah-compliant products.

Outlook For Next Financial Year

Malaysia's economic growth is expected to moderate from 7.1% for 2004 to around 6% for 2005. The moderation in economic growth can be primarily attributed to the volatility of crude petroleum prices that has heightened uncertainties in the sustainability of economic growth globally which in turn have weakened external demand for Malaysian goods. The overall growth in the economy in 2005 would be supported largely by sustained domestic demand with the main contribution to growth coming from the private sector.

Despite lower external demand for Malaysian goods, the manufacturing sector is still expected to be the main growth engine for the Malaysian economy with higher value-added production playing a more prominent role in the manufacturing sector. The services sector, the second engine of growth, is also expected to expand in line with the expansion of trade and tourism activities, communications and financial services.

However, a moderating economy coupled with ample liquidity in the banking system will further suppress the profitability of the banking industry's traditional lending business. Although inflationary pressures are picking up, it is unlikely interest rates will rise appreciably in the short term. Therefore, the banking sector as a whole will continue to experience downward pressure on lending margins.

The volatility of petroleum prices has also affected the capital markets. Activity in the equity market has been depressed due to the uncertainties that loom over the global economy as a result of possible escalation of petroleum prices. Until there is more stability in energy prices, investors will remain cautious. As a result, the investment banking and stockbroking industries will face challenging conditions in bringing deals to the market amid such uncertainties.

The Group is targeting to complete the legal merger of AmBank Berhad and AmFinance Berhad by the first quarter of the financial year ending 31 March 2006. With the recent modifications to the Banking and Financial Institutions Act, 1989 to enable a single entity to hold both bank and finance company licenses, the Group is committed to transforming the AmFinance branches into commercial bank branches offering a full range of commercial banking services.

Despite the competition and narrowing of interest spreads, the Group is confident that together with the increased commercial bank branches services, it is well positioned to further improve on its performance.

Items Of An Unusual Nature

In the opinion of the directors, the results of operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the accounting treatment of charging handling fees paid to motor vehicle dealers for hire purchase loans in the year that it was incurred to the Group's income statement.

There has not arisen in the interval between the end of the financial year 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 of the Company for the succeeding twelve months.

Dividends

During the financial year, the Company paid a first and final dividend of 4.0%, less 28.0% tax, in respect of the previous financial year totalling RM53,533,615 which amount had been dealt with in the directors' report for that financial year and paid on 19 October 2004 to shareholders whose names appeared in the Register of Members and Record of Depositors on 30 September 2004.

In respect of the current financial year, the directors now recommend the payment of a first and final dividend of 4.0%, less 28.0% tax, amounting to RM61,359,370 to be paid to shareholders whose names appear in the Register of Members and Record of Depositors on a date to be determined by the directors. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in the shareholders' funds as an appropriation of unappropriated profit in the next financial year ending 31 March 2006.

Directors' Report (cont'd)

Reserves, Provisions And Allowances

The following material transfers to or from reserves, provisions and allowances were made during the financial year:

	Note to the Financial Statements	The Group RM'000	The Company RM'000
(a) Capital Reserve			
Arising from AMFB Privatisation	29	(125,284)	-
(b) Share Premium			
Arising from:			
- exercise of share options	29	17,567	-
- exercise of Warrants 2003/2008	29	83,197	-
- AMFB Privatisation	29	434,534	-
(c) Statutory Reserve			
Transfer to unappropriated profits	29	(250,635)	-
(d) Exchange Fluctuation Reserve			
Arising from translation of subsidiary and associated companies expressed in foreign currency	29	(4,518)	-
(e) Allowances/(Reversal of allowances):			
Net interest suspended	30	251,692	-
Net income suspended		33,107	-
Allowance/(Recoveries of allowance) for losses on loans and financing			
General allowance	34	28,505	-
Specific allowance - net	34	1,032,885	-
Transfer to profit equalisation reserve		57,949	-
Impairment loss on properties		29,834	-
Allowance for diminution in value of investments - net		24,914	-
Allowance for doubtful sundry receivables - net		3,629	-
Writeback of provision for commitments and contingencies		(40,437)	-
Provision for foreclosed properties	33	2,396	-

Bad And Doubtful Debts And Financing

Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and financing and the making of allowances for doubtful debts and financing and have satisfied themselves that all known bad debts and financing had been written off and adequate allowance had been made for doubtful debts and financing.

At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts and financing or the amount of the allowance for doubtful debts and financing in the Group and the Company inadequate to any substantial extent.

Directors' Report (cont'd)

Current Assets

Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps to ascertain that current assets, other than debts and financing, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, have been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

Valuation Methods

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the Group's and the Company's financial statements misleading or inappropriate.

Contingent And Other Liabilities

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- (b) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year, other than those incurred in the normal course of business.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

Change Of Circumstances

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company, that would render any amount stated in the financial statements misleading.

Issue Of Shares And Debentures

During the financial year, the issued and fully paid-up share capital of the Company was increased from 1,858,806,070 ordinary shares of RM1.00 each to 2,130,533,695 ordinary shares of RM1.00 each by the issue of:

1. 12,886,004 new ordinary shares of RM1.00 each at prices ranging from RM1.31 to RM3.33 per share by virtue of the exercise of share options granted pursuant to the Company's Employees' Share Option Scheme. The resulting share premium amounting to RM17,566,514 has been credited to share premium account.
2. 69,913,710 new ordinary shares of RM1.00 each at RM2.19 per share by virtue of the exercise of share warrants 2003/2008 of the Company. The resulting share premium amounting to RM83,197,315 has been credited to share premium account.
3. 188,927,911 new ordinary shares of RM1.00 each at RM3.30 per share, representing the portion of the purchase consideration for the AMFB Privatisation satisfied by the new issue of the Company's shares valued at RM623,462,106, in exchange for 188,927,911 ordinary shares of RM1.00 each in AMFB, on the basis of one (1) new ordinary share of RM1.00 each in the Company for every one existing AMFB share held by the shareholders of AMFB, other than the Company. The resulting share premium amounting to RM434,534,195 has been credited to share premium account.

The 271,727,625 new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company except that the new ordinary shares issued pursuant to the Company's Employees' Share Option Scheme, share warrants 2003/2008 and AMFB Privatisation above are not entitled to dividends declared in respect of the financial year ended 31 March 2004.

The Company has not issued any new debentures during the year.

Directors' Report (cont'd)

Share Options

Under the Company's Employees' Share Option Scheme ("ESOS"), options to subscribe for 117,853,371 new ordinary shares of RM1.00 each in the Company were made available to eligible directors and employees of the Company and its subsidiary companies, except for executive directors who represent the Government or Government institutions/agencies and Government employees who are serving in the public service schemes defined under Article 132 of the Federal Constitution and executive directors of AmSecurities Sdn Bhd who are eligible to participate under separate share schemes in their respective companies.

The salient features of the ESOS are as follows:

- (a) Eligible persons who are confirmed employees including full-time executive directors of the Company and its subsidiary companies who have been employed for a period of not less than three years.
- (b) Total number of shares to be offered shall not exceed 10.0% of the issued and fully paid-up share capital of the Company at any point of time during the existence of the ESOS.
- (c) Subject to paragraph (d) below, no option shall be granted for less than 1,000 shares or more than 500,000 shares.
- (d) In the event of any alteration in the capital structure of the Company except for certain exemptions, adjustments will be made to the subscription price and/or the number of shares in respect of options granted but not exercised, such that the option holder will be entitled to the same proportion of the issued and paid-up share capital of the Company prior to the said alteration.
- (e) The option price for an ordinary share of RM1.00 each shall be at a discount of not more than ten percent (10.0%) from the last market transacted price at the time the option is granted or the weighted average market price of the shares of the Company as quoted and shown in the Daily Official List issued by the Bursa Malaysia Securities Berhad for the five market days immediately preceding the offer date, or the par value of RM1.00, whichever is higher.
- (f) The option was for a period of five calendar years which expired on 8 October 2004.
- (g) The persons to whom the options are granted under the ESOS have no right to participate in any share option scheme of any other company in the Group.

During the financial year, the Company granted options of 5,000 ordinary shares to Ms Sharyl Netto A/P George Netto at an exercise price of RM3.87 per share.

The movements in the Company's unissued number of shares under options during the financial year are as follows:

	No. of ordinary shares of RM1.00 each				Balance at 31.3.2005
	Balance at 1.4.2004	Granted	Exercised	Forfeited	
Number of unissued shares under options	26,463,533	5,000	12,886,004	13,582,529	-

Warrants

The company has two issues of warrants to issue shares totalling 275,639,223 as at 31 March 2005 as follows:

- (i) The Warrants 1997/2007 were constituted under the Deed Poll dated 19 March 1997.

The salient features of the Warrants 1997/2007 are as follows:-

- (a) Each Warrant 1997/2007 entitles its registered holder to subscribe for one new ordinary share of RM1.00 each at the exercise price during the exercise period.
- (b) The exercise price is RM6.51 per share and may be paid fully in cash, or partly in cash and partly by tender of Bonds 1997/2002 in any combination, or wholly by tender of Bonds 1997/2002 for every Warrant 1997/2007 held after one year from the date of allocation. The exercise price of the Warrants 1997/2007 are subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll. The Bonds 1997/2002 matured in 2002 and have been fully discharged.
- (c) The Warrants 1997/2007 are for an initial period of five calendar years. This period was extended for a further period of five years to mature on 13 May 2007.

The movements in the Company's unissued number of shares under Warrants 1997/2007 during the financial year are as follows:

	No. of ordinary shares of RM1.00 each			
	Balance at 1.4.2004	Granted	Exercised	Balance at 31.3.2005
Number of unissued shares under Warrants 1997/2007	143,534,078	-	-	143,534,078

Directors' Report (cont'd)

(ii) The Warrants 2003/2008 were constituted under the Deed Poll dated 29 November 2002 and 29 January 2003.

The salient features of the Warrants 2003/2008 are as follows:-

- (a) Each Warrant 2003/2008 entitles its registered holder to subscribe for one new ordinary share of RM1.00 each at the exercise price during the exercise period.
- (b) The exercise price is RM2.19 per share and is payable fully in cash for every Warrant 2003/2008 held from the date of allocation. The exercise price of the Warrants 2003/2008 are subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll
- (c) The Warrants 2003/2008 are for a period of five calendar years to mature on 20 March 2008.

The movements in the Company's unissued number of shares under Warrants 2003/2008 during the financial year are as follows:

	No. of ordinary shares of RM1.00 each			Balance at 31.3.2005
	Balance at 1.4.2004	Granted	Exercised	
Number of unissued shares under Warrants 2003/2008	202,018,855	-	69,913,710	132,105,145

Directors

The directors who served on the Board since the date of the last report are:

Tan Sri Dato' Azman Hashim

Dato' Azlan Hashim

Tun Mohammed Hanif Omar (Independent Director)

Prof Tan Sri Dato' Dr Mohd Rashdan Haji Baba (Independent Director)

Tan Sri Datuk Dr Aris Osman @ Othman (Independent Director)

Tan Sri Datuk Clifford Francis Herbert (Independent Director)

Tan Sri Dato' Dr Lim Kok Wing (Independent director; Appointed on 1.11.2004)

Dato' Izham Mahmud (Independent Director)

Dato' Mohd Ibrahim Mohd Zain (Independent Director)

Cheah Tek Kuang

Soo Kim Wai

Shalina Azman

In accordance with Article 89 of the Company's Articles of Association, Dato' Azlan Hashim, Tun Mohammed Hanif Omar, Prof Tan Sri Dato' Dr Mohd Rashdan Haji Baba and Mr Soo Kim Wai retire, and being eligible, offer themselves for re-election.

In accordance with Article 97 of the Company's Articles of Association, Tan Sri Dato' Dr Lim Kok Wing who was appointed to the Board since the last Annual General Meeting, retires and, being eligible, offers himself for re-election.

Directors' Report (cont'd)

Directors' Interests

Under the Company's Articles of Association, the directors are not required to hold shares in the Company.

The interests in shares, debentures and share options in the Company and in subsidiary companies, of those who were directors at the end of the financial year as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

Direct Interests

In the Company

Shares	No. of ordinary shares of RM1.00 each				Balance at 31.3.2005
	Balance at 1.4.2004	Bought	*Share Exchange	Sold	
Tan Sri Dato' Azman Hashim	-	-	675,490	-	675,490
Dato' Azlan Hashim	-	-	95,952	-	95,952
Prof Tan Sri Dato' Dr Mohd Rashdan Haji Baba	226,071	-	-	-	226,071
Dato' Izham Mahmud	-	-	4,670	-	4,670
Cheah Tek Kuang	485,800	-	38,000	500,000	23,800

* Arising from the exchange of shares on the basis of one (1) new Company share for every one (1) existing AMFB share not held by the Company.

No. of Warrants

Warrants 1997/2007	Balance at	Bought	Exercised/ Sold	Balance at
	1.4.2004			31.3.2005
Prof Tan Sri Dato' Dr Mohd Rashdan Haji Baba	19,795	-	-	19,795

No. of Warrants

Warrants 2003/2008	Balance at	Bought	Exercised/ Sold	Balance at
	1.4.2004			31.3.2005
Tan Sri Dato' Azman Hashim	245,793	-	245,793	-
Cheah Tek Kuang	46,189	-	-	46,189

In the subsidiary company, AMFB Holdings Berhad

Shares	No. of ordinary shares of RM1.00 each				Balance at 31.3.2005
	Balance at 1.4.2004	Bought	*Share Exchange	Sold	
Tan Sri Dato' Azman Hashim					
Held directly	211,505	-	211,505	-	-
Held through nominees	522,985	-	463,985	59,000	-
Dato' Azlan Hashim	95,952	-	95,952	-	-
Dato' Izham Mahmud	4,670	-	4,670	-	-
Cheah Tek Kuang	38,000	-	38,000	-	-

* Arising from the exchange of shares on the basis of one (1) new Company share for every one (1) existing AMFB share not held by the Company.

Directors' Report (cont'd)

Direct Interests

In the subsidiary company,
AmInvestment Group Berhad

Renounceable Rights	No. of Renounceable Rights of RM1.00 each				
	Balance at 1.4.2004	Offer for sale			Balance at 31.3.2005
		Rights/ Allocation	Eligible Employees/ Directors	Bought	
Tan Sri Dato' Azman Hashim	-	118,954,848	-	-	118,954,848
Dato' Azlan Hashim	-	21,995	200,000	-	221,995
Tun Mohammed Hanif Omar	-	-	200,000	-	200,000
Prof Tan Sri Dato' Dr Mohd Rashdan Haji Baba	-	51,824	150,000	-	201,824
Tan Sri Datuk Dr Aris Osman @ Othman	-	-	50,000	-	50,000
Tan Sri Datuk Clifford Francis Herbert	-	-	50,000	-	50,000
Tan Sri Dato' Dr Lim Kok Wing	-	-	50,000	-	50,000
Dato' Izham Mahmud	-	1,070	100,000	-	101,070
Dato' Mohd Ibrahim Mohd Zain	-	-	50,000	-	50,000
Cheah Tek Kuang	-	120,075	2,500,000	-	2,620,075
Soo Kim Wai	-	-	100,000	-	100,000
Shalina Azman	-	-	100,000	-	100,000

In the subsidiary company,
AmMerchant Bank Berhad

Redeemable Unsecured Subordinated Bonds	Nominal Value of RM1.00 each			
	Balance at 1.4.2004	Bought	Sold	Balance at 31.3.2005
Dato' Izham Mahmud	250,000	-	-	250,000

Deemed Interests

In the Company,

Shares	Name of Company	No. of Ordinary Shares of RM1.00 each				
		Balance at 1.4.2004	Bought	*Share Exchange	Sold	Balance at 31.3.2005
Tan Sri Dato' Azman Hashim	Arab-Malaysian Corporation Berhad	605,826,825	94,425,596	-	42,000,000	658,252,421
	AMDB Equipment Trading Sdn Bhd	198,000	-	241,047	-	439,047
	Azman Hashim Holdings Sdn Bhd	5,713,905	-	-	4,800,000	913,905
	Ginagini Sdn Bhd	12,184,809	-	-	12,184,809	-
	Regal Genius Sdn Bhd	21,750,000	7,740,000	-	-	29,490,000

* Arising from the exchange of shares on the basis of one (1) new Company share for every one (1) existing AMFB share not held by the Company.

Directors' Report (cont'd)

Deemed Interests

In the Company,

Warrants 2003/2008	Name of Company	No. of Ordinary Shares of RM1.00 each			
		Balance at 1.4.2004	Bought	Sold/ Exercised	Balance at 31.3.2005
Tan Sri Dato' Azman Hashim	Arab-Malaysian Corporation Berhad	75,214,328	-	69,260,231	5,954,097
	AMDB Equipment Trading Sdn Bhd	22,682	-	-	22,682
	Azman Hashim Holdings Sdn Bhd	3,342,309	-	3,342,309	-
	Slan Sdn Bhd	82,132	-	82,132	-
	Ginagini Sdn Bhd	3,945,451	-	3,945,451	-
	Indigenous Capital Sdn Bhd	280,435	-	280,435	-
	Regal Genius Sdn Bhd	2,989,936	-	-	2,989,936
	Corporateview Sdn Bhd	-	31,658,738	-	31,658,738

In the subsidiary company,

AMFB Holdings Berhad

Shares	Name of Company	No. of Ordinary Shares of RM1.00 each			
		Balance at 1.4.2004	Bought	*Share Exchange	Balance at 31.3.2005
Tan Sri Dato' Azman Hashim	AMDB Equipment Trading Sdn Bhd	241,047	-	241,047	-

* Arising from the exchange of shares on the basis of one (1) new Company share for every one (1) existing AMFB share not held by the Company.

In the subsidiary company,

AmInvestment Group Berhad

Shares	Name of Company	No. of Renounceable Rights of RM1.00 each				
		Balance at 1.4.2004	Bought	Offer for Sale Rights	Sold	Balance at 31.3.2005
Tan Sri Dato' Azman Hashim	Arab-Malaysian Corporation Berhad	-	-	150,896,688	-	150,896,688
	AMDB Equipment Trading Sdn Bhd	-	-	100,646	-	100,646
	Azman Hashim Holdings Sdn Bhd	-	-	209,502	-	209,502
	Regal Genius Sdn Bhd	-	-	6,760,238	-	6,760,238

Directors' Report (cont'd)

Deemed Interests

In the subsidiary company,
AmAssurance Berhad

Shares	Name of Company	No. of Ordinary Shares of RM1.00 each			Balance at 31.3.2005
		Balance at 1.4.2004	Bought	Sold	
Dato' Azlan Hashim	ABH Holdings Sdn Bhd	34,062,000	-	-	34,062,000

By virtue of their shareholdings as mentioned above, the above directors are deemed to have an interest in the shares of the Company and its related companies.

Directors' Benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in Note 36 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm in which the director is a member, or with a company in which the director has a substantial financial interest, except for the related party transactions as shown in Note 35 to the financial statements.

Save for the benefits under the Restricted Offer for Sale by the Company to the shareholders and AmInvestment Group Berhad to eligible employees pursuant to the listing of AmInvestment Group Berhad on the Main Board of the Bursa Malaysia Securities Berhad and the share option granted to directors pursuant to the Company's Employees' Share Option Scheme which expired during the year, neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Ratings By External Agencies

The Company's RM150.0 million 3.0% 5-year redeemable unsecured bank-guaranteed bonds 2002/2007 with detachable warrants was accorded a long term ratings of AAA (bg) and AA3 (bg) for Tranche 1 of RM100.0 million and Tranche 2 of RM50.0 million respectively by Rating Agency Malaysia Berhad ("RAM").

The merchant bank's long term and short term rating of A1/P1 from RAM and A+/MARC-1 from Malaysian Rating Corporation Berhad was complemented by international ratings of BB(Stable)/B from Standard and Poor's, BB(Stable)/B from Capital Intelligence and BB-(Stable)/B from Fitch IBCA, Duff & Phelps.

Fitch IBCA, Duff & Phelps accorded long term and short term ratings of BB-(Stable)/B for the commercial bank while the finance company subsidiary was rated A2/P1 by RAM.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors



TAN SRI DATO' AZMAN HASHIM



CHEAH TEK KUANG

Kuala Lumpur, Malaysia
16 May 2005

Statement by Directors

Pursuant To Section 169(15) Of The Companies Act, 1965

We, **TAN SRI DATO' AZMAN HASHIM** and **CHEAH TEK KUANG**, being two of the directors of **AMMB HOLDINGS BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with applicable Approved Accounting Standards in Malaysia, Bank Negara Malaysia Guidelines and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2005 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors



TAN SRI DATO' AZMAN HASHIM



CHEAH TEK KUANG

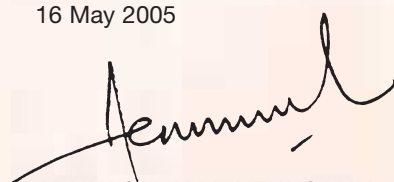
Kuala Lumpur, Malaysia
16 May 2005

Statutory Declaration

Pursuant To Section 169(16) Of The Companies Act, 1965

I, **ARUNASALAM MUTHUSAMY**, being the officer primarily responsible for the financial management of **AMMB HOLDINGS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed **ARUNASALAM MUTHUSAMY**
at Kuala Lumpur in the Wilayah Persekutuan on
16 May 2005



ARUNASALAM MUTHUSAMY

Before me,



18th Floor, Bangunan AmBank Group
Letter Box No: 18D,
55, Jalan Raja Chulan,
50200 Kuala Lumpur.

COMMISSIONER FOR OATHS

Lodged on behalf by:

Address: 22nd Floor, Bangunan AmBank Group,
No 55 Jalan Raja Chulan,
50200 Kuala Lumpur.

Telephone Number: 03-20782633/44/55

Report of the Auditors To Members

We have audited the a companying financial statements. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

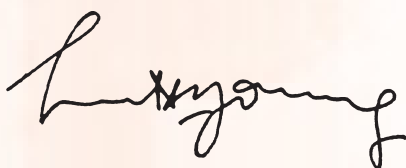
In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 Bank Negara Malaysia Guidelines and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 March 2005 and of the results and the cash flows of the Group and of the Company for the year ended 31 March 2005; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

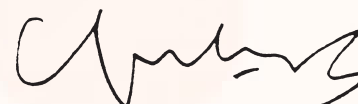
We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, as indicated in Note 13 of the financial statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of the subsidiaries incorporated in Malaysia, did not include any comment required to be made under Section 174(3) of the Act.



ERNST & YOUNG
AF : 0039
Chartered Accountants



YAP SENG CHONG
No.2190/12/05(J)
Partner

Kuala Lumpur, Malaysia
16 May 2005

Balance Sheets

As At 31 March 2005

	Note	2005		2004	
		The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
ASSETS					
Cash and short-term funds	4	7,787,393	90,682	6,711,084	34,746
Securities purchased under resale agreements	5	158,592	31,950	64,818	287
Deposits and placements with banks and other financial institutions	6	810,356	26,629	307,669	99,339
Dealing securities	7	3,063,417	-	3,755,938	-
Investment securities	8	5,112,916	150,233	6,292,850	9,702
Loans, advances and financing	9	40,220,876	-	38,545,048	-
Other assets	10	1,151,961	249,246	1,270,997	46,380
Goodwill on consolidation	11	523,046	-	281,715	-
Deferred tax assets	38	987,077	-	1,017,041	-
Statutory deposits with Bank Negara Malaysia	12	1,545,877	-	1,539,827	-
Investments in subsidiary companies	13	-	4,461,248	-	3,074,348
Investments in associated companies	14	38,715	-	39,571	-
Property and equipment	15	484,754	577	535,900	-
TOTAL ASSETS		61,884,980	5,010,565	60,362,458	3,264,802
LIABILITIES AND SHAREHOLDERS' FUNDS					
Deposits from customers	16	34,447,340	-	33,017,293	-
Deposits and placements of banks and other financial institutions	17	12,077,751	-	11,442,766	-
Obligations on securities sold under repurchase agreements	18	1,418,519	-	1,696,318	-
Bills and acceptances payable	19	518,938	-	271,740	-
Amount due to Cagamas Berhad	20	2,786,448	-	4,066,859	-
Other liabilities	21	2,882,664	5,565	2,586,860	3,943
Term loans	22	1,252,500	961,000	645,000	224,000
Subordinated certificates of deposits	23	198,768	-	197,418	-
Subordinated term loan	24	680,000	-	680,000	-
Redeemable unsecured bonds	25	801,481	141,481	798,325	138,325
Total liabilities		57,064,409	1,108,046	55,402,579	366,268
Minority interests	27	36,347	-	931,418	-
Share capital	28	2,130,534	2,130,534	1,858,806	1,858,806
Reserves	29	2,653,690	1,771,985	2,169,655	1,039,728
Shareholders' funds		4,784,224	3,902,519	4,028,461	2,898,534
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		61,884,980	5,010,565	60,362,458	3,264,802
COMMITMENTS AND CONTINGENCIES	44	23,944,919	6,143,106	18,708,651	4,531,779
NET TANGIBLE ASSETS PER SHARE (RM)	47	2.00	1.83	2.02	1.56

The accompanying notes form an integral part of the financial statements.

Income Statements

For The Year Ended 31 March 2005

	Note	2005		2004	
		The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Revenue	48	4,639,405	11,369	4,421,794	9,706
Interest income	30	2,978,276	11,152	3,027,998	9,423
Interest expense	31	(1,559,761)	(27,130)	(1,629,276)	(23,497)
Net interest income/(expense)		1,418,515	(15,978)	1,398,722	(14,074)
Net income from Islamic Banking business	54(xxiii)	435,005	-	364,593	-
Non-interest income	32	1,069,399	373,565	907,775	85,099
Net Income		2,922,919	357,587	2,671,090	71,025
Non-interest expense	33	(1,587,668)	(3,609)	(1,416,336)	(7,278)
Operating profit		1,335,251	353,978	1,254,754	63,747
Allowances for losses on loans and financing	34	(770,475)	-	(865,588)	-
<i>Allowances before the change in method of provisioning for non-performing loans of 7 years and beyond</i>		(525,808)	-	(865,588)	-
<i>Additional allowances arising from the change</i>		(244,667)	-	-	-
Transfer to profit equalisation reserve	21	(57,949)	-	(47,870)	-
Impairment loss on properties		(29,834)	-	-	-
(Allowance)/Write back of allowance for diminution in value of investments - net		(24,914)	-	20,566	-
(Allowance)/Write back of allowance for doubtful sundry receivables - net		(3,629)	-	16,343	-
Write back of provision/(Provision) for commitments and contingencies		40,437	-	(37,000)	-
Profit before share in results of associated companies and and taxation		488,887	353,978	341,205	63,747
Share in results of associated companies		809	-	1,437	-
Profit before taxation		489,696	353,978	342,642	63,747
Taxation:	37	(203,807)	(103,485)	44,239	(21,000)
Company and subsidiaries		(203,807)	(103,485)	44,186	(21,000)
Associates		-	-	53	-
Profit before minority interests		285,889	250,493	386,881	42,747
Minority shareholders' interests in results of subsidiary companies	27	(83,948)	-	(171,935)	-
Net profit attributable to the shareholders of the Company		201,941	250,493	214,946	42,747
Earnings per share (sen)	40				
Basic		10.72	13.30	13.45	2.67
Fully diluted		10.56	13.10	12.66	2.52
First and final dividend per ordinary share (sen)					
Gross		4.0	4.0	4.0	4.0
Net		2.9	2.9	2.9	2.9

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Equity

For The Year Ended 31 March 2005

The Group	Note	Non-distributable					Distributable	Total RM'000
		Share capital RM'000	Capital reserve RM'000	Share premium RM'000	Statutory reserve RM'000	Exchange fluctuation reserve RM'000	Unappro- priated profits RM'000	
As at 1 April 2003								
As previously stated		1,001,719	140,771	648,280	895,385	19,827	757,677	3,463,659
Prior year's adjustments	53	-	-	-	-	-	(70,237)	(70,237)
As restated		1,001,719	140,771	648,280	895,385	19,827	687,440	3,393,422
Translation adjustments		-	-	-	-	(223)	-	(223)
Profit for the year		-	-	-	-	-	214,946	214,946
Dividends paid		-	-	-	-	-	(36,062)	(36,062)
Reclassification		-	(15,487)	15,487	-	-	-	-
Transfer from income statements		-	-	-	268,688	-	(268,688)	-
Issue of shares pursuant to:								
- exercise of share options		45,128	-	67,600	-	-	-	112,728
- exercise of Warrants 2003/2008		2,740	-	7,107	-	-	-	9,847
- bonus issue		505,762	-	(505,762)	-	-	-	-
- rights issue		303,457	-	30,346	-	-	-	333,803
As at 31 March 2004		1,858,806	125,284	263,058	1,164,073	19,604	597,636	4,028,461
As at 1 April 2004								
As previously stated		1,858,806	125,284	263,058	1,164,073	19,604	676,648	4,107,473
Prior year's adjustments	53	-	-	-	-	-	(79,012)	(79,012)
As restated		1,858,806	125,284	263,058	1,164,073	19,604	597,636	4,028,461
Translation adjustments		-	-	-	-	(4,518)	-	(4,518)
Profit for the year		-	-	-	-	-	201,941	201,941
Dividends paid	39	-	-	-	-	-	(53,534)	(53,534)
Arising from AMFB Privatisation		-	(125,284)	-	-	-	(69,868)	(195,152)
Transfer to unappropriated profits		-	-	-	(250,635)	-	250,635	-
Issue of shares pursuant to:								
- exercise of share options		12,886	-	17,567	-	-	-	30,453
- exercise of Warrants 2003/2008		69,914	-	83,197	-	-	-	153,111
- AMFB Privatisation		188,928	-	434,534	-	-	-	623,462
As at 31 March 2005		2,130,534	-	798,356	913,438	15,086	926,810	4,784,224

Statements of Changes in Equity (cont'd)

For The Year Ended 31 March 2005

The Company	Non-distributable				Distributable	
	Share capital RM'000	Capital reserve RM'000	Share premium RM'000	Revaluation reserve RM'000	Unappropriated profits RM'000	Total RM'000
As at 1 April 2003	1,001,719	15,487	648,280	532,154	237,831	2,435,471
Profit for the year	-	-	-	-	42,747	42,747
Dividends paid	-	-	-	-	(36,062)	(36,062)
Reclassification	-	(15,487)	15,487	-	-	-
Issue of shares pursuant to:						
- exercise of share options	45,128	-	67,600	-	-	112,728
- exercise of Warrants 2003/2008	2,740	-	7,107	-	-	9,847
- bonus issue	505,762	-	(505,762)	-	-	-
- rights issue	303,457	-	30,346	-	-	333,803
As at 31 March 2004	1,858,806	-	263,058	532,154	244,516	2,898,534
As at 1 April 2004	1,858,806	-	263,058	532,154	244,516	2,898,534
Profit for the year	-	-	-	-	250,493	250,493
Dividends paid	-	-	-	-	(53,534)	(53,534)
Issue of shares pursuant to:						
- exercise of share options	12,886	-	17,567	-	-	30,453
- exercise of Warrants 2003/2008	69,914	-	83,197	-	-	153,111
- AMFB privatisation	188,928	-	434,534	-	-	623,462
As at 31 March 2005	2,130,534	-	798,356	532,154	441,475	3,902,519

The movements in capital reserve are as follows:

- RM125,284,000 was in respect of a portion of the excess of the consideration price satisfied through the Company new shares issued and valued at RM3.30 per share for every one existing AMFB minority share held, over the net assets value of AMFB minority share after the balance of cash consideration of RM736,818,853.
- RMNil (RM15,487,000 in 2004) was in respect of the discount in issuance of the RM150,000,000 nominal amount of 3% Bonds 2007 by the Company.

The accompanying notes form an integral part of the financial statements.

Cashflow Statements

For The Year Ended 31 March 2005

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	489,696	353,978	342,642	63,747
Add/(Less) adjustments for:				
Allowance for losses on loans and financing	770,475	-	865,588	-
Interest in suspense, net of recoveries	251,692	-	378,113	-
Increase in insurance funds	183,176	-	172,825	-
Depreciation of property and equipment	68,582	10	83,736	7
Transfer to profit equalisation reserve	57,949	-	47,870	-
Impairment loss on properties	29,834	-	-	-
Income in suspense, net of recoveries	33,107	-	24,959	-
Allowance/(Write back of allowance) for diminution in value of investments - net	24,914	-	(20,566)	-
Amortisation of premium less accretion of discounts on money market securities - net	16,716	-	(10,507)	-
Amortisation of goodwill and premium on consolidation	15,719	-	14,327	-
Property and equipment written off	3,916	-	249	-
Allowance/(Write back of allowance) for doubtful sundry receivables - net	3,629	-	(16,343)	-
Provision for foreclosed properties	2,396	-	4,464	-
Sundry receivables written off	281	-	332	-
Gross dividend income from investments	(61,891)	(372,881)	(56,599)	(84,816)
Income from asset securitisation	(42,838)	-	-	-
(Write back of provision)/Provision for commitments and contingencies	(40,437)	-	37,000	-
Capital gain arising from Bursa Malaysia Berhad shares	(12,727)	-	-	-
Gain on disposal of unquoted investments - net	(5,382)	-	(10,385)	-
Gain on disposal of property and equipment - net	(3,868)	-	(1,379)	-
Share in results of associated companies	(809)	-	(1,437)	-
Gain on redemption of unquoted investments - net	(773)	-	-	-
Gain on disposal of leased assets - net	(3)	-	(8)	-
Operating profit/(loss) before working capital changes	1,783,354	(18,893)	1,854,881	(21,062)

Cash Flow Statements (cont'd)

For The Year Ended 31 March 2005

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (Cont'd)				
Operating profit/(loss) before working capital changes brought forward	1,783,354	(18,893)	1,854,881	(21,062)
Decrease/(Increase) in operating assets:				
Securities purchased under resale agreement	(93,775)	(31,663)	(57,981)	(137)
Deposits and placements with banks and other financial institutions	(502,687)	72,710	158,958	(81,313)
Dealing securities	693,682	-	2,408,125	-
Loans, advances and financing	(2,688,263)	-	(1,753,275)	-
Other assets	62,647	115,941	(373,186)	20,605
Statutory deposits with Bank Negara Malaysia	(6,050)	-	(5,297)	-
Increase/(Decrease) in operating liabilities				
Deposits from customers	1,430,047	-	1,667,115	-
Deposits and placements of banks and other financial institutions	634,985	-	(905,605)	-
Obligations on securities sold under repurchase agreements	(277,799)	-	(146,023)	-
Bills and acceptances payable	247,199	-	122,736	-
Term loans	607,500	737,000	(147,750)	-
Amount due to Cagamas Berhad	(1,280,411)	-	(418,729)	-
Other liabilities	119,459	(98,709)	643,705	(17,741)
Cash generated from/(used in) operations	729,888	776,386	3,047,674	(99,648)
Taxation paid	(104,877)	-	(79,009)	-
Net cash generated from/(used in) operating activities	625,011	776,386	2,968,665	(99,648)

Cash Flow Statements (cont'd)

For The Year Ended 31 March 2005

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal/(purchase) of investment securities – net	1,155,252	(140,530)	(723,972)	(9,702)
Dividends received from other investments	44,562	-	40,751	-
Proceeds from disposal of property and equipment	20,850	-	1,824	-
Dividends received from associated companies	1,040	-	195	-
Capital repayment by an associated company	780	-	10,395	-
Proceeds from disposal of leased assets	3	-	8	-
Cash portion for the acquisition of remaining 35.72% equity interests in AMFB Holdings Berhad	(736,819)	(736,819)	-	-
Purchase of property and equipment	(75,392)	(587)	(76,644)	-
Acquisition of additional shares in insurance subsidiary company	(44,588)	(82,518)	-	-
Acquisition of additional shares in stockbroking subsidiary company	(9,396)	-	-	-
Dividends received from subsidiary companies	-	268,474	-	61,068
Subscription for commercial banking subsidiary rights issues	-	(85,000)	-	(325,000)
Subscription for credit and leasing company rights issues	-	(73,500)	-	(50,000)
Proceeds from disposal of associated company	-	-	638	-
Net cash generated from/(used in) investing activities	356,292	(850,480)	(746,805)	(323,634)

Cash Flow Statements (cont'd)

For The Year Ended 31 March 2005

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from exercise of warrants 2003/2008 in the Company	153,111	153,111	9,847	9,847
Proceeds from exercise of employees' share options in the Company	30,453	30,453	112,728	112,728
Proceeds from rights issue of shares in the Company	-	-	333,803	333,803
Proceeds from issue of shares by subsidiary companies to minority shareholders	575	-	1,156	-
Dividends paid by the Company to its shareholders	(53,534)	(53,534)	(36,062)	(36,062)
Dividends paid to minority interests by subsidiary companies	(16,908)	-	(18,983)	-
Proceeds of redeemable unsecured subordinated bonds	-	-	660,000	-
Repayment of exchangeable subordinated capital loan	-	-	(460,000)	-
Repayment for amount due to Danamodal	-	-	(271,915)	-
Repayment of subordinated term loan	-	-	(75,000)	-
Net cash generated from financing activities	113,697	130,030	255,574	420,316
Net increase/(decrease) in cash and cash equivalents	1,095,000	55,936	2,477,434	(2,966)
Cash and cash equivalents at beginning of year	6,654,898	34,746	4,177,464	37,712
Cash and cash equivalents at end of year (Note 1)	7,749,898	90,682	6,654,898	34,746

Note 1: Cash and Cash Equivalents

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

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Cash and short term funds	7,787,393	90,682	6,711,084	34,746
Bank overdrafts (Note 21)	(37,192)	-	(56,317)	-
	7,750,201	90,682	6,654,767	34,746
Effect of exchange rates changes	(303)	-	131	-
Cash and cash equivalents	7,749,898	90,682	6,654,898	34,746

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

For The Year Ended 31 March 2005

1. Principal Activities And General Information

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiary companies are shown in Note 13.

There have been no significant changes in the nature of the Group's activities during the financial year.

The Company is a public limited liability company, incorporated in Malaysia, and listed on the Main Board of the Bursa Malaysia Securities Berhad.

The registered office and the principal place of business of the Company is located at 22nd Floor, Bangunan AmBank Group, 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

The financial statements of the Group and of the Company have been approved and authorised for issue by the Board of Directors on 3 May 2005.

2. Basis Of Preparation Of The Financial Statements

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965, the Banking and Financial Institutions Act, 1989, the Insurance Act, 1996, Bank Negara Malaysia Guidelines and the applicable approved accounting standards of the Malaysian Accounting Standards Board. The financial statements incorporate those activities relating to Islamic Banking business which have been undertaken by the Group. Islamic Banking business refers generally to the acceptance of deposits and granting of financing under the Syariah Principles.

3. Significant Accounting Policies

The following accounting policies adopted by the Group and the Company are consistent with those adopted in the previous years except for the adoption of the following:

- (a) Bank Negara Malaysia's Revised Guidelines on Financial Reporting for Licensed Institutions dated 5 October 2004 on the accounting treatment of charging handling fees paid to motor vehicle dealers for hire purchase loans in the period that it was incurred to the income statement. This change in accounting policy has been accounted for retrospectively and has resulted in a reduction in handling fees charged to the income statements for the financial year by RM48.8 million.
- (b) 3-month classification of non-performing loans from the previous 6-month classification which has been adopted retrospectively. This change in accounting policy has been accounted for retrospectively and has resulted in a reduction in interest income credited to the income statements for the financial year by RM4.7 million.

The effects of adopting the treatment of charging handling fees paid to motor vehicle dealers for hire purchase loans and the 3-month classification of non-performing loans retrospectively on the Group's unappropriated profits are reflected as prior year adjustments in the Statement of Changes in Equity and is disclosed in Note 53.

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention with certain modifications to include the directors' valuation of investments in subsidiary companies in the financial statements of the Company.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Basis of Consolidation

The Group's financial statements include the financial statements of the Company and all its subsidiary companies listed under Note 13 made up to the end of the financial year except for P.T. AmCapital Indonesia and Malaysian Ventures Management Incorporated Sdn Bhd, the financial statements of which were made up to 31 December 2004 with adjustments, where appropriate, made for any significant transactions that occurred between 1 January 2005 to 31 March 2005.

The Company adopts both the merger method (or "pooling of interests" method) and the acquisition method in preparing the consolidated financial statements.

The merger method was adopted in respect of the transfer of subsidiaries pursuant to a scheme of arrangement under the group restructuring exercise completed in 1992. The acquisition method is adopted for all other acquisitions.

Under the merger method, the assets, liabilities and reserves, revenues and expenses of the combining companies are combined into one entity at their existing amounts.

Under the acquisition method, the results of the subsidiary companies acquired or disposed of during the financial year are included in the Group financial statements from the effective date of acquisition or to the effective date of disposal, as applicable. The excess of the cost of investments in the subsidiary companies over the attributable share in the fair value of the net assets of the subsidiary companies at the date of acquisition is taken up as goodwill on consolidation.

All significant intercompany transactions, balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless the cost cannot be recovered.

The gain or loss on disposal of a subsidiary is the difference between the net disposal proceeds and the Group's share of its net assets together with exchange differences which were not previously recognised in the consolidated income statement.

Repurchase Agreements

Securities purchased under resale agreements are securities which the Group and the Company had purchased with commitments to resell at future dates. The commitments to resell the securities are reflected as an asset on the balance sheet.

Conversely, obligations on securities sold under repurchase agreements are securities which the Group and the Company had sold from its portfolio, with commitments to repurchase at future dates for funding purposes. The carrying values of the securities underlying these repurchase agreements remain in the respective asset accounts while the obligations to repurchase such securities at agreed prices on a specified future dates are accounted for as a liability on the balance sheet.

Dealing Securities

Dealing securities are marketable securities that are acquired and held with the intention of reselling them in the short term.

Money market securities, debt equity converted securities, quoted securities and private debt securities are stated at the lower of cost and market value on a portfolio basis. On disposal of the dealing securities, the differences between the net disposal proceeds and their carrying amounts are charged or credited to the income statement.

Transfers, if any, between dealing and investment securities are made at the lower of cost and market value.

Investment Securities

Investment securities are securities that are acquired and held for yield or capital growth or to meet minimum liquid assets requirements in respect of the merchant banking, commercial banking and finance subsidiary companies pursuant to Section 38 of the Banking and Financial Institutions Act, 1989, and are usually held to maturity.

Malaysian Government Securities, Malaysian Government Investment Certificates, Cagamas bonds and other government securities and bank guaranteed private debt securities are stated at cost adjusted for amortisation of premium or accretion of discount, where applicable, to maturity dates. Other private debt securities are valued at lower of cost and market value.

Other investment securities are stated at cost and allowance is made in the event of any permanent diminution in value.

On disposal of the investment securities, the differences between the net disposal proceeds and their carrying amounts are charged or credited to the income statement.

Transfers, if any, between investment and dealing securities are made at the lower of carrying value and market value.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Allowance for doubtful debts and financing

Based on management's evaluation of the portfolio of loans, advances and financing, specific allowances for doubtful debts and financing are made when the collectibility of receivables becomes uncertain. In evaluating collectibility, management considers several factors such as the borrower's financial position, cash flow projections, management, quality of collateral or guarantee supporting the receivables as well as prevailing and anticipated economic conditions.

A general allowance based on set percentages of the net increase in receivables is also made. These percentages are reviewed annually in the light of past experiences and prevailing circumstances and an adjustment is made to the overall general allowance, if necessary.

An uncollectible loan and financing or portion of a loan and financing classified as bad is written off after taking into consideration the realisable value of collateral, if any, when in the judgement of management, there is no prospect of recovery.

Trade and Other Receivables

Trade and other receivables are stated at book value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts.

The stock and share-broking subsidiary company, AmSecurities Sdn Bhd's policies for the identification of bad and doubtful accounts, the making of specific allowance and the classification of the suspension of interest in respect of such accounts and the making of general allowance are in accordance with Schedule 7 of the Rules of Bursa Malaysia Securities Berhad and are as follows:

- (i) Specific allowance is made against bad and doubtful receivables at rates of 50% and 100%, respectively, subject to deduction of interest-in-suspense and the value of collateral held. In addition, a general allowance is maintained based on 1% of total trade receivables after deducting the amount of interest-in-suspense and the specific allowance in accordance with Schedule 7 of the Rules of Bursa Malaysia Securities Berhad.
- (ii) Interest income accrued on these accounts are suspended when they are considered non-performing in accordance with Schedule 7 of the Rules of the Bursa Malaysia Securities Berhad.

Foreclosed Properties

Foreclosed properties are those acquired in full or partial satisfaction of debts and are stated at cost less allowance for diminution in value, if any, of such properties.

Amounts Recoverable from Pengurusan Danaharta Nasional Berhad ("Danaharta")

This relates to the loans sold to Danaharta where the total consideration is received in two portions; upon the sale of the loans (initial consideration) and upon the recovery of the loans (final consideration). The final consideration amount represents the Group's predetermined share of the surplus over the initial consideration upon recovery of the loans.

The difference between the carrying value of the loans and the initial consideration is recognised as 'Amounts recoverable from Danaharta' within the 'Other Assets' component of the balance sheet. Allowances against these amounts are made to reflect the Directors' assessment on the realisable value of the final consideration as at the balance sheet date.

Amounts Recoverable Under Asset-Backed Securitisation ('ABS') Transactions

This related to the balance of purchase consideration recoverable under ABS transactions by the Special Purpose Vehicle ('SPV'), which amount will be recovered upon maturity of the underlying bonds. Under the ABS, portfolios of receivables are sold to a SPV which are funded through the issuance of bonds secured by the receivables.

When an indication of impairment exists, the carrying amount of amount recoverable under ABS transaction is assessed and written down to its recoverable amount.

The difference between the purchase consideration and the carrying value is recognised to the income statement.

Goodwill/Premium on Consolidation

Goodwill on consolidation represents the excess of the purchase consideration over the share of the fair values of the identifiable net assets of a subsidiary company at the date of acquisition.

Goodwill is stated at cost less accumulated amortisation and impairment losses. Goodwill is generally amortised evenly over an estimated useful life of twenty to fifty years. The policy for the recognition and measurement of impairment losses is in accordance with the policy on impairment of assets.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Premium on consolidation on the acquisition of associated companies is included within the carrying amount of the associated companies and represents the excess of the purchase consideration over the Group's interest in the fair values of the identifiable net assets of associated companies at the date of acquisition. The premium on consolidation on the acquisition of associated companies is amortised over an estimated useful life of twenty five years.

When an indication of impairment exists, the carrying amount of goodwill is assessed and written down to its recoverable amount.

Investments in Subsidiary Companies

Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Investments in subsidiary companies, which are eliminated on consolidation, are stated in the Company's financial statements at cost or directors' valuation, and are written down when the directors consider that there is an impairment loss that is other than temporary on the value of such investments. The impairment loss is charged to the income statements unless it reverses a previous revaluation in which case it is treated as a revaluation decrease. The directors' valuation is arrived at after taking into account the underlying net tangible assets value of the subsidiary companies and the surplus on revaluation is credited to the revaluation reserve account. The valuation of the investments in subsidiary companies will be carried out at a regular interval of at least once in every five years. The directors revalued the Company's investments in its subsidiary companies during the financial year ended 31 March 2002.

On disposal of such investments, the difference between the net disposal proceeds and their carrying amount is charged or credited to the income statement.

Minority interests in the Group represent that part of the net results of operations, or of net assets, of subsidiary companies attributable to shares and debentures owned, directly or indirectly other than by the Company or subsidiary companies.

Investments in Associated Companies

An associated company is a company in which the Group has a long term equity interest of between 20% and 50% and where the Group has representation on the Board and is in a position to exercise significant influence in its management.

Investments in associated companies are stated at cost and are written down when the directors consider that there is an impairment loss that is other than temporary on the value of such investments in the Company's financial statements. The impairment loss is charged to the income statement. In the consolidated financial statements, the results of associated companies are accounted for under the equity method whereby the Group's share of post-acquisition profits less losses of associated companies is included in the consolidated income statement. The Group's interest in associated companies is stated at cost plus adjustments to reflect changes in the Group's share of the net assets of the associated companies in the consolidated balance sheet.

On disposal of such investments, the difference between the net disposal proceeds and their carrying amount is charged or credited to the income statement.

Property and Equipment and Depreciation

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with the policy on impairment of assets.

Freehold land is not depreciated. Leasehold land is amortised over the shorter of the lease period or fifty years. Depreciation of other property and equipment is calculated using the straight-line method at rates based on the estimated useful lives of the various assets.

The annual depreciation rates for the various classes of property and equipment are as follows:

Freehold building	2%
Leasehold buildings	2% or over the term of short term lease
Long term leasehold land	Over the term of leases
Short term leasehold land	Over the term of leases
Motor vehicles	20%
Leasehold improvements	10% - 33 1/3%
Computer hardware and software	20% - 33 1/3%
Office and residential equipment, furniture and fittings	10% - 33 1/3%

Long term leases are leases with a term of 50 years and above. Short term leases are leases with a term of less than 50 years.

Gain or loss arising from disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is charged or credited to the income statement.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Assets Purchased Under Lease

Assets purchased under finance leases which in substance transfer the risks and benefits of ownership of the assets to the Group are capitalised under property and equipment. The assets and the corresponding lease obligations are recorded at the lower of the present value of the minimum lease payments or the fair value of the leased assets at the beginning of the lease terms, less accumulated depreciation and impairment losses.

In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine, otherwise the Group's incremental borrowing rate is used.

Leases which do not meet such criteria are classified as operating leases and the related rentals are charged to the income statement as incurred.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

As at 31 March 2005, the Group and the Company do not have any assets purchased under lease.

Impairment of Assets

The carrying values of assets are reviewed for impairment when there is an indication that the asset might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of net realisable value and value in use, which is measured by reference to discounted future cash flows, if applicable. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash generating unit.

An impairment loss is charged to the income statements immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

Bills And Acceptances Payable

Bills and acceptances payable represent the merchant banking and commercial banking subsidiary companies' own bills and acceptances rediscounted and outstanding in the market.

General Insurance Fund

The general insurance fund represents reserve for unexpired risks calculated using the 1/24th method on gross premiums less reinsurance. In determining the unexpired risks at the balance sheet date, the method that most accurately reflects the actual unexpired risks used is as follows:

- (i) 25% method for marine cargo, aviation cargo and transit business;
- (ii) 1/24th method for all other classes of Malaysian policies reduced by the corresponding percentage of accounted gross direct business commissions and agency-related expenses not exceeding the limits specified by Bank Negara Malaysia as follows:

Motor	10%
Fire, engineering, aviation and marine hull	15%
Medical and health	
- Standalone individuals	15%
- Group of 3 or more	10%
Workmen's compensation and employer's liability	
- Foreign workers	10%
- Others	25%
Other classes	10% - 25%

- (iii) 1/8th method for all other classes of overseas inward treaty business with a deduction of 20% for commission; and
- (iv) Non-annual policies are time apportioned over the period of the risks

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Life Insurance Fund

The life assurance fund is based on the results of annual actuarial valuation of the long-term liabilities to policy holders, made in accordance with the provisions of the Insurance Act, 1996 by the Group's appointed actuary adjusted for revenue surplus or deficit. Any deficit arising from the actuarial valuation is recoverable from the shareholders' fund. The latest valuations were made up to 31 March 2005 and the results have been reflected accordingly.

Provision For Claims

For general insurance claims, provision is made for the estimated costs of all claims together with related expenses less reinsurance recoveries, in respect of claims notified but not settled at balance sheet date using the case-based method. Provision is also made for the cost of claims together with related expenses incurred but not reported until after the balance sheet date based on an actuarial estimation by the Group's in-house qualified actuary ("appointed actuary"), using a mathematical method of estimation.

For life assurance claims, provision is made for the estimated costs of all claims together with related expenses less reinsurance recoveries, in respect of claims notified and/or when a claimable event occurs but not settled at balance sheet date, using the case-basis method.

Profit Equalisation Reserve ("PER")

PER refers to the amount appropriated, under the Islamic Banking Business, out of the total gross income in order to maintain a market based return for depositors. PER is deducted from the total gross income (in deriving the net gross income) as approved and endorsed by the National Advisory Council for Islamic Banking and Takaful of Bank Negara Malaysia. The PER is generally deducted at a rate which does not exceed the maximum amount of 15% of the total gross income of each financial year and is maintained up to the maximum of 30% of total Islamic banking capital fund.

Provisions

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of a past event and a reliable estimate can be made of the amount.

Provisions For Commitments And Contingencies

Based on management's evaluation of the guarantees given on behalf of customers, specific provisions for commitments and contingencies are made in the event of a call or potential liability and there is a shortfall in the security value supporting these guarantees.

Liabilities

Deposits from customers are stated at placement values. Deposits and placement of banks and other financial institutions are stated at placement values.

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for services received.

Redeemable Unsecured Subordinated bonds

These are long term debts with remaining maturity of more than one year. The issue proceeds are recognised at cost and used to grant an unsecured term loan to its related licensed commercial bank for its capital refinancing. The interest incurred is recognised on a straight-line accrual basis.

Interest Bearing Irredeemable Convertible Unsecured Loan Stocks (ICULS)

The ICULS are regarded as equity instruments and the full issuance proceeds reflected as equity. The interest is accrued on a straight-line basis and recognised in equity.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred. Once the contribution has been paid, the Group has no further payment obligations.

(iii) Equity Compensation Benefits

The employees' share option scheme allows the Group's eligible directors and employees, except for executive directors who represent the Government or Government institutions/agencies and Government employees who are serving in the public service schemes defined under Article 132 of the Federal Constitution, to acquire shares of the Company when the granted options are exercised and equity is increased by the amount of the proceeds received.

Forward Exchange Contracts

Unmatured forward exchange contracts are valued at forward rates prevailing at balance sheet date, applicable to their respective dates of maturity, and the resultant gains and losses are recognised in the income statement.

Interest Rate Swaps, Futures and Forward Rate Contracts

The Group acts as an intermediary with counterparties who wish to swap their interest obligations. The Group also uses interest rate swaps, futures and forward rate contracts in its trading activities and overall interest rate risk management.

Interest income or interest expense associated with interest rate swaps that qualify as hedges is recognised over the life of the swap agreement as a component of interest income or interest expense. Gains and losses on interest rate futures and forward rate contracts that qualify as hedges are generally deferred and amortised over the life of the hedged assets or liabilities as adjustments to interest income or interest expense.

Gains and losses on interest rate swaps, futures and forward rate contracts that do not qualify as hedges are recognised in the current year using the mark-to-market method and are shown as trading gain or loss from derivatives.

Sale and Buy Back Agreements

These are obligations of the Group to perform its commitment to buy back specified Islamic Securities at maturity. Gains and losses are recognised upon sale and shown as trading gain or loss from dealing securities.

Financial Instruments

Financial instruments are recognised in the balance sheet when the group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends and gains and losses relating to a financial instrument classified as liabilities, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would have otherwise been avoided.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Interest and Financing Income and Expense Recognition

Interest income is recognised in the income statement for all interest bearing assets on an accrual basis. Interest income includes the amortisation of premium or accretion of discount. Interest and financing income on dealing and investment securities are recognised on an effective yield basis.

The Group follows the financing method of accounting for income from leasing activities. Under the financing method, the excess of aggregate rentals over the cost (reduced by estimated residual value at the end of the lease) of the leased property is taken as income over the term of the lease in decreasing amounts proportionate to the declining balance of the unrecovered sum using the 'sum-of-digits' method.

Interest and financing income on overdrafts, term loans and housing loans is accounted for on an accrual basis by reference to the rest periods as stipulated in the loan agreements. Interest and financing income from hire-purchase financing and block discounting of the Group is recognised using the 'sum-of-digits' method.

While it is the Group's and the Company's policy to recognise interest and financing income on the accrual basis, interest and financing income on non-performing accounts is not recognised as income and is reversed and suspended unless received in cash or realisation in cash is assured.

An account is classified as non-performing where repayment is in arrears for more than three months and after maturity dates for trade bills, bankers' acceptances and trust receipts.

Prior to this financial year, customers' accounts, other than trade bills, bankers' acceptances and trust receipts, were deemed to be non-performing when repayment were in arrears for more than six months. The change in accounting policy has been accounted for retrospectively and the effect of this change is disclosed in Note 53.

The classification of non-performing loans and financing is in conformity with Bank Negara Malaysia's Guideline on Classification of Non-Performing Loans and Provision for Bad and Doubtful Debts.

Interest expense and attributable income on deposits and borrowings (pertaining to activities relating to Islamic Banking Business) of the Group and of the Company are accrued on a straight-line basis while block discounting finance charges are accrued using the "sum-of-digits" method.

Fee and Other Income Recognition

Loan arrangement, management and participation fees, acceptance and factoring commissions and underwriting commissions, are recognised as income upon execution of contracts.

Fees from advisory and corporate finance activities are recognised as income on completion of each stage of the engagement.

Asset, property and unit trusts management, agency and commitment fees are recognised as income based on time apportionment.

Revenue from sale of trust units is recognised upon allotment of units, net of cost of units sold. On disposal of investments, the difference between the net disposal proceeds and their carrying amounts are taken to the income statement.

Guarantee fees are recognised as income upon issuance and, where the guarantee periods are longer than one year, over the duration of the guarantee period.

Equipment and property rental are recognised on an accrual basis.

Dividends from dealing and investment securities are recognised when received. Dividends from subsidiary and associated companies are recognised when the right to receive payment is established.

Premium income from general insurance is recognised in a financial period in respect of risks assumed during the particular financial year. Inward treaty reinsurance premium are recognised on the basis of periodic advices received from ceding insurers.

Premium income from life insurance is recognised as soon as the amount of the premium can be reliably measured. First premium income is recognised from inception date and subsequent premium income is recognised when it is due. Premium outstanding at balance sheet date is recognised as income for the year, provided it is still within the grace period allowed for payment.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Income Taxes

Tax on profit or loss for the financial year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based on the taxable profits.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and unutilised tax losses to the extent it is probable that taxable profit will be available against which the deductible temporary differences and unutilised tax losses can be utilised. Temporary differences are not recognised for goodwill or negative goodwill or from the initial recognition of assets and liabilities that at the time of transaction, affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

Foreign Exchange

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange prevailing at transaction dates or, if covered by foreign exchange contracts, at contracted rates. Where settlement has not taken place at balance sheet date, translation into Ringgit Malaysia is at the approximate exchange rates prevailing at that date or at contracted rates. All foreign exchange gains or losses are taken up in the income statement.

For the purpose of consolidation, assets and liabilities of subsidiary and associated companies expressed in foreign currencies are translated into Ringgit Malaysia at the rates of exchange ruling at the balance sheet date while income statement is translated into Ringgit Malaysia at the average exchange rate for the year. Gains or losses arising on translation into Ringgit Malaysia are taken up in the exchange fluctuation reserve. Translation losses in excess of amounts in the exchange fluctuation reserve, if any, are taken up in the income statement.

The principal exchange rates for every unit of foreign currency ruling at balance sheet date used for translation are as follows:

	31.3.2005	31.3.2004
Singapore Dollar (SGD)	2.30	2.26
United States Dollar (USD)	3.80	3.80
Indonesia Rupiah (IDR)	0.0004	0.0004
Hong Kong Dollars (HKD)	0.49	0.48

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Operating Revenue

Operating revenue of the Group and of the Company comprise net interest and financing income after interest and income suspended or recovered but before amortisation of premiums less accretion of discounts, fee income, net trading income from money market securities, net trading income from derivatives, net gain/loss on sale of quoted investments, gross dividend income from quoted investments, income from Islamic Banking Business before income attributable to depositors, foreign exchange gain and net allowance or writeback for diminution in value of investments.

Cash Flow Statements

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash and Cash Equivalents

For the purpose of the cash flow statements, cash and cash equivalents consist of cash and short-term funds net of bank overdrafts.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

4. Cash And Short-Term Funds

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Cash and bank balances	357,556	866	275,703	4,130
Money at call and deposits maturing within one month:				
Licensed banks:				
Subsidiary	-	86,368	-	30,368
Others	3,607,323	-	2,588,877	-
Licensed merchant banking subsidiary	-	3,117	-	-
Licensed finance companies:				
Subsidiary	-	331	-	248
Others	6,084	-	20,926	-
Bank Negara Malaysia	3,624,100	-	3,697,300	-
Other financial institutions	192,330	-	128,278	-
	7,787,393	90,682	6,711,084	34,746

Included in the above are interbank lendings of RM6,965,020,000 (RM6,330,277,000 in 2004) for the Group.

As at 31 March 2005, the net interbank borrowing and lending position of the Group is as follows:

	The Group	
	2005 RM'000	2004 RM'000
Interbank lendings		
Cash and short-term funds	6,965,020	6,330,277
Deposits with financial institutions (Note 6)	771,300	270,681
	7,736,320	6,600,958
Interbank borrowings (Note 17)	(157,700)	(265,244)
Net interbank lendings	7,578,620	6,335,714

5. Securities Purchased Under Resale Agreements

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Licensed banks:				
Subsidiary	-	31,950	-	287
Others	158,592	-	64,818	-
	158,592	31,950	64,818	287

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

6. Deposits And Placements With Banks And Other Financial Institutions

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Licensed banks:				
Subsidiary	-	8,164	-	97,027
Others	64,471	-	56,743	-
Licensed merchant banks:				
Subsidiary	-	18,465	-	-
Others	45,000	-	-	-
Licensed finance companies:				
Subsidiary	-	-	-	2,312
Others	3,078	-	3,040	-
Bank Negara Malaysia	448,600	-	19,132	-
Other financial institutions	249,207	-	228,754	-
	810,356	26,629	307,669	99,339

The deposits and placements with banks and other financial institutions mature within one year.

Deposits with financial institutions amounting to RM198,000 (RM194,000 in 2004) for the Group are pledged to certain banks for banking facilities granted to the subsidiary companies.

Included in the above are interbank lendings of RM771,300,000 (RM270,681,000 in 2004) for the Group.

7. Dealing Securities

	The Group	
	2005 RM'000	2004 RM'000
Money Market Securities:		
Malaysian Government Securities	720,971	19,941
Negotiable instruments of deposits	533,647	381,447
Khazanah bonds	151,750	327,003
Cagamas Mudharabah bearer bonds	90,022	83,500
Islamic Bank Negara Malaysia notes	56,176	139,202
Negotiable Islamic debt certificates	11,992	-
Malaysian Government Investment Certificates	8,174	127,728
Cagamas bonds	-	190,155
Bank Negara Malaysia bills	-	150,011
Cagamas notes	-	87,442
Treasury bills	-	28,463
Danaharta bonds	-	19,162
	1,572,732	1,554,054

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

	The Group	
	2005 RM'000	2004 RM'000
Securities Quoted		
In Malaysia:		
Shares	244,278	432,283
Corporate bonds	41,678	19,000
Trust units	8,360	55,691
Loan stocks	3,983	4,532
Transferable Subscription Rights/Warrants	-	443
Outside Malaysia:		
Shares	151	166
	298,450	512,115
Unquoted Debt Equity Converted Securities Of Companies Incorporated In Malaysia:		
Corporate bonds	18,261	18,261
Unquoted Securities In Companies Incorporated In Malaysia:		
Shares	4,321	2,200
Trust units	24,649	-
	28,970	2,200
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:		
Islamic corporate bonds	618,496	698,044
Corporate bonds	435,590	674,913
Corporate notes	71,916	95,428
Islamic corporate notes	-	33,012
	1,126,002	1,501,397
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:		
Corporate bonds	67,825	166,115
Islamic corporate notes	37,314	5,491
Corporate notes	-	49,601
	105,139	221,207
Total	3,149,554	3,809,234
Allowance for diminution in value of investments		
In Malaysia	(85,900)	(53,037)
Outside Malaysia	(237)	(259)
Total/Net	3,063,417	3,755,938

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

	The Group	
	2005 RM'000	2004 RM'000
Market/Indicative value:		
Money Market Securities:		
Malaysian Government Securities	717,534	19,708
Negotiable instruments of deposits	533,549	398,072
Khazanah bonds	152,276	327,227
Cagamas Mudharabah bearer bonds	90,361	82,693
Islamic Bank Negara Malaysia bills	56,323	139,636
Negotiable Islamic debt certificates	11,994	-
Malaysian Government Investment Certificates	8,303	127,341
Cagamas bonds	-	188,874
Bank Negara Malaysia bills	-	150,863
Cagamas notes	-	88,470
Treasury bills	-	28,578
Danaharta bonds	-	19,580
Securities Quoted:		
In Malaysia		
Shares	193,926	414,211
Corporate bonds	41,628	19,380
Trust units	8,560	52,668
Loan stocks	1,613	2,646
Transferable Subscription Rights/Warrants	-	485
Outside Malaysia		
Shares	66	60
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:		
Islamic corporate bonds	613,174	675,454
Corporate bonds	432,377	650,479
Corporate notes	72,910	95,822
Islamic corporate notes	-	33,432
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:		
Corporate bonds	68,564	167,234
Islamic corporate notes	36,872	5,461
Corporate notes	-	49,915

Certain money market securities held have been sold under repurchase agreements for funding purposes. The carrying values of the securities underlying these repurchase agreements remain in the respective asset accounts while the obligations to repurchase such securities at an agreed price on a specified future date are accounted for as a liability as shown in Note 18.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

8. Investment Securities

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Money Market Securities:				
Malaysian Government Securities	279,650	-	123,081	-
Negotiable instruments of deposits	251,370	150,233	892,845	-
Negotiable Islamic debt certificates	224,005	-	195,394	-
Cagamas bonds	203,536	-	30,006	-
Malaysian Government Investment Certificates	145,054	-	190,482	-
Khazanah bonds	116,119	-	133,136	-
Treasury bills	28,810	-	311,800	-
Bank Negara Malaysia Bills	-	-	252,560	-
Danaharta bonds	-	-	7,000	-
Bankers' acceptances	-	-	4,472	-
Islamic acceptance bills	-	-	2,979	-
	1,248,544	150,233	2,143,755	-
Quoted Securities:				
In Malaysia				
Shares	169,964	-	121,506	-
Corporate bonds	62,000	-	38,000	-
Trust units	2,338	-	404	-
Warrants	750	-	3,605	-
Outside Malaysia				
Corporate bonds	19,000	-	19,000	-
Shares	4,356	-	3,195	-
	258,408	-	185,710	-
Quoted Debt Equity Converted Securities:				
In Malaysia				
Shares	267,431	-	292,778	-
Shares - with options	97,898	-	78,076	-
Loan stocks - with options	589,670	-	577,747	-
Loan stocks - collateralised	80,471	-	99,611	-
Corporate bonds	2,500	-	4,333	-
Outside Malaysia				
Shares - with options	15	-	-	-
Shares	-	-	3,203	-
	1,037,985	-	1,055,748	-

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Unquoted Debt Equity Converted Securities Of Companies Incorporated				
In Malaysia:				
Shares	123,018	-	354,902	-
Loan stocks	812,923	-	682,772	-
Corporate bonds	722,856	-	617,476	-
Outside Malaysia:				
Shares	3,128	-	-	-
	1,661,925	-	1,655,150	-
Unquoted Private Debt Securities Of Companies Incorporated:				
In Malaysia				
Corporate bonds	506,155	-	377,600	10,000
Islamic Corporate bonds	21,031	-	21,031	-
Corporate bonds and notes denominated in USD	86,813	-	144,670	-
Outside Malaysia				
Corporate bonds and notes denominated in USD	114,000	-	123,073	-
	727,999	-	666,374	10,000
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:				
Corporate bonds	770,246	-	1,173,666	-
Unquoted Securities Of Companies Incorporated:				
In Malaysia				
Shares	105,228	-	105,886	-
Trust units	39,747	-	44,138	-
Corporate bonds	959	-	376	-
Outside Malaysia				
Shares	11,970	-	9,929	-
	157,904	-	160,329	-
Total	5,863,011	150,233	7,040,732	10,000
Amortisation of premium less accretion of discount	(4,445)	-	(3,940)	(298)
Allowance for diminution in value of investments:				
In Malaysia	(621,924)	-	(625,127)	-
Outside Malaysia	(123,726)	-	(118,815)	-
Net	5,112,916	150,233	6,292,850	9,702

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Market/Indicative value :				
Money Market Securities:				
Malaysian Government Securities	286,779	-	119,835	-
Negotiable instruments of deposits	250,440	-	962,023	-
Negotiable Islamic debt certificates	225,600	-	195,394	-
Cagamas bonds	204,482	-	30,006	-
Malaysian Government Investment Certificates	150,785	-	202,530	-
Khazanah bonds	120,291	-	137,846	-
Treasury bills	28,785	-	319,035	-
Bank Negara Malaysia Bills	-	-	253,328	-
Danaharta bonds	-	-	8,798	-
Bankers' acceptances	-	-	4,472	-
Islamic acceptance bills	-	-	2,997	-
Quoted Securities:				
In Malaysia				
Shares	164,770	-	132,391	-
Corporate bonds	62,599	-	38,354	-
Trust units	2,369	-	582	-
Warrants	587	-	3,596	-
Outside Malaysia				
Corporate bonds	4,560	-	4,750	-
Shares	4,356	-	2,776	-
Quoted Debt Equity Converted Securities:				
In Malaysia				
Shares	86,052	-	124,778	-
Shares - with options	58,301	-	47,087	-
Loan stocks - with options	464,882	-	516,863	-
Loan stocks - collateralised	45,076	-	64,843	-
Corporate bonds	2,500	-	4,750	-
Outside Malaysia				
Shares	-	-	3,440	-
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:				
Corporate bonds	727,400	-	377,465	9,720
Unquoted Guaranteed Private Debt Securities Of Companies Incorporated In Malaysia:				
Corporate bonds	733,738	-	1,126,388	-

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

	The Group	
	2005 RM'000	2004 RM'000
Maturing within one year	283,291	1,089,655
One year to three years	726,293	684,794
Three to five years	148,205	311,130
Over five years	90,755	58,176
	1,248,544	2,143,755

Certain money market securities held have been sold under repurchase agreements for funding purposes and their carrying values remain in the respective asset accounts while the obligations to repurchase such securities at an agreed price on a specified future date are accounted for as a liability as shown in Note 18.

9. Loans, Advances And Financing

	The Group			
	2005		2004	
	RM'000	%	RM'000	%
Loans and financing:				
Customers	23,358,797	52.9	23,448,010	55.3
Staff loans	184,905	0.4	176,685	0.4
Hire-purchase receivables	19,522,238	44.1	18,115,982	42.7
Credit card receivables	1,945,044	4.4	1,543,119	3.6
Lease receivables	1,382,535	3.1	1,517,308	3.6
Overdrafts	865,731	2.0	771,482	1.8
Claims on customers under acceptance credits	814,155	1.8	349,777	0.8
Trust receipts	212,910	0.5	84,807	0.2
Block discount receivables	59,436	0.1	51,048	0.1
Factoring receivables	38,384	0.1	30,851	0.1
Bills receivable	10,635	0.1	5,377	0.1
	48,394,770	109.6	46,094,446	108.7
Less : Unearned interest and income	4,230,492	9.6	3,675,245	8.7
Total	44,164,278	100.0	42,419,201	100.0
Less:				
Allowance for bad and doubtful debts and financing:				
General	629,784		601,279	
Specific	1,815,599		1,780,316	
	2,445,383		2,381,595	
Interest/Income-in-suspense	1,498,019		1,492,558	
	3,943,402		3,874,153	
Net loans, advances and financing	40,220,876		38,545,048	

Claims on customers under acceptance credits represent the merchant banking and commercial banking subsidiary companies' own acceptances created and discounted. Own acceptances discounted and held in hand by the Group as at 31 March 2005 amounted to RM255,130,000 (RM88,521,000 in 2004).

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

The maturity structure of loans, advances and financing is as follows:

	The Group	
	2005 RM'000	2004 RM'000
Maturing within one year	17,175,298	16,241,539
One year to three years	9,328,375	10,049,898
Three to five years	6,248,090	6,565,035
Over five years	11,412,515	9,562,729
	44,164,278	42,419,201

	The Group			
	2005		2004	
	RM'000	%	RM'000	%
Purchase of transport vehicles	16,226,274	36.0	14,395,432	33.9
Purchase of landed property of which:				
(a) Residential	8,527,622	18.9	7,148,858	16.9
(b) Non-residential	1,947,008	4.3	2,286,146	5.4
Construction	3,753,890	8.3	3,675,165	8.7
Consumption credit	2,957,617	6.6	2,250,954	5.3
Manufacturing	2,172,314	4.8	2,390,924	5.7
General commerce	1,986,279	4.4	1,539,333	3.6
Purchase of securities	1,648,740	3.6	1,853,513	4.4
Real estate	1,079,712	2.4	1,199,321	2.8
Finance, insurance and business services	1,035,503	2.3	1,135,076	2.7
Agriculture	838,767	1.9	895,112	2.1
Investment holdings	782,084	1.7	931,676	2.2
Transport, storage and communication	713,199	1.6	1,291,244	3.0
Electricity, gas and water	525,492	1.2	350,023	0.8
Community, social and personal services	376,806	0.8	381,345	0.9
Mining and quarrying	41,292	0.1	59,522	0.1
Others	480,337	1.1	639,065	1.5
Gross loans, advances and financing	45,092,936	100.0	42,422,709	100.0
Less : Islamic financing sold to Cagamas Berhad	928,658		3,508	
	44,164,278		42,419,201	

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Movements in non-performing loans, advances and financing including interest and income receivables are as follows:-

	The Group	
	2005 RM'000	2004 RM'000
Gross		
As previously stated	7,493,282	8,000,125
Prior years' adjustment	2,792,431	1,811,505
As restated	10,285,713	9,811,630
Non-performing during the year	1,371,743	3,611,428
Reclassification to performing loans and financing	(806,833)	(623,458)
Amount written off	(629,867)	(1,516,701)
Recoveries	(974,800)	(845,804)
Debt equity conversion	(149,864)	(151,382)
Balance at end of year	9,096,092	10,285,713
Less:		
Specific allowance	1,815,599	1,780,316
Interest/income-in-suspense	1,498,019	1,492,558
	3,313,618	3,272,874
Non-performing loans and financing - net	5,782,474	7,012,839
Total loans, advances and financing less specific allowance and interest/income-in-suspense	40,850,660	39,146,327
Islamic financing sold to Cagamas Berhad	928,658	3,508
	41,779,318	39,149,835
Ratios of non-performing loans and financing to total loans, advances and financing - net	13.84%	17.91%

During the financial year, for loans in arrears of more than 7 years, the Group has not assigned any value as the realizable value for the property collaterals.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Movements in allowances for bad and doubtful debts and financing and interest/income-in-suspense accounts are as follows:

	The Group	
	2005 RM'000	2004 RM'000
General allowance		
Balance at beginning of year	601,279	591,394
Allowance during the year (Note 34)	28,505	9,875
Exchange fluctuation adjustments	-	10
Balance at end of year	<u>629,784</u>	<u>601,279</u>
% of total loans and financing less specific allowances and interest/income-in-suspense	1.51%	1.53%
Specific allowance		
Balance at beginning of year	1,780,316	1,801,429
Allowance during the year	1,405,335	1,455,336
Amount written back in respect of recoveries and reversals	(372,450)	(388,851)
Net charge to income statement (Note 34)	1,032,885	1,066,485
Amount written off	(1,058,371)	(1,022,854)
Debt equity conversion	(4,660)	(56,200)
Adjustment to deferred asset account	24,283	12,861
Reclassification from sundry receivables	41,146	9,316
Danamodal recoveries	-	(30,721)
Balance at end of year	<u>1,815,599</u>	<u>1,780,316</u>
Interest/Income-in-suspense		
As previously stated	1,436,556	1,763,808
Prior year adjustments	56,002	57,414
As restated	<u>1,492,558</u>	<u>1,821,222</u>
Interest/Income suspended during the year	580,988	755,064
Amount written back in respect of recoveries and reversals	(296,189)	(351,992)
Net charge to income statement	284,799	403,072
Amount written off	(199,958)	(539,823)
Debt equity conversion	(78,419)	(178,030)
Adjustment to deferred asset account	(961)	(2,093)
Danamodal recoveries	-	(11,857)
Exchange fluctuation adjustments	-	67
Balance at end of year	<u>1,498,019</u>	<u>1,492,558</u>

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

10. Other Assets

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Trade receivables, net of allowance for doubtful debts for the Group of RM130,153,000 (RM134,818,000 in 2004)	270,096	-	548,655	-
Other receivables, deposits and prepayments, net of allowance for doubtful debts for the Group of RM11,633,000 (RM4,905,000 in 2004)	300,044	33,256	327,122	36,945
Interest receivables on treasury assets, net of allowance for doubtful debts for the Group of RM11,465,000 (RM11,465,000 in 2004)	81,425	1,387	78,060	1,754
Fee receivables, net of allowance for doubtful debts for the Group of RM4,403,000 (RM2,720,000 in 2004)	39,660	-	32,634	-
Amount due from subsidiary companies	-	214,603	-	7,681
Amount due from associated companies	148	-	123	-
Amount due from agents, brokers and reinsurers, net of allowance for the Group of RM12,341,000 (RM12,196,000 in 2004)	54,543	-	37,878	-
Amount due from originators	132,798	-	153,104	-
Amount recoverable under Asset-Backed Securitisation Transactions	97,566	-	-	-
Foreclosed properties net of allowance for impairment in value of RM91,519,000 (RM12,415,000 in 2004)	98,541	-	21,399	-
Deferred asset	77,140	-	72,022	-
	1,151,961	249,246	1,270,997	46,380

Trade receivables mainly relate to the stock and share-broking activities of subsidiary companies and represent amount outstanding in purchase contracts and share margin financing net of allowances.

Included in the allowance for doubtful debts for trade receivables above is general allowance amounting to RM1,207,000 (RM1,937,000 in 2004), specific allowance amounting to RM116,541,000 (RM119,600,000 in 2004) and interest-in-suspense amounting to RM64,898,000 (RM65,075,000 in 2004) pertaining to bad and doubtful accounts of the stock and share-broking subsidiary company.

Amount due from subsidiary companies is interest-free and represents net dividend and interest on loans receivable and included an amount of RM214,000,000 arising from transfer of the Company's 100% equity interest in AmSecurities Holding Sdn Bhd to AmInvestment Group Berhad pursuant to the Group's Internal Reorganisation.

Amount due from associated companies is interest-free and represents expenses paid on behalf.

Amount due from originators represents housing loans, hire purchase and leasing receivables acquired from the originators for onward sale to Cagamas Berhad as mentioned in Note 20.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

	The Group	
	2005 RM'000	2004 RM'000
Deferred assets are as follows:		
Arising from takeover of Abrar Finance Berhad	15,956	10,838
Arising from takeover of Kewangan Usahasama Makmur Berhad	61,184	61,184
	77,140	72,022

In 1998, the subsidiary company, AMFB, participated in a scheme approved by the Minister of Finance and sanctioned by the High Court of Malaya, whereby certain assets and liabilities of Abrar Finance Berhad ("AFB"), a licensed finance company incorporated in Malaysia, were transferred with effect from 18 December 1998 to AMFB with financial assistance from Bank Negara Malaysia ("BNM").

The net asset deficiency representing the excess of liabilities over the assets transferred from AFB arising from the scheme, is shown as deferred asset, and is reduced progressively by net income derived from the utilisation of the deposit placed by BNM, as mentioned in Note 17, and net recoveries of defaulted loans of AFB computed based on a formula determined by BNM.

Subsequent to the vesting order of assets and liabilities from AMFB to AmFinance, the deferred assets arising from the takeover of AFB were vested over to AmFinance.

In 1988, the indirect finance subsidiary company, AmFinance, took over the operations of Kewangan Usahasama Makmur Berhad ("KUMB"), a deposit taking co-operative in Malaysia. The Government of Malaysia granted to KUMB a future tax benefit amounting to RM434 million, subsequently adjusted to RM426.69 million upon finalisation of KUMB's tax credit in consideration of the deficit in assets taken over from the deposit taking co-operative. The tax benefit is a fixed monetary sum and is not dependant on any changes in tax rates.

The net tax benefit is shown as a deferred asset and the utilisation of the deferred tax benefit is based on the receipt of notices of assessments and subsequent remission of the tax liabilities by the relevant authority net of the amount payable to the tax authorities for purposes of Section 108 tax credit.

11. Goodwill On Consolidation

The movements in goodwill on consolidation are as follows:

	The Group	
	2005 RM'000	2004 RM'000
Cost		
At beginning of year	340,914	340,914
Arising on acquisition of additional 14.062% equity interest in insurance subsidiary company	25,794	-
Arising on acquisition of remaining 35.72% equity interest in AMFB Holdings Berhad	230,634	-
At end of year	597,342	340,914
Accumulated amortisation		
At beginning of year	59,199	45,494
Amortisation for the year	15,097	13,705
At end of year	74,296	59,199
Net book value	523,046	281,715

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

12. Statutory Deposits With Bank Negara Malaysia

(CENTRAL BANK OF MALAYSIA)

The non-interest bearing statutory deposits pertaining to the merchant banking, commercial banking and finance subsidiary companies are maintained with Bank Negara Malaysia in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act, 1958 (Revised 1994), the amounts of which are determined as set percentages of total eligible liabilities.

13. Investments In Subsidiary Companies

	The Group	
	2005 RM'000	2004 RM'000
Quoted in Malaysia		
Shares		
- at cost	-	346,013
- at directors' valuation	-	555,787
Total quoted investments	-	901,800
Unquoted		
Shares		
- at cost	3,670,102	613,348
- at directors' valuation	791,146	1,439,200
Interest Bearing Irredeemable Convertible Unsecured Loan Stocks ("ICULS") 2007- at cost	-	120,000
Total unquoted investments	4,461,248	2,172,548
Total	4,461,248	3,074,348
Market value:		
Shares quoted in Malaysia	-	2,277,927

The ICULS 2007 issued by the merchant banking subsidiary company bear interest at an annual rate of 6.0% and are convertible at anytime after the date of issue to maturity date. The ICULS 2007 were extended for a further period of five years, after obtaining Bank Negara Malaysia approval. During the financial year the ICULS 2007 was transferred to AmInvestment Group Berhad pursuant to the Group Internal Reorganisation.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

The subsidiary companies, all incorporated in Malaysia, except for P.T. AmCapital Indonesia and AmSecurities (H.K.) Limited, which are incorporated in Indonesia and Hong Kong respectively, are as follows:

Principal Activities	Issued and Paid-up Ordinary Capital		Effective Equity Interest		
	2005 RM'000	2004 RM'000	2005 %	2004 %	
Direct Subsidiary Companies					
Unquoted					
AmInvestment Group Berhad ("AIGB")	Investment holding	1,109,442	-	100.00	-
AmBank Berhad ("AmBank")	Commercial banking	761,719	708,594	100.00	100.00
AMFB Holdings Berhad ("AMFB")	Investment holding	528,917	528,756	100.00	64.30
Arab-Malaysian Credit Berhad ("AMCB")	Hire-purchase financing and leasing	288,500	215,000	100.00	100.00
AmAssurance Berhad ("AmAssurance")	Life assurance and general insurance	100,000	100,000	80.00	65.94
AmManagement Services Sdn Bhd	Dormant	-**	-**	100.00	100.00
Indirect Subsidiary Companies					
Unquoted					
AmMerchant Bank Berhad ("AmMerchant Bank")	Merchant banking	200,000	200,000	100.00	100.00
AmSecurities Holding Sdn Bhd ("AMSH")	Investment holding	10,000	10,000	100.00	100.00
AmFinance Berhad ("AmFinance")	Finance company	528,402	528,402	100.00	64.30
AmSecurities Sdn Bhd ("AMS")	Stock and share-broking	100,000	100,000	100.00	97.50
AmInvestment Services Berhad	Management of unit trusts	5,539	5,539	70.00	70.00
AmInvestment Management Sdn Bhd	Asset management	2,000	2,000	70.00	70.00
AMMB Consultant Sdn Bhd	Investment consultant	500	500	100.00	100.00
AMMB Nominees (Tempatan) Sdn Bhd	Nominee services	10	10	100.00	100.00
AMMB Nominees (Asing) Sdn Bhd	Nominee services	10	10	100.00	100.00
AmProperty Trust Management Berhad	Management of property trusts	500	500	100.00	100.00
AMMB Factors Sdn Bhd	Dormant	1,000	1,000	100.00	100.00
AMCB Mezzanine Sdn Bhd	Investment holding	400	400	100.00	100.00
AmTrustee Berhad	Trustee services	500	500	80.00	72.86
Arab-Malaysian Services Berhad	Dormant	6,000	6,000	80.00	65.94
AmEquities Sdn Bhd	Collection of trade receivables	140,000	140,000	100.00	97.50

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Principal Activities	Issued and Paid-up Ordinary Capital		Effective Equity Interest		
	2005 RM'000	2004 RM'000	2005 %	2004 %	
South Johor Securities Nominees (Tempatan) Sdn Bhd	General insurance corporate agent	-**	-**	100.00	97.50
South Johor Securities Nominees (Asing) Sdn Bhd	Dormant	-**	-**	100.00	97.50
AMSEC Nominees (Tempatan) Sdn Bhd	Nominee services	1	1	100.00	97.50
AMSEC Nominees (Asing) Sdn Bhd	Nominee services	1	1	100.00	97.50
AmFutures Sdn Bhd	Futures and options trading	10,000	10,000	100.00	100.00
AmResearch Sdn Bhd	Publishing and selling research materials and reports	500	500	100.00	97.50
AM Nominees (Tempatan) Sdn Bhd	Nominee services	-**	-**	100.00	70.00
AM Nominees (Asing) Sdn Bhd	Nominee services	-**	-**	100.00	70.00
AMMB Properties Sdn Bhd	Dormant	-**	-**	100.00	100.00
Malaysian Ventures Management Incorporated Sdn Bhd	Management of venture capital	500	500	59.00	59.00
Annling Sdn Bhd	Dormant	250	250	100.00	64.30
Everflow Credit & Leasing Corp Sdn Bhd	Dormant	684	684	100.00	64.30
MBF Information Services Sdn Bhd	Rental of computer equipment and provision of related support services	27,500	27,500	100.00	64.30
MBf Nominees (Tempatan) Sdn Bhd	Nominee services	10	10	100.00	64.30
MBf Trustees Berhad	Trustee services	250	250	60.00	38.60
AmProperty Holdings Sdn Bhd ("AMPH")	Property investment	500	500	100.00	64.30
MBf Equity Partners Sdn Bhd	Dormant	10,000	10,000	100.00	64.30
MBf Nominees (Asing) Sdn Bhd	Dormant	-**	-**	100.00	64.30
MBf Property Trust Management Berhad ("MBfPT")	Dormant	-	1,000	-	64.30
Lekir Development Sdn Bhd	Dormant	450	450	100.00	64.30
Li & Ho Sdn Bhd	Dormant	850	850	100.00	64.30
Teras Oak Pembangunan Sdn Bhd	Dormant	1,200	1,200	100.00	64.30
AmCredit & Leasing Sdn Bhd (formerly known as Komewah Credit & Leasing Sdn Bhd)	Dormant	500	500	100.00	64.30
Crystal Land Sdn Bhd	Dormant	400	400	80.00	51.44
Bougainvillea Development Sdn Bhd	Property holding	1,000	1,000	100.00	64.30
Malco Properties Sdn Bhd	Dormant	157	157	51.00	32.79

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

	Principal Activities	Issued and Paid-up Ordinary Capital		Effective Equity Interest	
		2005 RM'000	2004 RM'000	2005 %	2004 %
Komuda Credit & Leasing Sdn Bhd	Dormant	500	500	100.00	64.30
Natprop Sdn Bhd	Investment holding	500	500	100.00	64.30
		US\$'000	US\$'000		
AMMB Labuan (L) Ltd	Dormant	200	200	100.00	100.00
AmInternational (L) Ltd	Offshore banking	10,000	10,000	100.00	100.00
		RP'000	RP'000		
P.T. AmCapital Indonesia *(“AmCI”)	Stock-broking, underwriting and investment management	26,000,000	11,000,000	83.07	60.00
		HK\$000	HK\$000		
AmSecurities (H.K.) Limited^	Dormant	33,000	33,000	100.00	100.00

* Subsidiary company not audited by Ernst & Young

** Subsidiary companies with an issued and paid-up ordinary capital of RM2.

^ Subsidiary company audited by a firm affiliated with Ernst & Young

During the financial year:

1. The Company:

- (i) completed the privatisation of AMFB followed by the voluntary surrender of its listing status on the Bursa Malaysia Securities Berhad (“Bursa Securities”) and
- (ii) proposed the listing of the Company’s investment banking group, via a newly incorporated company, AIGB, on the Main Board of the Bursa Securities. Please refer to Note 51 for the details of the proposals.

2. On 25 February 2004, AmFinance, a wholly-owned subsidiary of AMFB, entered into a conditional sale and purchase agreement with MBf Corporation Berhad (“MBf Corp”) for the sale of AmFinance’s entire 100% equity interest consisting of 1,000,000 ordinary shares of RM1.00 each, in MBfPT for a cash consideration of RM1.00.

The purchase consideration was arrived at on a willing-buyer and willing-seller basis after taking into consideration the financial position of MBfPT which had a negative shareholder’s funds as at 31 March 2004.

The disposal was completed on 9 August 2004.

3. On 5 April 2004, AMSH, a wholly-owned subsidiary company of the Company entered into a conditional share sale agreement with Encik Ismail bin Abdullah for the acquisition by AMSH of the remaining 2,500,004 ordinary shares of RM1.00 each in AMS, representing 2.5% of the existing issued and paid-up share capital of AMS, for a total purchase consideration of RM9,396,604 to be satisfied wholly in cash (“AMS Minority Acquisition”). The AMS Minority Acquisition was completed on 28 June 2004.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

4. On 13 October 2004, the Company and AmBank, the Company's 100% owned commercial banking subsidiary, entered into the following agreements (the Acquisitions):
 - (a) Acquisition by the Company of 47,116,000 ordinary shares of RM1.00 each representing 47.116% of the issued and paid-up share capital of AmAssurance from AmMerchant Bank for a cash consideration of RM75,762,537 ("Acquisition by the Company"). Subsequently, by way of a supplemental agreement dated 21 March 2005, the cash consideration is revised from RM75,762,537 to RM82,517,802, after taking into consideration the estimated share of profits from AmAssurance for a period of 12 months from 1 April 2004 up to 31 March 2005; and
 - (b) Acquisition by AmBank of 14,062,000 ordinary shares of RM1.00 each representing 14.062% of the issued and paid-up share capital of AmAssurance from ABH Holdings Sdn Bhd ("ABH Holdings") for a cash consideration of RM44,588,774 ("Acquisition by AmBank").

ABH, a company in which Dato' Azlan Hashim, a director of the Company, is a substantial shareholder, had a 34.06% interest in AmAssurance. Dato' Azlan Hashim is a brother of Tan Sri Dato' Azman Hashim, a substantial shareholder of the Company.

The Acquisition by the Company and Acquisition by AmBank are not inter-conditional upon each other and are subject to the terms and conditions of the Company sale and purchase agreement ("SPA") and AmBank SPA, respectively.

The Acquisitions were approved by the Minister of Finance on 23 September 2004. The Acquisition by AmBank were approved by the shareholders of the Company at an Extraordinary General Meeting held on 29 September 2004 and Foreign Investment Committee ("FIC") on 9 December 2004. The Acquisition by the Company was approved by the SC on 23 February 2005 and does not require the approval of the Company's shareholders as it is an excluded transaction pursuant to Chapter 10.02(j) of the Listing Requirements of Bursa Malaysia Securities Berhad.

Following the approval from the FIC, the Sale and Purchase Agreement for the Acquisition by AmBank has become unconditional on 13 December 2004. The Acquisition by AmBank and the Acquisition by the Company were completed on 14 December 2004 and 24 March 2005, respectively.

5. AMCB increased its issued and fully paid-up share capital from RM215,000,000 to RM288,500,000 through rights issues of 73,500,000 new ordinary shares of RM1.00 each at par in cash for the purpose of meeting its working capital requirements.
6. AmBank increased its issued and fully paid-up share capital from RM708,593,750 to RM761,718,750 through rights issues of 53,125,000 new ordinary shares of RM1.00 each at RM1.60 per share in cash for the purpose of further increasing its working capital.
7. AMSH had subscribed fully for AMCI rights issue of 15,000 new ordinary shares of Rupiah 1,000,000 each in cash. With the completion of the rights issue, AMSH's shareholding in AMCI has increased from 60% to 83.07%. Accordingly, the issued and fully paid-up share capital of AMCI has increased from Rupiah 11,000,000 to Rupiah 26,000,000. The purpose of the rights issue is to increase the working capital of AMCI.
8. On 10 November 2004, AmAssurance entered into fourteen (14) Sale and Purchase Agreements with AmProperty Holdings Sdn Bhd, to purchase 14 properties for a total cash consideration of RM18,620,000.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

14. Investments In Associated Companies

	The Group	
	2005 RM'000	2004 RM'000
Unquoted shares, at cost	21,848	21,855
Exchange fluctuation adjustments	6,166	6,161
Share in net post acquisition profit of associated companies	12,567	12,799
	40,581	40,815
Less: Accumulated amortisation of premium	1,866	1,244
	38,715	39,571

As at 31 March 2005, the carrying values of the investments in associated companies are represented by:

	The Group	
	2005 RM'000	2004 RM'000
Group's share of aggregate net tangible assets	29,471	29,705
Group's share of aggregate intangible assets	1,787	1,787
Premium on acquisition, net of accumulated amortisation of RM1,866,000 (RM1,244,000 in 2004)	7,457	8,079
	38,715	39,571

The associated companies, all unquoted and held through the merchant banking subsidiary company, AmMerchant Bank, are as follows:

Principal Activities	Issued and Paid-up Ordinary Capital		Effective Equity Interest		
	2005 RM'000	2004 RM'000	2005 %	2004 %	
Incorporated in Malaysia					
Malaysian Ventures Sendirian Bhd*	Ceased operations	17	17	27.41	27.41
Malaysian Ventures (Two) Sdn Bhd*	Ceased operations	19	19	34.67	34.67
		S\$'000	S\$'000		
Incorporated in Singapore					
Fraser International Pte. Ltd. ("FIPL")#	Investment holding	14,856	14,856	49	49
Wholly-owned by FIPL					
Fraser Securities Pte. Ltd. ("FSPL")#	Stockbroking and futures broker	32,528	22,028	49	49
Fraser Financial Planners Pte. Ltd.#	Dormant	1,000	1,000	49	49
Fraser Financial Series Pte. Ltd. (formerly known as # Fraser Financial Advisory Pte Ltd	Dormant	200	200	49	49
Wholly-owned by FSPL					
Fraser-AMMB Research Pte. Ltd.#	Dormant	500	500	49	49
Fraser Nominees (Private) Limited#	Nominee Services	1	1	49	49

* Associated company under members' voluntary liquidation.

Associated companies not audited by Ernst & Young

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

15. Property And Equipment

The Group	Freehold land and building RM'000	Long leasehold land and buildings RM'000	Motor vehicles RM'000	Leasehold improvements RM'000	Computer hardware and software RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
COST							
At beginning of year	323,311	57,510	16,311	160,713	561,490	141,413	1,260,748
Additions	-	-	2,364	20,174	32,207	15,371	70,116
Disposals	(13,479)	(5,526)	(3,732)	-	(2,627)	(3,052)	(28,416)
Write offs	-	-	(2)	(2,793)	(4,747)	(83)	(7,625)
Reclassification / Transfer	-	-	-	(4,346)	(882)	3,232	(1,996)
Exchange Adjustments	-	-	(22)	-	(12)	(25)	(59)
At end of year	309,832	51,984	14,919	173,748	585,429	156,856	1,292,768
ACCUMULATED DEPRECIATION							
At beginning of year	35,564	5,631	12,637	113,558	452,370	105,088	724,848
Additions	5,470	1,104	1,680	10,771	35,648	13,909	68,582
Impairment loss	29,834	-	-	-	-	-	29,834
Disposals	(1,830)	(1,200)	(3,601)	-	(2,564)	(2,241)	(11,436)
Reclassification/Transfer	-	-	-	-	(70)	12	(58)
Write offs	-	-	(2)	(1,944)	(1,683)	(80)	(3,709)
Exchange Adjustments	-	-	(15)	-	(10)	(22)	(47)
At end of year	69,038	5,535	10,699	122,385	483,691	116,666	808,014
NET BOOK VALUE							
As at 31 March 2005	240,794	46,449	4,220	51,363	101,738	40,190	484,754
As at 31 March 2004	287,747	51,879	3,674	47,155	109,120	36,325	535,900
Depreciation charge for the year ended 31 March 2004	5,327	1,201	1,832	12,983	51,867	10,526	83,736
BALANCES AS AT 31 MARCH 2003							
Cost	331,173	57,510	19,067	142,505	528,203	129,115	1,207,573
Accumulated depreciation	29,950	4,717	14,727	101,866	401,750	95,864	648,874

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(a) Details of leasehold land and buildings are as follows:

The Group	Long term leasehold land and buildings RM'000	Short term leasehold land and buildings RM'000	Total RM'000
Cost	51,036	948	51,984
Accumulated Depreciation	(5,148)	(387)	(5,535)
Net book value	45,888	561	46,449

The long term leasehold properties for the Group are for lease periods of 66-999, 85-855 years and 99 years respectively and with unexpired lease periods of 54-875 years, 63-788 years and 86-91 years respectively.

The short term leasehold properties for the Group are for lease periods of 20-99 years and 20 years respectively and with unexpired lease periods of 1-34 years and 1 year respectively.

(b) Details of fully depreciated property and equipment which are still in use are as follows:

The Group	Freehold land and Building RM'000	Motor vehicles RM'000	Leasehold improvements RM'000	Computer hardware and software RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
Cost	75	6,112	82,172	406,111	73,074	567,544

The Company	Motor Vehicles RM'000	Total RM'000
COST		
At beginning of year	86	86
Additions	587	587
At end of year	673	673
ACCUMULATED DEPRECIATION		
At beginning of year	86	86
Additions	10	10
At end of year	96	96
NET BOOK VALUE		
As at 31 March 2005	577	577
As at 31 March 2004	-	-
Depreciation charge for 2004	7	7

As at 31 March 2005, a motor vehicle costing of RM86,000 in the Company is fully depreciated and still in use.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

16. Deposits From Customers

	The Group	
	2005 RM'000	2004 RM'000
Term/Investment deposits	29,556,983	28,379,509
Savings deposits	2,878,783	2,742,945
Current deposits	1,334,289	1,173,848
Negotiable instruments of deposits	677,285	720,991
	34,447,340	33,017,293
The maturity structure of deposits from customers is as follows:		
Due within six months	27,324,848	26,657,206
Six months to one year	5,472,835	5,132,970
One year to three years	933,679	831,445
Three to five years	715,978	395,672
	34,447,340	33,017,293
The deposits are sourced from the following types of customers:		
Business enterprises	11,917,916	11,840,628
Individuals	18,241,104	16,541,744
Government	2,748,974	3,359,453
Others	1,539,346	1,275,468
	34,447,340	33,017,293

17. Deposits And Placements Of Banks And Other Financial Institutions

	The Group	
	2005 RM'000	2004 RM'000
Deposits from:		
Licensed banks	2,828,564	3,603,298
Licensed merchant bank	90,265	-
Licensed finance companies	209,976	116,822
Bank Negara Malaysia	889,558	836,930
Other financial institutions	8,059,388	6,885,716
	12,077,751	11,442,766

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Included under deposits of banks and other financial institutions of the Group are the following:

	The Group	
	2005 RM'000	2004 RM'000
Negotiable instruments of deposits	6,255,938	6,835,334
Interbank borrowings	157,700	265,244

Included in deposits from Bank Negara Malaysia of the Group are long-term deposits placed amounting to RM315,000,000 (RM315,000,000 in 2004) bearing interest at 1.0% (1.0% in 2004) per annum and interest free loans amounting to RM493,000,000 (RM493,000,000 in 2004) with the finance subsidiary company in connection with the transfer of assets and liabilities of Abrar Finance Berhad and Kewangan Usahasama Makmur Berhad as mentioned in Note 10. Long term deposits of RM180,000,000 (RM180,000,000 in 2004) is repayable on 18 December 2008 or when the deferred assets relating to AFB as mentioned in Note 10 are fully recovered, whichever is earlier. The remaining deposits from Bank Negara Malaysia are repayable when the deferred assets relating to KUMB as mentioned in Note 10 are fully recovered.

18. Obligations On Securities Sold Under Repurchase Agreements

Securities sold under repurchase agreements pertain to subsidiary companies and represent the obligations to repurchase these securities sold as mentioned in Notes 7 and 8.

19. Bills And Acceptances Payable

Bills and acceptances payable represent the merchant banking and commercial banking subsidiary companies' own bills and acceptances rediscounted and outstanding in the market.

20. Amount Due To Cagamas Berhad

These represents proceeds received from housing loans, hire purchase and leasing receivables (excluding Islamic financing) sold directly or indirectly to Cagamas Berhad with recourse to the merchant banking subsidiary company, AmMerchant Bank, commercial banking subsidiary company, AmBank and the indirect finance subsidiary company, AmFinance. Under this arrangement, the subsidiaries undertake to administer the loans on behalf of Cagamas Berhad and to buy back any loans which are regarded as defective based on prudential criteria. For loans sold indirectly, AmMerchant Bank acts as the intermediary financial institutions with recourse against the originators.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

21. Other Liabilities

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Trade payables	258,242	-	305,485	-
Other payables and accruals	1,134,669	647	976,844	1,224
Interest payable on deposits and borrowings	275,221	4,675	262,097	2,563
Lease deposits and advance rentals	56,154	-	60,179	-
Insurance funds:				
General insurance business	173,212	-	133,867	-
Life assurance business	819,112	-	635,940	-
Provision for commitments and contingencies	13,063	-	92,500	-
Bank overdrafts	37,192	-	56,317	-
Amount due to subsidiary companies	-	243	-	156
Amount due to associated companies	-	-	116	-
Profit equalization reserve	112,261	-	54,312	-
Deferred tax liabilities (Note 38)	2,207	-	305	-
Tax payable	1,331	-	8,898	-
	2,882,664	5,565	2,586,860	3,943

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

Included in other payables and accruals of the Group are the following:

	The Group	
	2005 RM'000	2004 RM'000
Amount due to reinsurers, reinsurers and agents	36,169	36,243
Treaty premium reserve withheld	66	1,376
Outstanding insurance claims	231,060	188,965

The movements in provision for commitments and contingencies are as follows:

Balance at beginning of year	92,500	55,500
(Writeback of provision)/Provision during the year	(40,437)	37,000
Payment during the year	(39,000)	-
Balance at end of year	13,063	92,500

Included in the general provision for contingencies is an amount of RM13.0 million (RM52.0 million in 2004) in connection with three legal suits relating to the Highland Tower tragedy, whereby the plaintiffs had contended that AMFB Holdings ("AMFB") caused or contributed to the collapse of Block 1 and forced evacuation of Blocks 2 and 3 of the Highland Towers.

On 31 May 2004, AMFB entered into a settlement Agreement with the plaintiffs in respect of the legal suits whereby AMFB agreed to pay the plaintiffs a settlement sum of RM52.0 million in full and final settlement inclusive of costs and the plaintiffs shall, among others, release and assign to AMFB all their rights of action in the suits against Highland Properties Sdn.Bhd. (the developer of Highland Towers) as well as all their rights and title to their individual apartment units and their rights to common property, unencumbered and free from claims of end financiers.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

AMFB had made full provision in prior year of which RM39 million has been paid during the year.

The bank overdrafts pertaining to subsidiary companies are unsecured and bear interest at rates ranging from 7.0% to 8.5% (7.0% to 8.5% in 2004) per annum.

Amount due to subsidiary companies is interest-free and represents expenses paid on behalf.

Amount due to associated companies is interest-free and represents expenses paid on behalf.

The movements in profit equalisation reserve relating to the Islamic banking business is as follows:

	The Group	
	2005 RM'000	2004 RM'000
Balance at beginning of year	54,312	6,442
Provision during the year	57,949	47,870
Balance at end of year	112,261	54,312

22. Term Loans

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Unsecured:				
Local financial institutions	1,252,500	961,000	341,000	224,000
Offshore banks	-	-	304,000	-
	1,252,500	961,000	645,000	224,000

The term loans obtained from local financial institutions bear interests at rates ranging from 3.53% to 7.95% or at 0.20% above LIBOR (5.0% to 7.95% in 2004) per annum. During the financial year, the Company obtained RM740,000,000 short term loans from local financial institutions to finance the cash portion of the consideration price of AMFB Privatisation, pending the receipt of proceeds arising from the Listing of the Group's Investment Banking Group, AmInvestment Group Berhad. Loans amounting to RM291,500,000 (RM104,500,000 in 2004) are guaranteed by either the Company, merchant banking subsidiary or other financial institutions.

The unsecured term loans obtained from foreign offshore banks, at varying interest rates ranging from 0.6% to 1.17% above LIBOR are repayable in full within one year. The unsecured loan obtained from a foreign offshore bank at an interest rate of 0.6% above LIBOR in the amount of RM190,000,000 was fully repaid during the financial year.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

23. Subordinated Certificates Of Deposits

The Subordinated Certificates of Deposits ("SCD") issued by the merchant banking subsidiary company, AmMerchant Bank, represents RM200,000,000 nominal amount of unsecured Negotiable Subordinated Certificate of Deposit ("NSCD") issued at a discount of RM6,750,600 for a total consideration of RM193,249,400. The accretion of discount of RM6,750,600 will be applied evenly over five years. The NSCD has a coupon rate of 8.0% per annum for the first five years and are redeemable on 1 March 2006 or on each anniversary date thereafter at nominal value. Subsequently, the interest rate for year 6 is 9.00% per annum and will be increased by 0.5% per annum for years 7 to 10.

24. Subordinated Term Loan

The subordinated term loan amounting to RM680,000,000 pertaining to the indirect finance subsidiary company, AmFinance, is unsecured, subordinated to all other liabilities and obtained from Danamodal Nasional Berhad, a company incorporated for the purpose of recapitalising the local banking and financial institutions, to strengthen the capital base of AmFinance. The loan bore interest at 7.5% per annum in the prior year and interest was repayable on a monthly basis.

Pursuant to the acquisition of AmFinance by the direct finance subsidiary company, AMFB, on 20 December 2001, Danamodal Nasional Berhad has extended the loan for a further period of ten (10) years to be repaid on 20 December 2011. The loan bears interest at 6.5% per annum for the first five years and at 7.5% per annum or 1.0% above 3 months KLIBOR, whichever is higher, for the next five years. The interest is payable on a half yearly basis.

On 28 October 2003, AmFinance entered into a Supplemental Facility Agreement with Danamodal Nasional Berhad, whereby the RM680 million subordinated term loan obtained from Danamodal Nasional Berhad was novated to Astute Assets Berhad.

The terms and conditions of the loan remain the same, except for interest payable on the loan, which is charged at 6.5% per annum until 19 December 2006, 7.0% per annum from 20 December 2006 until 19 December 2007, and 7.5% per annum from 20 December 2007 until 19 December 2011.

25. Redeemable Unsecured Bonds

Redeemable Unsecured Bonds of the Group and the Company are as follows:

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
3.0% 5-Year Redeemable Unsecured Bank-Guaranteed Bonds 2002/2007	141,481	141,481	138,325	138,325
Redeemable Unsecured Subordinated Bonds	660,000	-	660,000	-
	801,481	141,481	798,325	138,325

(a) 3.0% 5-YEAR REDEEMABLE UNSECURED BANK-GUARANTEED BONDS 2002/2007 (3.0% Bonds 2007)

	The Group and The Company	
	2005 RM'000	2004 RM'000
Balance at beginning and end of year	150,000	150,000
Less:		
Unamortised discount	(8,519)	(11,675)
	141,481	138,325

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Pursuant to a Trust Deed dated 29 November 2002 and a Deed Poll dated 29 November 2002, the Company issued RM150,000,000 nominal amount of 3.0% Bonds 2007 together with renounceable rights to allotment of 125,201,248 Warrants 2003/2008 on a 'bought deal' basis to two primary subscribers.

The salient features of the Bonds 2007 are as follows:-

- (a) The 3.0% Bonds 2007 bear interest at 3.0% per annum based on the nominal amount of the Bonds 2007, payable semi-annually in arrears and on the basis of actual number of days elapsed in a year of 365 days.
- (b) The 3.0% Bonds 2007 will be redeemed at its nominal value on maturity date together with interest accrued to the date of redemption.
- (c) The 3.0% Bonds 2007 are for a period of five calendar years maturing on 13 December 2007.

Pursuant to Deed Poll dated 29 November 2002 and on 29 January 2003, the primary subscribers jointly offered for sale the provisional rights to allotment of 125,201,248 Warrants 2003/2008 to the shareholders of the Company on a renounceable rights basis of one (1) Warrant 2003/2008 for every eight (8) existing ordinary shares of RM1.00 each held in the Company as at 5.00pm on 22 January 2003 at an offer price of 12.37 sen per Warrant 2003/2008 payable in full upon acceptance.

(b) REDEEMABLE UNSECURED SUBORDINATED BONDS

	The Group	
	2005 RM'000	2004 RM'000
Balance at beginning of year	660,000	-
Issued during the year	-	660,000
Balance at end of year	660,000	660,000

Pursuant to a Trust Deed dated 24 April 2003, AmFinance issued RM200,000,000 nominal amount of Negotiable Interest-bearing Redeemable Unsecured Subordinated Bonds ("SubBonds") for the purpose of increasing AmFinance's capital funds.

The salient features of the SubBonds are as follows:

- (a) The SubBonds bear interest at 7.95% per annum for the first five years and subsequently at 8.45% to 10.45% per annum. The interest is payable on a semi-annual basis.
- (b) The SubBonds are redeemable on 30 April 2008 or on each anniversary date thereafter at nominal value together with interest accrued to the date of redemption.
- (c) The SubBonds are for a period of ten years maturing on 30 April 2013. However, subject to the prior approval of Bank Negara Malaysia, the Company may redeem the SubBonds on 30 April 2008 or on each anniversary date thereafter.

Pursuant to a Trust Deed dated 23 September 2003, AmMerchant Bank issued RM460,000,000 nominal amount of Redeemable Unsecured Subordinated Bonds ("SubBonds") to be used to grant a RM460,000,000 10-year unsecured subordinated term loan to AmBank, its related licensed commercial bank for the purpose of refinancing its RM460,000,000 exchangeable subordinated capital loan to Danamodal Nasional Berhad.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

The salient features of the SubBonds are as follows:

- (a) The SubBonds bear interest at 6.5% per annum for the first five years and at 7.0% to 9.0% per annum or 3% above the yield of 5-year Malaysian Government Securities, whichever is higher. The interest is payable on a semi-annual basis.
- (b) The SubBonds are redeemable on 30 September 2008 or on each anniversary date thereafter at nominal value together with interest accrued to the date of redemption.
- (c) The SubBonds are for a period of ten years maturing on 30 September 2013. However, subject to the prior approval of Bank Negara Malaysia, the Bank may redeem the SubBonds on 30 September 2008 or on each anniversary date thereafter.

26. Share Warrants

The Warrants 1997/2007 were constituted under the Deed Poll dated 19 March 1997.

The salient features of the Warrants 1997/2007 are as follows:

- (a) Each Warrant 1997/2007 entitles its registered holder to subscribe for one new ordinary share of RM1.00 each at the exercise price during the exercise period.
- (b) The exercise price is RM6.51 per share and may be paid fully in cash, or partly in cash and partly by tender of Bonds 1997/2002 in any combination, or wholly by tender of Bonds 1997/2002 which matured in 2002, for every Warrant 1997/2007 held after one year from the date of allocation. The exercise price of the Warrants 1997/2007 are subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll.
- (c) The Warrants 1997/2007 are for an initial period of five calendar years. This period was extended for a further period of five years to mature on 13 May 2007.

The movements in the Company's unissued number of shares under Warrants 1997/2007 during the financial year are as follows:

	No. of Ordinary Shares of RM1.00 each		
	Balance at 1.4.2004	Exercised	Balance at 31.3.2005
Number of unissued shares under warrants 1997/2007	143,534,078	-	143,534,078

The Warrants 2003/2008 were constituted under the Deed Poll dated 29 November 2002 and 29 January 2003.

The salient features of the Warrants 2003/2008 are as follows:

- (a) Each Warrant 2003/2008 entitles its registered holder to subscribe for one new ordinary share of RM1.00 each at the exercise price during the exercise period.
- (b) The exercise price is RM2.19 per share and is payable fully in cash for every warrant 2003/2008 held from the date of allocation. The exercise price of the Warrants 2003/2008 are subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll.
- (c) The Warrants 2003/2008 are for an initial period of five calendar years to mature on 20 March 2008.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

The movements in the Company's unissued number of shares under Warrants 2003/2008 during the financial year are as follows:

	No. of Ordinary Shares of RM1.00 each		
	Balance at 1.4.2004	Exercised	Balance at 31.3.2005
Number of unissued shares under warrants 2003/2008	202,018,855	69,913,710	132,105,145

27. Minority Interests

Minority interests in the Group represent that part of the net results of operations, or of net assets, of subsidiary companies attributable to shares and debentures owned, directly or indirectly other than by the Company or subsidiary companies.

The movements in minority interests in subsidiary companies are as follows:

	The Group	
	2005 RM'000	2004 RM'000
Balance at beginning of year		
- As previously reported	968,558	811,841
- Prior year's adjustments (Note 53)	(37,140)	(34,531)
As restated	931,418	777,310
Share in net results of subsidiary companies		
- Current year/As previously reported	83,948	174,544
- Prior year's adjustments (Note 53)	-	(2,609)
As restated	83,948	171,935
Shares issued under the Employees' Share Option Scheme in the finance subsidiary company	574	1,156
Disposal of shares pursuant to AMFB Privatisation	(934,494)	-
Disposal of shares in AmAssurance subsidiary company	(18,794)	-
Dividends received/receivable	(16,908)	(18,983)
Disposal of shares in AmSecurities subsidiary company	(9,397)	-
Balance at end of year	36,347	931,418

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

28. Share Capital

	The Group and The Company	
	2005 RM'000	2004 RM'000
Authorised:		
Shares of RM1.00 each:		
Balance at beginning of year	5,000,000	2,000,000
Created during the year	-	3,000,000
Balance at end of year	5,000,000	5,000,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
Balance at beginning of year	1,858,806	1,001,719
Issued during the year pursuant to the:		
- exercise of share options	12,886	45,128
- exercise of Warrants 2003/2008	69,914	2,740
- AMFB Privatisation	188,928	-
- bonus issue	-	505,762
- rights issue	-	303,457
Balance at end of year	2,130,534	1,858,806

During the financial year, the issued and fully paid-up share capital of the Company was increased from 1,858,806,070 ordinary shares of RM1.00 each to 2,130,533,695 ordinary shares of RM1.00 each by the issue of:

- (i) 12,886,004 new ordinary shares of RM1.00 each at prices ranging from RM1.31 to RM3.33 per share by virtue of the exercise of share options granted pursuant to the Company's Employees' Share Option Scheme. The resulting share premium amounting to RM17,566,514 has been credited to share premium account.
- (ii) 69,913,710 new ordinary shares of RM1.00 each at price of RM2.19 per share by virtue of the exercise of share warrants 2003/2008 of the Company. The resulting share premium amounting to RM83,197,315 has been credited to share premium account.
- (iii) 188,927,911 new ordinary shares of RM1.00 each at price of RM3.30 per share, representing the portion satisfied by the new issue of the Company shares valued at RM623,462,106 for the total purchase consideration of RM1,360,280,959 for the AMFB Privatisation, in exchange for 188,927,911 ordinary shares of RM1.00 each in AMFB, on the basis of one (1) new ordinary share of RM1.00 each in the Company to be listed and quoted on the Main Board of Bursa Malaysia Securities Berhad for every one existing AMFB share held by the shareholders of AMFB, other than the Company. The resulting share premium amounting to RM434,534,195 has been credited to share premium account.

The 271,727,625 new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company except that the new ordinary shares issued pursuant to the Company's ESOS, share warrants 2003/2008 and AMFB Privatisation above are not entitled to dividends declared in respect of the financial year ended 31 March 2004.

Under the Company's Employees' Share Option Scheme ("ESOS") wherein options to subscribe for 117,853,371 new ordinary shares of RM1.00 each in the Company were made available to eligible directors and employees of the Company and its subsidiary companies, except for executive directors who represent the Government or Government institutions/agencies and Government employees who are serving in the public service schemes defined under Article 132 of the Federal Constitution and executive directors of AmSecurities Sdn Bhd who are eligible to participate under separate share schemes in their respective companies.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Salient features of the ESOS are as follows:

- (a) Eligible persons who are confirmed employees including full-time executive directors of the Company and its subsidiary companies who have been employed for a period of not less than three years.
- (b) Total number of shares to be offered shall not exceed 10.0% of the issued and fully paid-up share capital of the Company at any point of time during the existence of the ESOS.
- (c) Subject to paragraph (d) below, no option shall be granted for less than 1,000 shares or more than 500,000 shares.
- (d) In the event of any alteration in the capital structure of the Company except for certain exemptions, adjustments will be made to the subscription price and/or the number of shares in respect of options granted but not exercised, such that the option holder will be entitled to the same proportion of the issued and paid-up share capital of the Company prior to the said alteration.
- (e) The option price for an ordinary share of RM1.00 each shall be at a discount of not more than ten percent (10.0%) from the last market transacted price at the time the option is granted or the weighted average market price of the shares of the Company as quoted and shown in the Daily Official List issued by the Bursa Malaysia Securities Berhad for the five market days immediately preceding the offer date, or the par value of RM1.00,
- (f) The option is for a period of five calendar years and expired on 8 October 2004.
- (g) The persons to whom the options are granted under the ESOS have no right to participate in any share option scheme of any other company in the Group.

During the financial year, the Company granted options of 5,000 ordinary shares to Ms Sharyll Netto A/P George Netto at an exercise price of RM3.87 per share.

The movements in the Company's unissued number of shares under options during the financial year are as follows:

	No. of ordinary shares of RM1.00 each				Balance at 31.3.2005
	Balance at 1.4.2004	Granted	Exercised	Forfeited	
Number of unissued shares under options	26,463,533	5,000	12,886,004	13,582,529	-

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

29. Reserves

Reserves as at 31 March are analysed as follows:

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Non-distributable reserves:				
Capital reserve	-	-	125,284	-
Share premium	798,356	798,356	263,058	263,058
Statutory reserve	913,438	-	1,164,073	-
Revaluation reserve	-	532,154	-	532,154
Exchange fluctuation reserve	15,086	-	19,604	-
Total non-distributable reserves	1,726,880	1,330,510	1,572,019	795,212
Distributable reserves:				
Unappropriated profit	926,810	441,475	597,636	244,516
Total reserves	2,653,690	1,771,985	2,169,655	1,039,728

Movements in reserves are shown in the statement of changes in equity.

Capital reserve is in respect of dilution and accretion in net attributable assets of the Group arising from the shares issued under the Employees' Share Option Scheme, the conversion of Irredeemable Convertible Unsecured Loan Stocks of subsidiary companies, capitalisation for bonus issue and share exchange pursuant to AMFB Privatisation.

Share premium is used to record premium arising from new shares issued in the Company.

The statutory reserves of the merchant banking, commercial banking and finance subsidiary companies are maintained in compliance with the provisions of the Banking and Financial Institutions Act, 1989 and are not distributable as cash dividends.

Revaluation reserve is used to record increase and decrease in revaluation of investments in subsidiary companies, as described in the accounting policies.

Exchange differences arising on translation of foreign subsidiary and associated companies are taken to exchange fluctuation reserve, as described in the accounting policies.

Distributable reserves are those available for distribution by way of dividends.

The company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividend out of all its distributable reserves as at 31 March 2005.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

30. Interest Income

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Short-term funds and deposits with financial institutions	190,408	3,855	139,603	2,050
Dealing securities	97,183	-	136,254	-
Investment securities	166,097	531	130,450	117
Loans and advances	2,633,179	-	2,921,827	-
ICULS investment	63,630	6,766	23,782	7,220
Others	96,187	-	43,688	36
Gross interest income	3,246,684	11,152	3,395,604	9,423
Amortisation of premium less accretion of discount	(16,716)	-	10,507	-
Total before interest suspension	3,229,968	11,152	3,406,111	9,423
Interest suspended	(529,162)	-	(713,890)	-
Interest recovered	277,470	-	335,777	-
Net interest suspended	(251,692)	-	(378,113)	-
Total after interest suspension	2,978,276	11,152	3,027,998	9,423

31. Interest Expense

Deposits from customers	1,033,426	-	1,105,529	-
Deposits of banks and other financial institutions	109,492	-	91,135	-
Securities sold under repurchase agreements	36,484	-	49,367	-
Amount due to Cagamas Berhad	125,332	-	158,256	-
Bank borrowings:				
Term loans	28,097	16,154	26,664	12,515
Overdrafts	1,451	-	2,830	-
Subordinated deposits and term loans	61,637	-	64,344	-
Interest on ESCL	-	-	17,297	-
Interest on Bonds	37,557	7,657	22,305	7,678
Interest on Danamodal recoveries	-	-	7,859	-
Others	126,285	3,319	83,690	3,304
	1,559,761	27,130	1,629,276	23,497

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

32. Non-Interest Income

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Fee income and other operating income:				
Fees on loans and advances	79,165	-	63,952	-
Underwriting commissions	6,881	-	8,537	-
Portfolio management	9,829	-	8,492	-
Unit trusts management	20,016	-	24,966	-
Brokerage rebates	19,632	-	17,399	-
Corporate advisory	23,867	-	21,174	-
Guarantee fees	17,376	217	21,239	283
Property trust management	1,965	-	1,951	-
Brokerage fees and commissions	50,011	-	74,067	-
Income from asset securitisation	42,838	-	-	-
Others	42,350	-	45,179	-
	313,930	217	286,956	283
Investment and trading income:				
Net income from money market securities:				
Dealing securities	73,068	-	66,701	-
Investment securities	4,025	-	(2,112)	-
Net trading gain from derivatives	7,120	-	(2,914)	-
(Loss)/gain on sale of quoted investments – net	(5,856)	-	26,449	-
Gain on redemption of unquoted investments	773	-	-	-
Gain on disposal of unquoted investments - net	5,382	-	10,385	-
Gross dividend income from:				
Subsidiary companies:				
Quoted in Malaysia	-	33,999	-	33,999
Unquoted	-	338,882	-	50,817
Quoted investments In Malaysia	21,776	-	12,953	-
Unquoted investments	40,115	-	43,646	-
	146,403	372,881	155,108	84,816
Premium income from life and general insurance business	577,223	-	445,807	-
Other income:				
Capital gain arising from				
Bursa Malaysia Berhad shares	12,727	-	-	-
Rental income	8,926	-	9,486	-
Gain on disposal of property and equipment - net	3,868	-	1,379	-
Realised foreign exchange gain	2,718	-	2,857	-
Gain on disposal of development property	382	-	-	-
Gain on disposal of leased assets - net	3	-	8	-
Others	3,219	467	6,174	-
	31,843	467	19,904	-
	1,069,399	373,565	907,775	85,099

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

33. Non-Interest Expense

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Personnel/Staff costs	458,169	2,173	411,839	2,821
Establishment costs	213,783	10	223,036	7
Marketing and communication expenses	365,854	674	309,417	589
Administration and general expenses	115,677	752	121,356	3,861
	1,153,483	3,609	1,065,648	7,278
Life and general insurance claims	251,009	-	177,863	-
Increase in life insurance funds	183,176	-	172,825	-
	1,587,668	3,609	1,416,336	7,278

Included in the above expenditure are the following statutory disclosures:

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Directors' remuneration (Note 36)	5,859	2,284	6,484	2,776
Rental of premises	36,501	-	37,237	-
Depreciation of property and equipment (Note 15)	68,582	10	83,736	7
Property and equipment written off	3,916	-	249	-
Amortisation of goodwill and premium on consolidation (Note 11 and 14)	15,719	-	14,327	-
Hire of motor vehicles and office equipment	4,780	-	3,424	-
Auditors' remuneration:				
Statutory audit	896	30	844	30
Special audit	314	-	220	14
Non audit fees	-	-	32	5
Provision for foreclosed properties	2,396	-	4,464	-
Sundry receivables written off	281	-	332	-

The total number of employees of the Group and of the Company as at 31 March 2005 were 8,973 (8,776 in 2004) and nil (1 in 2004), respectively.

Staff costs include salaries, bonuses, contributions to Employees' Provident Fund and all other staff related expenses. Contributions to Employees' Provident Fund of the Group and the Company amounted to RM51,471,938(RM45,474,380 in 2004) and RM85,500(RM342,000 in 2004) respectively.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

34. Allowance For Losses On Loans And Financing

	The Group	
	2005 RM'000	2004 RM'000
Allowance for bad and doubtful debts and financing:		
Specific allowance – net		
Allowances before the change in method of provisioning for non-performing loans of 7 years and beyond	788,218	1,066,485
Additional allowances arising from the above change	244,667	-
	1,032,885	1,066,485
General allowance	28,505	9,875
	1,061,390	1,076,360
Bad debts and financing:		
Written off	252	3,670
Recovered	(268,688)	(296,321)
	(268,436)	(292,651)
(Recoveries of allowance)/Allowance for value of impairment on amount recoverable from Danaharta	(22,479)	80,634
Loss on disposal of loan assets	-	1,245
	770,475	865,588

35. Significant Related Party Transactions And Balances

(a) Transactions and balances with subsidiary companies.

The significant transactions and outstanding balances of the Company with its subsidiary companies which are eliminated on consolidation are as follows:

	2005 RM'000	2004 RM'000
Income/(Expense)		
Interest on :		
Deposits	3,854	2,050
ICULS investments	6,766	7,220
Guarantee fees	217	283
Dividend income – gross	372,881	84,816
	383,718	94,369
Assets		
Current accounts	866	4,130
Money at call and deposits	89,816	30,616
Securities purchased under resale agreements	31,950	-
Deposits with financial institutions	26,629	99,339
Negotiable instruments of deposits	150,233	-
Amount due from subsidiary companies	214,603	7,681
	514,097	141,766

The above transactions have been entered into in the normal course of business and have been established under terms and conditions that are no less favourable than those arranged with independent third parties.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(b) Directors related transactions

The significant non-banking transactions of the Group with companies in which Tan Sri Dato' Azman Hashim is deemed to have a substantial interest, are as follows:

Company	Types of transactions	2005 RM'000	2004 RM'000
Expense			
Harpers Travel (M) Sdn Bhd	Traveling expenses	2,834	545
Restoran Seri Melayu	Food and beverage	104	-
Paragon Premiums Sdn Bhd	Advertising	-	1,580
Conquest Marketing Sdn Bhd	Advertising	-	707
AON Insurance Brokers (M) Sdn Bhd	Insurance premium	4,475	3,243
AmFirst Property Trust	Rental of premises	12,684	15,188
Dion Realities Sdn Bhd	Rental of premises	3,602	3,317
Troost Sdn Bhd	Rental of premises	309	266
Syarikat Kompleks Damai Sdn Bhd	Rental of premises	587	962
Medan Delima Sdn Bhd	Rental of premises	83	290
Melawangi Sdn Bhd	Rental of premises	680	-
Taifab Properties Sdn Bhd	Rental of premises	80	193
AMDB Realty Sdn Bhd	Rental of premises	392	234
MCM Consulting Sdn Bhd	Computer maintenance	3,210	2,218
Bluestar Infotech (M) Sdn Bhd	Computer maintenance	1,744	1,569
MCM Systems Sdn Bhd	Computer maintenance	404	-
Capital expenditure			
MCM Consulting Sdn Bhd	Purchase of computer hardware, software and related consultancy services	2,816	5,718
MCM Systems Sdn Bhd	Purchase of computer hardware, software and related consultancy services	3,668	1,113
Bluestar Infotech (M) Sdn Bhd	Purchase of computer hardware, software and related consultancy services	289	679
Melawangi Sdn Bhd	Purchase of four (4) units of office premises located at the AMCORP Trade Centre	-	7,239
	Purchase of two (2) units of office lots at the AMCORP Trade Centre	3,624	-
Modular Corp Sdn Bhd	Provide 262,500 EMV chip card replacements	1,025	2,992
	Provide EMV chip card personalization and fulfillment services	3,633	656
Taifab Properties Sdn Bhd	Purchase of three (3) units of freehold office premises located at the Arab-Malaysian Business Centre ("AMBC")	1,811	1,998
Medan Delima Sdn Bhd	Purchase of seven (7) units of freehold office premises located at AMBC	2,521	2,477

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

The significant non-banking transactions of the Group with a company in which Prof. Tan Sri Dato' Dr. Mohd. Rashdan Bin Hj. Baba is deemed to have a substantial interest, are as follows:

Company	Types of transactions	2005 RM'000	2004 RM'000
Expense			
Computer Systems Advisers (M) Sdn Bhd	Computer maintenance	2,415	2,529
Capital expenditure			
Computer Systems Advisers (M) Sdn Bhd	Purchase of computer hardware, software and related consultancy services	7,190	3,266

The significant non-banking transactions of the Group with a company in which Mr. Cheah Tek Kuang is deemed to have a substantial interest, are as follows:

Company	Types of transactions	2005 RM'000	2004 RM'000
Financial Park (L) Sdn Bhd	Rental of premises	214	174

The above transactions have been entered into in the normal course of business and have been established under terms and conditions not materially different from those arranged with independent third parties.

(c) Renounceable Rights for AmlInvestment Group Berhad Shares

	2005 RM'000	2004 RM'000
Number of shares		
Tan Sri Dato' Azman Hashim	118,954,848	-
Dato' Azlan Hashim	221,995	-
Tun Mohammed Hanif Omar	200,000	-
Prof Tan Sri Dato' Dr Mohd Rashdan Haji Baba	201,824	-
Tan Sri Datuk Dr Aris Osman @ Othman	50,000	-
Tan Sri Datuk Clifford Francis Herbert	50,000	-
Tan Sri Dato' Dr Lim Kok Wing	50,000	-
Dato' Izham Mahmud	101,070	-
Dato' Mohd Ibrahim Mohd Zain	50,000	-
Cheah Tek Kuang	2,620,075	-
Soo Kim Wai	100,000	-
Shalina Azman	100,000	-

The renounceable rights offered by the Company and AIGB pursuant to the restricted offer for sale at an issue price of RM1.40 per share, were allocated to the directors on the same terms and conditions offered to other employees and entitled shareholders of the Company. 118,800,000 renounceable rights, representing 9.0% of the enlarged issued and paid-up share capital of AIGB were allocated to Tan Sri Dato' Azman Hashim as an approved bumiputera investor.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

36. Directors' Remuneration

Forms of remuneration in aggregate for all directors charged to the income statement for the financial year are as follows:

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Executive directors				
Fees	116	36	152	-
Salaries	495	-	1,800	1,800
Other remuneration	367	12	1,158	347
Gratuity payment	200	-	250	250
Bonuses	715	-	-	-
Benefits-in-kind	83	-	4	-
	1,976	48	3,364	2,397
Non-executive directors				
Fees	795	372	698	275
Salaries	-	-	660	-
Other remuneration	2,993	1,802	857	104
Bonuses	-	-	505	-
Gratuity payment	62	62	300	-
Benefits-in-kind	33	-	100	-
	3,883	2,236	3,120	379
Total directors' remuneration	5,859	2,284	6,484	2,776
Total directors' remuneration excluding benefits-in-kind	5,734	2,284	6,380	2,776

* Directors' fees for directors who are executives of companies of the Group are paid to their respective companies.

The number of directors of the Company whose total remuneration for the financial year which fall within the required disclosure bands is as follows:

The Group	2005	2004
Executive director		
RM1,950,001 - RM2,000,000	1	-
RM3,250,001 - RM3,400,000	-	1
Non-executive director		
Below RM50,000	4	3
RM50,001 - RM100,000	1	1
RM100,001 - RM150,000	2	1
RM150,001 - RM200,000	1	1
RM200,001 - RM250,000	1	1
RM250,001 - RM350,000	1	-
RM350,001 - RM400,000	-	1
RM1,950,001 - RM2,000,000	-	1
RM2,500,001 - RM3,000,000	1	-

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

37. Taxation

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Estimated current tax payable	79,231	103,485	81,125	21,000
Share in taxation of associated companies incorporated outside Malaysia	-	-	53	-
Transfer to/(from) deferred tax assets (Note 38)	56,393	-	(140,941)	-
Transfer from/(to) deferred tax liabilities (Note 38)	1,902	-	(1,334)	-
	137,526	103,485	(61,097)	21,000
Under provision of current taxation in respect of prior years	66,281	-	16,858	-
	203,807	103,485	(44,239)	21,000

As at 31 March 2005, the Group and the Company have tax exempt income arising from tax waiver on the chargeable income earned in year 1999 amounting to approximately RM70,000,000 (RM70,000,000 in 2004) and RM29,000,000 (RM29,000,000 in 2004) respectively, which, if confirmed by the Inland Revenue Board, will enable the Group and the Company to distribute tax exempt dividend up to the same amount.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Bank is as follows:

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Profit before taxation	489,696	353,978	342,642	63,747
Taxation at Malaysian statutory tax rate of 28% (2004 : 28%)	137,115	99,114	95,940	17,849
Effect of different tax rates in Labuan and certain subsidiaries	(2,191)	-	(4,393)	-
Interest expense on ICULS included in statement of changes in equity which is deductible for tax purposes	(2,016)	-	(2,021)	-
Income not subject to tax	(34,041)	(6,786)	(13,608)	-
Expenses not deductible for tax purposes	76,349	7,966	87,298	3,151
Deferred tax assets charged out/ (not recognised in prior years)	28,591	3,191	(207,455)	-
Tax expense/(credit) for the year	203,807	103,485	(44,239)	21,000

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

38. Deferred Taxation

Deferred taxation pertains to subsidiary companies and is as follows:

(a) Deferred tax assets

	The Group	
	2005 RM'000	2004 RM'000
Balance at beginning of year		
- As previously reported	(973,554)	(837,497)
- prior year's adjustments	(43,487)	(38,603)
As restated	(1,017,041)	(876,100)
Transfer to/(from) income statement (Note 37)	56,393	(140,941)
Reclassification from other assets	(26,429)	-
Balance at end of year	(987,077)	(1,017,041)
The deferred tax credits/(debits) are in respect of the following:		
Unutilised tax losses	(442,596)	(477,825)
Unabsorbed capital allowances	-	(34,528)
Temporary differences arising from general allowance for loans, advances and financing	(177,582)	(238,855)
Temporary differences arising from allowance for value impairment on amount recoverable from Danaharta	(93,985)	(117,338)
Allowance for diminution in value of investments	(194,192)	(156,517)
Temporary differences arising from interest suspended on non-performing loans	(7,452)	(21,442)
Temporary differences between depreciation and tax allowances on property and equipment	20,018	22,069
Leasing temporary differences	-	(18,837)
Temporary differences arising from profit equalization reserve	(31,434)	(15,207)
Temporary differences arising from allowance for diminution in value of foreclosed properties	(24,396)	(2,930)
Others	(35,458)	44,369
	(987,077)	(1,017,041)

All movement in the components of deferred tax assets are recognised in the income statement other than the reclassification from other assets which relates to deferred tax asset from allowance for diminution in value of investments.

(b) Deferred tax liabilities

	The Group	
	2005 RM'000	2004 RM'000
Balance at beginning of year	305	1,639
Transfer to/(from) income statement (Note 37)	1,902	(1,334)
Balance at end of year	2,207	305

Deferred tax liabilities of the Group is in respect of temporary difference between capital allowances and book depreciation of property and equipment.

As mentioned in Note 3, the effects of temporary differences and unutilised tax losses which would give rise to deferred tax assets are recognised only when it is probable that the respective subsidiary companies will generate sufficient future taxable profit available against which the deductible temporary differences and unutilised tax losses can be utilised. As at 31 March 2005, the amount of estimated deferred tax assets of the Group, pertaining to unutilised tax losses and unabsorbed capital allowances, calculated at applicable tax rate which is not recognised in the financial statements amounted to RM120,000,000 (RM120,000,000 in 2004).

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

39. Dividends

Dividends paid and proposed by the Company are as follows:

	RM'000
2005	
Proposed dividend – 4.0% less 28.0% taxation, on 2,130,533,695 ordinary shares of RM1.00 each	61,359
2004	
Proposed dividend – 4.0% less 28.0% taxation, on 1,858,806,070 ordinary shares of RM1.00 each	53,534

A first and final ordinary dividend in respect of the financial year ended 31 March 2005 of 4.0%, less 28.0% taxation, amounting to RM61,359,370, based on issued and paid-up share capital as at 31 March 2005, to be paid to shareholders whose names appear in the Register of Members and Record of Depositors on a date to be determined by the directors. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' funds as an appropriation of unappropriated profit in the next financial year ending 31 March 2006.

40. Earnings Per Share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholder of the Company by the number of ordinary shares in issue during the financial year.

	2005		2004	
	The Group RM'000/'000	The Company RM'000/'000	The Group RM'000/'000	The Company RM'000/'000
Net profit attributable to shareholders' of the Company	201,941	250,493	214,946	42,747
Number of ordinary shares at beginning of year	1,858,806	1,858,806	1,001,719	1,001,719
Effect of ordinary shares issued pursuant to:				
- Exercise of ESOS	8,135	8,135	10,432	10,432
- Exercise of Warrants 2003/2008	3,263	3,263	1,366	1,366
- AMFB Privatisation	12,940	12,940	-	-
- Bonus issue	-	-	505,762	505,762
- Rights issue	-	-	78,982	78,982
Weighted average number of ordinary shares in issue	1,883,144	1,883,144	1,598,261	1,598,261
Basic earnings per share (sen)	10.72	13.30	13.45	2.67

Notes to the Financial Statements (cont'd)

(b) Fully diluted earnings per share

Fully diluted earnings per share is calculated by dividing the adjusted profit after taxation and minority interests for the financial year by the adjusted weighted average number of ordinary shares in issue and issuable during the financial year.

The Company has three categories of dilutive potential ordinary shares:

- i) Employees' Share Option Scheme (expired in October 2004);
- ii) Warrants 1997/2007; and
- iii) Warrants 2003/2008

The basis for the maximum number of ordinary shares of RM1.00 each to be issued on exercise of outstanding warrants 1997/2007 and 2003/2008, the respective latest dates for exercise and their respective prices are mentioned in Notes 26 and 28.

	2005		2004	
	The Group RM'000/'000	The Company RM'000/'000	The Group RM'000/'000	The Company RM'000/'000
Net profit attributable to shareholders of the Company	201,941	250,493	214,946	42,747
Weighted average number of ordinary shares in issue (as in (a) above)	1,883,144	1,883,144	1,598,261	1,598,261
Adjusted for:				
- Exercise of Warrants 2003/2008	29,215	29,215	92,509	92,509
- ESOS	-	-	7,624	7,624
Adjusted weighted average number of ordinary shares in issue and issuable	1,912,359	1,912,359	1,698,394	1,698,394
Fully diluted earnings per share (Sen)	10.56	13.10	12.66	2.52

For the financial year ended 31 March 2005 and 2004, outstanding share warrants 1997/2007 have been excluded in the computation of fully diluted earnings per RM1.00 ordinary share for the Group, as their exercise and conversion to ordinary shares would increase earnings per share.

The Group and the Company's adjusted weighted average number of ordinary shares in issue and issuable for the financial year ended 31 March 2005 have been arrived at based on the assumption that dilutive share warrants 2003/2008 is exercised at beginning of year.

The Group and the Company's adjusted weighted average number of ordinary shares in issue and issuable for the financial year ended 31 March 2004 have been arrived at based on the assumption that dilutive share options and dilutive share warrants 2003/2008 are exercised at beginning of year.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

41. Fiduciary Duty In Respect Of Investment Portfolio Management And Trustee Services

Investment portfolio funds managed by the Group on behalf of customers as at 31 March 2005 amounted to RM7,066,876,000 (RM5,332,660,000 in 2004).

Assets held in trust for clients by the trustee subsidiary company, AmTrustee Berhad, as at 31 March 2005 amounted to RM6,536,544,000 (RM7,117,549,000 in 2004).

42. Capital Commitments

As at 31 March 2005, capital commitments pertain to subsidiary companies are as follows:

	The Group	
	2005 RM'000	2004 RM'000
Authorised and contracted but not provided for:		
Purchase of office equipment, information technology equipment and solutions	40,749	62,225
Purchase of motor vehicles	1,044	-
Purchase of leasehold improvements	-	6,805
Purchase of other investments	20,523	4,629
	62,316	73,659
Authorised but not contracted for:		
Purchase of other investments	20,100	20,000
Purchase of office equipment, information technology equipment and solutions	5	-
	20,105	20,000
	82,421	93,659

43. Lease Commitments

The Group has lease commitments in respect of rented premises and equipment on hire, all of which are classified as operating leases. A summary of the non-cancellable long-term commitments, net of sub-leases is as follows:

	RM'000
12 months ending 31 March	
2006	24,917
2007	19,027
2008 and thereafter	125,342
	169,286

The lease commitments represent minimum rentals not adjusted for operating expenses which the Group is obligated to pay. These amounts are insignificant in relation to the minimum lease obligations. In the normal course of business, leases that expire will be renewed or replaced by leases on other properties, thus it is anticipated that future annual minimum lease commitments will not be less than the rental expenses for the financial year.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

44. Commitments And Contingencies

In the normal course of business, the merchant banking subsidiary company, AmMerchant Bank, the commercial banking subsidiary company, AmBank, the offshore banking subsidiary company in Labuan, AmInternational and the indirect finance subsidiary company, AmFinance, 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 other than those where provision had been made in the financial statements as mentioned in Note 21. The commitments and contingencies are not secured against the Group's assets.

As at 31 March 2005, the commitments and contingencies outstanding are as follows:

	The Group			
	2005		2004	
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount RM'000
Derivative Financial Instruments				
Interest rate related contracts:				
Interest rate futures	550,000	-	685,000	-
Interest rate swaps	6,306,407	124,318	3,817,928	103,413
Foreign exchange related contracts:				
Forward exchange contracts	1,745,473	19,433	343,456	4,443
Cross currency swaps	463,600	32,512	304,000	18,525
Malaysian Government securities futures	27,900	-	9,000	-
	9,093,380	176,263	5,159,384	126,381
Commitments				
Irrevocable commitments to extend credit maturing:				
within one year	6,929,341	-	7,460,004	-
more than one year	2,426,560	1,213,280	1,776,065	888,033
Sale and buy back agreements	1,797,884	1,797,884	1,451,451	1,451,451
Forward purchase commitments	113,040	113,040	363,012	363,012
	11,266,825	3,124,204	11,050,532	2,702,496
Contingent Liabilities				
Guarantees given on behalf of customers	1,305,373	1,305,373	1,022,429	1,022,429
Certain transaction-related contingent items	691,679	345,840	875,431	437,716
Underwriting liabilities	457,069	228,535	424,778	212,389
Short term self liquidating trade-related contingencies	169,913	33,983	133,052	26,610
Islamic financing sold to Cagamas Berhad	928,658	928,658	3,508	3,508
Others	32,022	250	39,537	250
	3,584,714	2,842,639	2,498,735	1,702,902
	23,944,919	6,143,106	18,708,651	4,531,779

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

As at 31 March 2005, other contingencies and commitments of the Group and of the Company are as follows:

- (a) The Company has given unsecured guarantees totalling RM523,100,000 (RM546,100,000 in 2004) to various financial institutions in respect of credit facilities extended to certain subsidiary companies.
- (b) As required, AmMerchant Bank has given a continuing guarantee to Bank Negara Malaysia on behalf of AmInternational, to meet all its liabilities and financial obligations and requirements.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

45. Risk Management Policy

Risk management is about managing uncertainties such that deviations from the Group's intended objectives are kept within acceptable levels. Sustainable profitability forms the core objectives of the Group's risk management strategy.

Every risk assumed by the Group carries with it potential for gains as well as potential to erode shareholders' value. The Group's risk management policy is to identify, capture and analyse these risks at an early stage, continuously measure and monitor these risks and to set limits, policies and procedures to control them to ensure sustainable risk-taking and sufficient returns.

The management approach towards the significant risks of the Group are enumerated below.

MARKET RISK MANAGEMENT

Market risk is the risk of loss from changes in the value of portfolios and financial instruments caused by movements in market variables, such as interest rates and foreign exchange rates and equity prices.

The primary objective of market risk management is to ensure that losses from market risk can be promptly arrested and risk positions are sufficiently liquid so as to enable the Group to reduce its position without incurring potential loss that is beyond the sustainability of the Group.

The market risk of the Group's trading and non-trading portfolio is managed separately using value-at-risk approach to compute the market risk exposure of non-trading portfolio and trading portfolio. Value at risk is a statistical measure that estimates the potential changes in portfolio value that may occur brought about by daily changes in market rates over a specified holding period at a specified confidence level under normal market condition. For the Group's trading portfolio, the Group's value at risk measurement takes a more sophisticated form by taking into account the correlation effects of various instruments in the portfolio.

The Group controls its market risk exposure of its trading and non-trading activities primarily through a series of threshold limits. Stop loss, value at risk and position sensitivity limits are the primary means of control governing the trading activities of the Group while value at risk limits governs the non-trading positions.

To complement value at risk measurement, the Group also institute a set of scenario analysis under various potential market conditions such as shifts in currency rates, general equity prices and interest rate movements to assess the changes in portfolio value.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

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.

2005 The Group	Up to 1 month RM'000	>1 - 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Total RM'000	Effective interest rate %
ASSETS									
Cash and short-term funds	6,548,893	-	-	-	-	-	1,238,500	7,787,393	2.79
Securities purchased under resale agreements	115,153	43,439	-	-	-	-	-	158,592	2.50
Deposits and placements with banks and other financial institutions	-	688,366	44,065	625	-	22,100	55,200	810,356	2.75
Dealing securities	79,199	73,271	48,630	461,339	1,473,864	545,260	381,854	3,063,417	4.11
Investment securities	-	50,038	182,579	356,949	1,334,955	1,764,135	1,424,260	5,112,916	3.82
Loans, advances and financing:									
- performing	12,323,610	1,154,884	1,093,474	1,777,740	8,636,151	3,208,695	6,873,632	35,068,186	7.47
- non-performing *	-	-	-	-	-	-	5,152,690	5,152,690	-
Other non-interest sensitive balances	-	-	-	-	-	-	4,731,430	4,731,430	-
TOTAL ASSETS	19,066,855	2,009,998	1,368,748	2,596,653	11,444,970	5,540,190	19,857,566	61,884,980	
LIABILITIES AND SHAREHOLDERS' FUNDS									
Deposits from customers	12,731,405	6,505,913	3,905,405	5,306,983	1,534,072	-	4,463,562	34,447,340	2.96
Deposits and placements of banks and other financial institutions	2,144,353	1,738,949	1,013,905	530,238	935,361	1,507,262	4,207,683	12,077,751	3.06
Obligations on securities sold under repurchase agreements	1,415,091	3,327	101	-	-	-	-	1,418,519	2.59
Bills and acceptances payable	128,234	240,408	106,842	-	-	-	43,454	518,938	4.91
Amount due to Cagamas Berhad	343,350	161,190	115,458	241,930	1,797,478	127,042	-	2,786,448	3.95
Term loans	746,500	221,000	285,000	-	-	-	-	1,252,500	4.17
Subordinated certificates of deposits	-	-	-	198,768	-	-	-	198,768	8.85
Subordinated term loan	-	-	-	-	680,000	-	-	680,000	6.66
Redeemable unsecured bonds	-	-	-	-	801,481	-	-	801,481	6.94
Other non-interest sensitive balances	-	-	-	-	-	-	2,882,664	2,882,664	-
Total Liabilities	17,508,933	8,870,787	5,426,711	6,277,919	5,748,392	1,634,304	11,597,363	57,064,409	
Minority interests	-	-	-	-	-	-	36,347	36,347	-
Shareholders' funds	-	-	-	-	-	-	4,784,224	4,784,224	-
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	17,508,933	8,870,787	5,426,711	6,277,919	5,748,392	1,634,304	16,417,934	61,884,980	
On-balance sheet interest sensitivity gap	1,557,922	(6,860,789)	(4,057,963)	(3,681,266)	5,696,578	3,905,886	3,439,632	-	
Off-balance sheet interest sensitivity gap	295,859	418,103	(43,003)	(24,654)	(912,807)	266,502	-	-	
Total interest sensitivity gap	1,853,781	(6,442,686)	(4,100,966)	(3,705,920)	4,783,771	4,172,388	3,439,632	-	
Cumulative interest rate sensitivity gap	1,853,781	(4,588,905)	(8,689,871)	(12,395,791)	(7,612,020)	(3,439,632)	-	-	

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

2004 The Group	Up to 1 month RM'000	>1 - 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Total RM'000	Effective interest rate %
ASSETS									
Cash and short-term funds	5,987,226	-	-	-	-	-	723,858	6,711,084	2.83-3.15
Securities purchased under resale agreements	64,818	-	-	-	-	-	-	64,818	2.65
Deposits and placements with banks and other financial institutions	-	36,686	22,180	218,803	-	-	30,000	307,669	2.96-3.15
Dealing securities	272,412	291,882	174,254	125,520	1,473,033	866,424	552,413	3,755,938	2.99-4.60
Investment securities	239,021	565,001	47,104	82,083	2,161,066	1,513,082	1,685,493	6,292,850	3.22-4.39
Loans, advances and financing:									
- performing	11,982,258	1,489,010	1,279,546	2,042,820	8,310,534	882,843	6,146,477	32,133,488	6.40-9.05
- non-performing *	-	-	-	-	-	-	6,411,560	6,411,560	-
Other non-interest sensitive balances	-	-	-	-	-	-	4,685,051	4,685,051	-
TOTAL ASSETS	18,545,735	2,382,579	1,523,084	2,469,226	11,944,633	3,262,349	20,234,852	60,362,458	
LIABILITIES AND SHAREHOLDERS' FUNDS									
Deposits from customers	14,353,158	5,295,498	3,540,630	4,857,014	1,116,374	6	3,854,613	33,017,293	2.70-3.44
Deposits and placements of banks and other financial institutions	1,261,919	962,516	1,457,913	1,743,771	1,017,715	1,607,166	3,391,766	11,442,766	2.95-3.32
Obligations on securities sold under repurchase agreements	1,693,853	2,126	339	-	-	-	-	1,696,318	2.67-2.80
Bills and acceptances payable	84,624	127,032	59,933	-	-	-	151	271,740	-
Amount due to Cagamas Berhad	58,262	117,090	220,777	887,563	2,642,303	140,864	-	4,066,859	4.27
Term loans	117,000	338,000	-	190,000	-	-	-	645,000	1.895-8.50
Subordinated certificates of deposits	-	-	-	-	197,418	-	-	197,418	8.00
Subordinated term loan	-	-	-	-	680,000	-	-	680,000	6.50
Redeemable unsecured bonds	-	-	-	-	598,325	200,000	-	798,325	3.00-7.95
Other non-interest sensitive balances	-	-	-	-	-	-	2,586,860	2,586,860	-
Total Liabilities	17,568,816	6,842,262	5,279,592	7,678,348	6,252,135	1,948,036	9,833,390	55,402,579	
Minority interests	-	-	-	-	-	-	931,418	931,418	
Shareholders' funds	-	-	-	-	-	-	4,028,461	4,028,461	
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	17,568,816	6,842,262	5,279,592	7,678,348	6,252,135	1,948,036	14,793,269	60,362,458	
On-balance sheet interest sensitivity gap	976,919	(4,459,683)	(3,756,508)	(5,209,122)	5,692,498	1,314,313	5,441,583	-	
Off-balance sheet interest sensitivity gap	(515,814)	243,816	(350,342)	(302,015)	672,866	251,489	-	-	
Total interest sensitivity gap	461,105	(4,215,867)	(4,106,850)	(5,511,137)	6,365,364	1,565,802	5,441,583	-	
Cumulative interest rate sensitivity gap	461,105	(3,754,762)	(7,861,612)	(13,372,749)	(7,007,385)	(5,441,583)	-	-	

* This is arrived at after deducting the general allowance, specific allowance and interest/income-in-suspense from gross non-performing loans outstanding.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

2005 The Company	Up to 1 month RM'000	>1 - 3 months RM'000	1 - 5 years RM'000	Non- interest sensitive RM'000	Total RM'000	Effective interest rate %
ASSETS						
Cash and short-term funds	89,816	-	-	866	90,682	2.70
Securities purchased under resale agreements	31,950	-	-	-	31,950	2.50
Deposits and placements with banks and other financial institutions	-	26,629	-	-	26,629	2.85
Investment securities	150,233	-	-	-	150,233	2.70
Other non-interest sensitive balances	-	-	-	4,711,071	4,711,071	-
TOTAL ASSETS	271,999	26,629	-	4,711,937	5,010,565	
LIABILITIES AND SHAREHOLDERS' FUNDS						
Term loans	740,000	221,000	-	-	961,000	4.51
Redeemable unsecured bonds	-	-	141,481	-	141,481	3.00
Other non-interest sensitive balances	-	-	-	5,565	5,565	-
Total Liabilities	740,000	221,000	141,481	5,565	1,108,046	
Shareholders' funds	-	-	-	3,902,519	3,902,519	-
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	740,000	221,000	141,481	3,908,084	5,010,565	
On-balance sheet interest sensitivity gap	(468,001)	(194,371)	(141,481)	803,853	-	
Off-balance sheet interest sensitivity gap	-	-	-	-	-	
Total interest sensitivity gap	(468,001)	(194,371)	(141,481)	803,853	-	
Cumulative interest rate sensitivity gap	(468,001)	(662,372)	(803,853)	-	-	

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

2004 The Company	Up to 1 month RM'000	>1 - 3 months RM'000	1 - 5 years RM'000	Non- interest sensitive RM'000	Total RM'000	Effective interest rate %
ASSETS						
Cash and short-term funds	30,616	-	-	4,130	34,746	2.75-2.80
Securities purchased under resale agreements	287	-	-	-	287	2.50
Deposits and placements with banks and other financial institutions	-	95,623	3,716	-	99,339	2.75-2.80
Investment securities				9,702	9,702	4.25
Other non-interest sensitive balances				3,120,728	3,120,728	-
TOTAL ASSETS	30,903	95,623	3,716	3,134,560	3,264,802	
LIABILITIES AND SHAREHOLDERS' FUNDS						
Term loans	-	224,000	-	-	224,000	4.90-8.50
Redeemable unsecured bonds	-	-	138,325	-	138,325	3.00
Other non-interest sensitive balances	-	-	-	3,943	3,943	-
Total Liabilities	-	224,000	138,325	3,943	366,268	
Shareholders' funds	-	-		2,898,534	2,898,534	-
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	-	224,000	138,325	2,902,477	3,264,802	
On-balance sheet interest sensitivity gap	30,903	(128,377)	(134,609)	232,083	-	
Off-balance sheet interest sensitivity gap	-	-	-	-	-	
Total interest sensitivity gap	30,903	(128,377)	(134,609)	232,083	-	
Cumulative interest rate sensitivity gap	30,903	(97,474)	(232,083)	-		

LIQUIDITY RISK

Liquidity risk is the risk that the organization will not be able to fund its day-to-day operations at a reasonable cost.

The primary objective of liquidity risk management framework is to ensure the availability of sufficient funds at a reasonable cost to honour all financial commitments as it comes due.

The secondary objective is to ensure an optimal funding structure and to balance the key liquidity risk management objectives, which includes diversification of funding sources, customer base, and maturity period.

The ongoing liquidity risk management at the Group is based on the following key strategies:

- Management of cash-flow; an assessment of potential cash flow mismatches that may arise over a period of one-year ahead and the maintenance of adequate cash and liquefiable assets over and above the standard requirements of Bank Negara Malaysia.
- Scenario analysis; a simulation on liquidity demands of new business, changes in portfolio as well as stress scenarios based on historical experience of large withdrawals.
- Diversification and stabilisation of liabilities through management of funding sources, diversification of customer depositor base and inter-bank exposures.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

In the event of actual liquidity crisis occurring, a Contingency Funding Plan provides a formal process to identify a liquidity crisis and detailing responsibilities among the relevant departments to ensure orderly execution of procedures to restore the liquidity position and confidence in the Group.

The following table shows the maturity analysis of the Group's assets and liabilities based on contractual terms.

2005 The Group	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	Non specific maturity RM'000	Total RM'000
ASSETS								
Cash and short-term funds	7,429,837	-	-	-	-	-	357,556	7,787,393
Securities purchased under resale agreements	158,592	-	-	-	-	-	-	158,592
Deposits and placements with banks and other financial institutions	-	765,666	44,065	625	-	-	-	810,356
Dealing securities	126,678	73,271	29,631	486,926	1,518,162	655,688	173,061	3,063,417
Investment securities	21,674	50,038	125,579	551,852	1,682,846	2,241,409	439,518	5,112,916
Loans, advances and financing	6,859,623	2,892,443	2,145,401	4,194,935	14,452,221	9,401,525	274,728	40,220,876
Other assets	12,312	126,085	14,202	12,260	135,862	14,242	836,998	1,151,961
Goodwill on consolidation	-	-	-	-	-	-	523,046	523,046
Deferred tax assets	-	-	-	-	-	-	987,077	987,077
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	1,545,877	1,545,877
Investments in associated companies	-	-	-	-	-	-	38,715	38,715
Property and equipment	-	-	-	-	-	-	484,754	484,754
TOTAL ASSETS	14,608,716	3,907,503	2,358,878	5,246,598	17,789,091	12,312,864	5,661,330	61,884,980
LIABILITIES AND SHAREHOLDERS' FUNDS								
Deposits from customers	15,729,496	7,346,718	4,248,632	5,472,835	1,649,659	-	-	34,447,340
Deposits and placements of banks and other financial institutions	3,428,171	3,215,785	1,358,768	1,107,089	1,460,677	1,507,261	-	12,077,751
Obligations on securities sold under repurchase agreements	1,415,091	3,428	-	-	-	-	-	1,418,519
Bills and acceptances payable	135,047	255,421	128,470	-	-	-	-	518,938
Amount due to Cagamas Berhad	343,350	161,190	115,458	241,930	1,797,478	127,042	-	2,786,448
Other liabilities	248,474	39,713	5,308	1,618	3,475	6,991	2,577,085	2,882,664
Term loans	740,000	226,500	500	285,500	-	-	-	1,252,500
Subordinated certificates of deposits	-	-	-	-	-	198,768	-	198,768
Subordinated term loan	-	-	-	-	-	680,000	-	680,000
Redeemable unsecured bonds	-	-	-	-	141,481	660,000	-	801,481
Total Liabilities	22,039,629	11,248,755	5,857,136	7,108,972	5,052,770	3,180,062	2,577,085	57,064,409
Minority interests	-	-	-	-	-	-	36,347	36,347
Shareholders' funds	-	-	-	-	-	-	4,784,224	4,784,224
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	22,039,629	11,248,755	5,857,136	7,108,972	5,052,770	3,180,062	7,397,656	61,884,980
Net maturity mismatch	(7,430,913)	(7,341,252)	(3,498,258)	(1,862,374)	12,736,321	9,132,802	(1,736,326)	-

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

2004 The Group	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	Non specific maturity RM'000	Total RM'000
ASSETS								
Cash and short-term funds	6,435,381	-	-	-	-	-	275,703	6,711,084
Securities purchased under resale agreements	64,818	-	-	-	-	-	-	64,818
Deposits and placements with banks and other financial institutions	-	56,686	32,180	218,803	-	-	-	307,669
Dealing securities	365,364	288,542	146,405	135,320	1,613,882	850,625	355,800	3,755,938
Investment securities	375,607	715,652	565,184	105,980	2,456,106	1,532,972	541,349	6,292,850
Loans, advances and financing	6,634,415	2,320,562	1,973,076	4,189,054	14,656,132	8,720,570	51,239	38,545,048
Other assets	364,497	176,214	65,278	8,060	140,556	14,292	502,100	1,270,997
Goodwill on consolidation	-	-	-	-	-	-	281,715	281,715
Deferred tax assets	-	-	-	-	-	-	1,017,041	1,017,041
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	1,539,827	1,539,827
Investments in associated companies	-	-	-	-	-	-	39,571	39,571
Property and equipment	-	-	-	-	-	-	535,900	535,900
TOTAL ASSETS	14,240,082	3,557,656	2,782,123	4,657,217	18,866,676	11,118,459	5,140,245	60,362,458
LIABILITIES AND SHAREHOLDER'S FUNDS								
Deposits from customers	16,562,329	6,125,326	3,970,170	5,132,349	1,227,113	6	-	33,017,293
Deposits and placements of banks and other financial institutions	2,292,100	1,786,168	1,761,051	2,609,780	1,386,500	1,607,167	-	11,442,766
Obligations on securities sold under repurchase agreements	1,693,853	2,126	339	-	-	-	-	1,696,318
Bills and acceptances payable	84,624	127,032	60,084	-	-	-	-	271,740
Amount due to Cagamas Berhad	58,261	117,090	220,777	887,564	2,642,303	140,864	-	4,066,859
Other liabilities	245,843	41,965	3,161	7,055	7,248	7,987	2,273,601	2,586,860
Term loans	86,000	255,000	-	114,000	190,000	-	-	645,000
Subordinated certificates of deposits	-	-	-	-	-	197,418	-	197,418
Subordinated term loan	-	-	-	-	-	680,000	-	680,000
Redeemable unsecured bonds	-	-	-	-	138,325	660,000	-	798,325
Total Liabilities	21,023,010	8,454,707	6,015,582	8,750,748	5,591,489	3,293,442	2,273,601	55,402,579
Minority interests	-	-	-	-	-	-	931,418	931,418
Shareholders' funds	-	-	-	-	-	-	4,028,461	4,028,461
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	21,023,010	8,454,707	6,015,582	8,750,748	5,591,489	3,293,442	7,233,480	60,362,458
Net maturity mismatch	(6,782,928)	(4,897,051)	(3,233,459)	(4,093,531)	13,275,187	7,825,017	(2,093,235)	-

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

The Company	Up to 1 month RM'000	>1 - 3 months RM'000	1 - 5 years RM'000	Non specific maturity RM'000	Total RM'000
2005					
ASSETS					
Cash and short-term funds	89,816	-	-	866	90,682
Securities purchased under resale agreements	31,950	-	-	-	31,950
Deposits and placements with banks and other financial institutions	-	26,629	-	-	26,629
Investment securities	150,233	-	-	-	150,233
Other assets	215,990	-	-	33,256	249,246
Investments in subsidiary companies	-	-	-	4,461,248	4,461,248
Property and equipment	-	-	-	577	577
TOTAL ASSETS	487,989	26,629	-	4,495,947	5,010,565
LIABILITIES AND SHAREHOLDERS' FUNDS					
Other liabilities	4,918	-	-	647	5,565
Term loans	740,000	221,000	-	-	961,000
Redeemable unsecured bonds	-	-	141,481	-	141,481
Total Liabilities	744,918	221,000	141,481	647	1,108,046
Shareholders' funds	-	-	-	3,902,519	3,902,519
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	744,918	221,000	141,481	3,903,166	5,010,565
Net maturity mismatch	(256,929)	(194,371)	(141,481)	592,781	-
2004					
ASSETS					
Cash and short-term funds	30,616	-	-	4,130	34,746
Securities purchased under resale agreements	287	-	-	-	287
Deposits and placements with banks and other financial institutions	-	95,623	3,716	-	99,339
Investment securities	-	-	9,702	-	9,702
Other assets	-	-	-	46,380	46,380
Investments in subsidiary companies	-	-	-	3,074,348	3,074,348
TOTAL ASSETS	30,903	95,623	13,418	3,124,858	3,264,802
LIABILITIES AND SHAREHOLDERS' FUNDS					
Other liabilities	-	-	-	3,943	3,943
Term loans	-	224,000	-	-	224,000
Redeemable unsecured bonds	-	-	138,325	-	138,325
Total Liabilities	-	224,000	138,325	3,943	366,268
Shareholders' funds	-	-	-	2,898,534	2,898,534
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	-	224,000	138,325	2,902,477	3,264,802
Net maturity mismatch	30,903	(128,377)	(124,907)	222,381	-

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

CREDIT RISK MANAGEMENT

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its payment obligations. Exposure to credit risk arises primarily from lending and guarantee activities and, to a lesser extent, pre-settlement and settlement exposures of sales and trading activities.

The primary objective of the credit risk management framework is to ensure that exposure to credit risk is always kept within its capability and financial capacity to withstand potential future losses.

For non-retail credits, risk measurement begins with an assessment and rating of the financial standing of the borrower or counterparty using an internally developed credit rating model. The model consists of quantitative and qualitative scores which are translated into a rating grade, which ranges from "AAA" (lowest risk) to "C" (highest risk).

Credit risk is quantified based on Expected Default Frequencies and Expected Losses on default from its portfolio of loans and off-balance sheet commitments. Expected Default Frequencies are calibrated to the internal rating model while Loan Loss Estimates are based on past portfolio default experiences.

For retail credits, an in-house developed credit-scoring system to support the housing and hire purchase applications is being used to complement the credit assessment process.

The Group's lending activities are guided by internal credit policies and guidelines that are approved by the Board of Directors. Within these policies, name limits restrict total exposure allowed to corporate groups according to their level of creditworthiness, while sector limits ensure that the Group's total credit exposure to each economic sector is within prudent thresholds.

OPERATIONAL RISK MANAGEMENT

Operational risk is the potential loss from a breakdown in internal process, systems, deficiencies in people and management or operational failure arising from external events. It is increasingly recognised that operational risk is the single most widespread risk facing financial institutions today.

Operational risk management is the discipline of systematically identifying the critical potential points and causes of failure, assess the potential cost and to minimise the impact of such risk through the initiation of risk mitigating measures and policies.

The Group minimises operational risk by putting in place appropriate policies, internal controls and procedures as well as maintaining back-up procedures for key activities and undertaking contingency planning. These are supported by independent reviews by the Group's Internal Audit team.

LEGAL AND REGULATORY RISK

The Group manages legal and regulatory risks to its business. Legal risk arises from the potential that breaches of applicable laws and regulatory requirements, unenforceability of contracts, lawsuits, or adverse judgement, may lead to the incurrence of losses, disrupt or otherwise resulting in financial and reputational risk.

Legal risk is managed by internal legal counsel and where necessary, in consultation with external legal counsel to ensure that legal risk is minimised.

Regulatory risk is managed through the implementation of measures and procedures within the organization to facilitate compliance with regulations. These include a compliance monitoring and reporting process that requires identification of risk areas, prescription of controls to minimize these risks, staff training and assessments, provision of advice and disseminating of information.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

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 or fixed income security 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.

Fair value of financial derivatives

The estimated fair values of the Group's outstanding derivative financial instruments are as below. These values are stand-alone without taking into account their potential offsetting relationships with other non-derivatives exposures of the Group.

	2005		2004	
	Principal Amount RM'000	Fair Value RM'000	Principal Amount RM'000	Fair Value RM'000
Interest rate related contracts:				
Interest rate futures	550,000	448	685,000	(205)
Interest rate swaps	6,306,407	(8,601)	3,817,928	(1,604)
Foreign exchange related contracts:				
Forward exchange contracts	1,745,473	6,783	343,456	872
Cross currency swaps	463,600	(1,333)	304,000	(2,732)
Malaysian Government securities futures	27,900	(158)	9,000	(26)
	9,093,380	(2,861)	5,159,384	(3,695)

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Risk associated with financial derivatives

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

Market risk of derivatives used for trading purposes

Market risk arising from the above interest rate-related and foreign exchange-related derivatives 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 measures that estimates the potential changes in portfolio value that may occur brought about by daily changes in market rates over a 90-day period at a 99% confidence level under normal market condition.

As at 31 March 2005, value at risk of foreign exchange-related derivatives contracts used for trading purposes of the Group was RM25,849 (RM28,650 as at 31 March 2004).

The value at risk of the interest rate derivatives related contracts used for trading purposes of the Group was RM12,976,600 (RM6,581,591 as at 31 March 2004).

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 of derivatives

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

As at 31 March 2005, the amount of counter party credit risk, measured in terms of the cost to replace the positive value contracts of the Group, was RM5,841,221 (RM5,733,223 as at 31 March 2004). 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 limit its credit risks within a conservative framework by dealing with creditworthy counterparties, setting credit limits on exposures to counterparties, and obtaining collateral where appropriate.

46. Fair Values Of Financial Instruments

Financial instruments are contracts that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than a forced or liquidated sale. The information presented herein represents best estimates of fair values of financial instruments at the balance sheet date.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a number of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the assumptions could materially affect these estimates and the corresponding fair values.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

In addition, fair value information for non-financial assets and liabilities such as investments in subsidiary companies and taxation are excluded, as they do not fall within the scope of Malaysian Accounting Standards Board Standard No. 24, which requires the fair value information to be disclosed.

The estimated fair values of the Group's and the Company's financial instruments are as follows:

2005	Group		Company	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial Assets				
Cash and short-term funds	7,787,393	7,787,393	90,682	90,682
Securities purchased under resale agreements	158,592	158,592	31,950	31,950
Deposits and placements with banks and other financial institutions ^	810,356	809,554	26,629	26,629
Dealing securities	3,063,417	3,070,100	-	-
Investment securities	5,112,916	5,351,900	150,233	150,233
Loans, advances and financing *	40,850,660	41,629,138	-	-
Amount due from Originators	132,798	139,535	-	-
Other financial assets	942,023	942,023	249,246	249,246
	<u>58,858,155</u>	<u>59,888,235</u>	<u>548,740</u>	<u>548,740</u>
Non-financial assets	3,026,825		4,461,825	
TOTAL ASSETS	<u>61,884,980</u>		<u>5,010,565</u>	
Financial Liabilities				
Deposits from customers	34,447,340	34,554,147	-	-
Deposits and placements of banks and other financial institutions	12,077,751	11,979,757	-	-
Obligations on securities sold under repurchase agreements	1,418,519	1,490,757	-	-
Bills and acceptances payable	518,938	518,938	-	-
Amount due to Cagamas Berhad	2,786,448	2,795,109	-	-
Term loans	1,252,500	1,245,958	961,000	961,000
Subordinated certificates of deposits	198,768	220,671	-	-
Subordinated term loan	680,000	657,527	-	-
Redeemable unsecured bonds	801,481	795,649	141,481	139,403
Other financial liabilities	2,753,802	2,753,802	5,565	5,565
	<u>56,935,547</u>	<u>57,012,315</u>	<u>1,108,046</u>	<u>1,105,968</u>
Non-Financial Liabilities				
Other non-financial liabilities	128,862		-	
Minority interests	36,347		-	
Shareholders' funds	4,784,224		3,902,519	
	<u>4,949,433</u>		<u>3,902,519</u>	
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	<u>61,884,980</u>		<u>5,010,565</u>	

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

2004	Group		Company	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial Assets				
Cash and short-term funds	6,711,084	6,711,084	34,746	34,746
Securities purchased under resale agreements	64,818	64,818	287	287
Deposits and placements with banks and other financial institutions	307,669	315,264	99,339	99,339
Dealing securities	3,755,938	3,758,748	-	-
Investment securities	6,292,850	6,637,144	9,702	9,835
Loans, advances and financing *	39,146,327	40,959,002	-	-
Other financial assets	1,198,975	1,198,975	46,380	46,380
	<u>57,477,661</u>	<u>59,645,035</u>	<u>190,454</u>	<u>190,587</u>
Non-financial assets	2,884,797		3,074,348	
TOTAL ASSETS	<u>60,362,458</u>		<u>3,264,802</u>	
Financial Liabilities				
Deposits from customers	33,017,293	33,056,469	-	-
Deposits and placements of banks and other financial institutions	11,442,766	11,269,836	-	-
Obligations on securities sold under repurchase agreements	1,696,318	1,696,318	-	-
Acceptances payable	271,740	271,740	-	-
Amount due to Cagamas Berhad	4,066,859	4,069,733	-	-
Term loans	645,000	526,771	224,000	224,000
Subordinated certificates of deposits	197,418	243,448	-	-
Subordinated term loan	680,000	778,997	-	-
Redeemable unsecured subordinated bonds	798,325	844,790	138,325	138,825
Other financial liabilities	2,430,845	2,430,847	3,943	3,943
	<u>55,246,564</u>	<u>55,188,949</u>	<u>366,268</u>	<u>366,768</u>
Non-Financial Liabilities				
Other non-financial liabilities	156,015		-	
Minority interests	931,418		-	
Shareholders' funds	4,028,461		2,898,534	
	<u>5,115,894</u>		<u>2,898,534</u>	
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	<u>60,362,458</u>		<u>3,264,802</u>	

* The general allowance for the Group amounting to RM629,784,000 (RM601,279,000 in 2004) has been included under non-financial assets.

^ The fair value of deposits and placements with banks and other financial institutions is below its carrying amount as a result of an increase in Klibor rates. The Group has not reduced the carrying value because uncertainties surrounding the circumstances may change and any changes in uncertainties could affect the resulting fair value estimates.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

The fair values of derivatives financial instruments are shown in Note 45.

The fair value of contingent liabilities and undrawn credit facilities are not readily ascertainable. These financial instruments are presently not sold or traded. They generate fees that are in line with market prices for similar arrangements. The estimated fair value may be represented by the present value of the fees expected to be received, less associated costs and potential loss that may arise should these commitments crystallize. The Group assesses that their respective fair values are unlikely to be significant given that the overall level of fees involved is not significant and no provisions is necessary to be made.

The following methods and assumptions were used to estimate the fair value of assets and liabilities as at 31 March 2005:

(a) Cash And Short-Term Funds

The carrying values are a reasonable estimate of the fair values because of negligible credit risk and short-term in nature or frequent repricing.

(b) Securities Purchased Under Resale Agreements And Deposits With Financial

The fair values of securities purchased under resale agreements and deposits with financial institutions with remaining maturities less than six months are estimated to approximate their carrying values. For securities purchased under resale agreements and deposits with financial institutions with maturities of more than six months, the fair values are estimated based on discounted cash flows using the prevailing Klibor rates and interest rate swap rates.

(c) Dealing And Investment Securities

The estimated fair value is based on quoted or observable market prices at the balance sheet date. Where such quoted or observable market prices are not available, the fair value is estimated using discounted cash flow or net tangible assets techniques. The fair values of unquoted debt equity conversion securities which are not actively traded, are estimated to be at a par value, taking into consideration of the underlying collateral values. Where discounted cash flow techniques are used, the estimated future cash flows are discounted using market indicative rates of similar instruments at the balance sheet date.

(d) Loans, Advances And Financing And Subordinated Term Loans ("Loans And Financing")

The fair value of variable rate loans and financing are estimated to approximate their carrying values. For fixed rate loans and financing, the fair values are estimated based on expected future cash flows of contractual instalment payments and discounted at prevailing indicative rates adjusted for credit risk. In respect of non-performing loans and financing, the fair values are deemed to approximate the carrying values, net of interest in suspense and specific allowance for bad and doubtful debts and financing.

(e) Deposits From Customers, Deposits Of Banks And Other Financial Institutions And Securities Sold Under Repurchase Agreements

The fair value of deposits liabilities payable on demand ("current and savings deposits") or with remaining maturities of less than six months are estimated to approximate their carrying values at balance sheet date.

The fair value of term deposits, negotiable instrument of deposits and obligations on securities sold under repurchase agreements with remaining maturities of more than six months are estimated based on discounted cash flows using Klibor rates and interest rate swap rates.

(f) Bills And Acceptances Payables

The carrying values are a reasonable estimate of their fair values because of their short-term nature.

(g) Amount Due To Cagamas Berhad

The fair values for amount due to Cagamas Berhad are determined based on discounted cash flows of future instalments payments at prevailing rates quoted by Cagamas Berhad as at balance sheet date.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(h) Term Loans, Subordinated Certificates of Deposits, Subordinated Term Loans, Exchangeable Subordinated Capital Loan And Redeemable Unsecured Bonds ("Borrowings")

The fair values of borrowings with remaining maturities of less than six months are estimated to approximate their carrying values at balance sheet date. The fair values of borrowings with remaining maturities of more than six months are estimated based on discounted cash flows market indicative rates of instruments with similar risk profiles at the balance sheet date.

(i) Interest Rate Swaps, Futures And Forward Rate Agreements

The estimated fair value is based on the market price to enter into an offsetting contract at balance sheet date.

(j) Short Term Financial Assets and Financial Liabilities

The estimated fair value is based on the market price to enter into an offsetting contract at balance sheet date.

The fair value of the other financial assets and other financial liabilities, which are considered short term in nature, are estimated to be approximately their carrying value.

As assumptions were made regarding risk characteristics of the various financial instruments, discount rates, future expected loss experience and other factors, changes in the uncertainties and assumptions could materially affect these estimates and the resulting value estimates.

47. Net Tangible Assets Per Share (RM)

Net tangible assets per share represent the balance sheet total assets value less total liabilities, 7.5 minority interests and goodwill arising on consolidation expressed as an amount per ordinary share.

Net tangible assets per share are calculated as follows:

	2005		2004	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
Total assets	61,884,980	5,010,565	60,362,458	3,264,802
Less :				
Total liabilities	57,064,409	1,108,046	55,402,579	366,268
Minority interests	36,347	-	931,418	-
Goodwill on consolidation	523,046	-	281,715	-
	57,623,802	1,108,046	56,615,712	366,268
Net tangible assets	4,261,178	3,902,519	3,746,746	2,898,534
Issued and fully paid up ordinary shares of RM1.00 each	2,130,534	2,130,534	1,858,806	1,858,806
Net tangible assets per share (RM)	2.00	1.83	2.02	1.56

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

48. Business Segment Analysis

The Group's businesses are organized into six segments, based on the products and services that it provides. These segments are investment banking, commercial and retail banking, offshore banking, Islamic banking, insurance and others.

Investment banking

Investment banking encompasses merchant banking, stockbroking, futures broking, fund and property management and trustee services. The merchant banking caters to the business needs of large corporate customers and financial institutions and provides customers with, among other things, a broad range of financing options, treasury and derivative services, corporate finance services, debt capital market and private banking. Through the Company's subsidiaries, investment banking also offers stock and futures broking products and services through AmSecurities Sdn Bhd and AmFutures Sdn Bhd, investment management, management of unit trusts and customized investment solutions and property management services through AmInvestment Management Sdn Bhd, AmInvestment Services Berhad, and AmProperty Trust Management Berhad, and trustee services through AmTrustee Berhad.

Commercial and retail banking

Commercial and retail banking focuses on providing products and services to individual customers and small and medium enterprises. The products and services offered to the customers include credit facilities such as term financing, mortgage, trade, hire purchase financing, personal loans and share financing and others, credit cards, remittance services, deposit collection and bancassurance.

Offshore banking

Through AmInternational (L) Ltd and AmMerchant Bank Labuan branch, the Group has established a presence in the international arena at the Labuan International Offshore Financial Centre. The products and services offered include corporate finance, advisory and trust services, conventional and Islamic banking and acting as Listing Sponsor for corporations seeking listing on the Labuan International Financial Exchange.

Islamic banking

Islamic banking segment relates to Islamic Banking Business activities undertaken by the Group.

Insurance

The insurance segment offers a broad range of life and general insurance products.

Others

Others are a variety of activities, which support the operating business. It includes corporate income and expense items that are not allocated to individual business segments. In addition, the funding cost of the Group's associated and subsidiary companies are included in this category.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

The Group 2005	Investment Banking RM'000	Commercial and Retail RM'000	Offshore Banking RM'000	Islamic Banking RM'000	Insurance RM'000	Others RM'000	Elimination/ Consolidation Adjustments RM'000	Total RM'000
External revenue	766,885	2,509,947	32,252	694,795	629,847	5,678	-	4,639,405
Revenue from other segments	36,009	60,548	18,364	-	9,006	5,221	(129,149)	-
Operating revenue	802,895	2,570,496	50,617	694,795	638,853	10,899	(129,149)	4,639,405
Segment results	285,866	40,964	3,832	128,668	32,328	(11,162)	24,110	504,606
Amortisation of goodwill on consolidation	-	-	-	-	-	-	(15,719)	(15,719)
Profit from operations	285,866	40,964	3,832	128,668	32,328	(11,162)	8,391	488,887
Share in results of associated companies	-	-	-	-	-	-	809	809
Profit/(Loss) before taxation	285,866	40,964	3,832	128,668	32,328	(11,162)	9,200	489,696
Taxation	(71,513)	(90,437)	-	(34,363)	(9,642)	(143,692)	145,840	(203,807)
Minority interests	-	-	-	-	-	-	(83,948)	(83,948)
Net profit/(loss) for the year	214,353	(49,473)	3,832	94,305	22,686	(154,854)	71,092	201,941
Other information								
Segment assets	12,108,663	39,927,851	1,440,206	9,057,163	1,491,700	786,537	(3,488,902)	61,323,219
Investment in subsidiary companies	213,606	30,330	-	-	-	7,489,726	(7,733,662)	-
Investment in associated companies	21,950	200	-	-	-	100	16,465	38,715
Goodwill/(reserve) on consolidation	-	-	-	-	(1,565)	-	524,611	523,046
Total assets	12,344,219	39,958,381	1,440,206	9,057,163	1,490,135	8,276,363	(10,681,488)	61,884,980
Segment liabilities	10,992,770	37,485,596	1,114,869	8,144,997	1,347,285	1,492,961	(3,514,068)	57,064,409
Property and equipment purchases	7,291	54,504	12	57	7,657	587	8	70,116
Depreciation	14,801	48,654	104	34	4,175	953	(139)	68,582
Goodwill on consolidation	-	-	-	-	-	-	15,719	15,719

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

The Group 2004	Investment Banking RM'000	Commercial and Retail RM'000	Offshore Banking RM'000	Islamic Banking RM'000	Insurance RM'000	Others RM'000	Elimination/ Consolidation Adjustments RM'000	Total RM'000
External revenue	822,782	2,499,822	29,600	545,054	519,150	5,386	-	4,421,794
Revenue from other segments	31,421	69,111	6,452	-	8,217	2,618	(117,819)	-
Operating revenue	854,203	2,568,933	36,052	545,054	527,367	8,004	(117,819)	4,421,794
Segment results	251,637	55,462	16,638	118,750	35,332	(4,039)	(118,248)	355,532
Amortisation of goodwill on consolidation	-	-	-	-	-	-	(14,327)	(14,327)
Profit from operations	251,637	55,462	16,638	118,750	35,332	(4,039)	(132,575)	341,205
Share in results of associated companies	-	-	-	-	-	-	1,437	1,437
Profit/(Loss) before taxation	251,637	55,462	16,638	118,750	35,332	(4,039)	(131,138)	342,642
Taxation	(71,767)	149,205	-	(27,760)	(9,300)	(29,950)	33,811	44,239
Minority interests	-	-	-	-	-	-	(171,935)	(171,935)
Net profit/(loss) for the year	179,870	204,667	16,638	90,990	26,032	(33,989)	(269,262)	214,946
Other information								
Segment assets	14,311,872	38,008,607	1,356,433	8,095,129	1,202,117	459,383	(3,392,369)	60,041,172
Investment in subsidiary companies	213,606	30,330	-	-	-	4,763,438	(5,007,374)	-
Investment in associated companies	82,598	200	-	-	-	100	(43,327)	39,571
Goodwill/(reserve) on consolidation	-	-	-	-	(1,565)	-	283,280	281,715
Total assets	14,608,076	38,039,137	1,356,433	8,095,129	1,200,552	5,222,921	(8,159,790)	60,362,458
Segment liabilities	12,771,899	35,635,113	1,423,416	7,357,334	1,073,188	538,506	(3,396,877)	55,402,579
Property and equipment purchases	17,949	52,926	38	12	5,684	35	-	76,644
Depreciation	16,895	60,266	244	428	4,797	1,106	-	83,736
Goodwill on consolidation	-	-	-	-	-	-	14,327	14,327

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

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

49. Life Business Liabilities And Life Policyholders' Fund

The state of affairs as at 31 March 2005 and the results for the financial year ended 31 March 2005 under the life business liabilities and life policyholders' fund of the insurance subsidiary company, AmAssurance Berhad, and included in the Group financial statements are summarised as follows:

BALANCE SHEET

AS AT 31 MARCH 2005

	2005 RM'000	2004 RM'000
ASSETS		
Cash and short-term funds	9,291	12,577
Securities purchased under resale agreements	43,439	96,492
Deposits and placements with banks and other financial institutions	128,804	133,188
Dealing securities	-	-
Investment securities	602,337	391,193
Loans, advances and financing	121,319	78,384
Other assets	30,800	25,136
Property and equipment	4,388	3,131
TOTAL ASSETS	940,378	740,101
LIABILITIES AND POLICYHOLDERS' FUND		
Other liabilities	121,266	104,160
Life policyholders' fund	819,112	635,941
TOTAL LIABILITIES AND POLICYHOLDERS' FUND	940,378	740,101

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2005

	2005 RM'000	2004 RM'000
Revenue	334,682	289,506
Interest income	36,612	27,598
Interest expense	-	-
Net interest income	36,612	27,598
Loan and financing loss and allowances	(6)	(14)
	36,606	27,584
Non-interest income	301,809	258,347
(Allowance)/Write back of allowance for diminution in value of investments - net	(71)	8,463
Write back of allowance/(Allowance) for doubtful sundry receivables - net	397	(87)
	338,741	294,307
Non-interest expense	(338,741)	(299,307)
Transfer from shareholders' funds	-	(5,000)

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

50. Capital Adequacy Ratio

Bank Negara Malaysia's ("BNM") guideline on capital adequacy requires the merchant banking subsidiary company, AmMerchant Bank, the commercial banking subsidiary company, AmBank, and the finance subsidiary company, AmFinance, to maintain an adequate level of capital to withstand any losses which may result from credit and other risks associated with financing operations. The capital adequacy ratio is computed based on the eligible capital in relation to the total risk-weighted assets as determined by BNM.

The risk-weighted capital adequacy ratios of AmMerchant Bank of 16.61% (16.12% in 2004), AmBank of 9.46% (11.86% in 2004) and AmFinance of 11.51% (11.24% in 2004), exceed the minimum requirement.

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

	The Group	
	2005 RM'000	2004 RM'000
Tier 1 capital		
Paid-up ordinary share capital	2,130,534	1,858,806
Capital reserve	-	125,284
Share premium	798,356	263,058
Statutory reserve	913,438	1,164,073
Exchange fluctuation reserve	15,086	19,604
Unappropriated profit at end of year	926,810	676,648
Minority interests	36,347	968,558
Total	4,820,571	5,076,031
Less : Goodwill	523,046	281,715
Deferred tax assets - net	984,870	973,249
Total tier 1 capital	3,312,655	3,821,067
Tier 2 capital		
Subordinated certificates of deposit	198,650	197,300
Subordinated term loan	680,000	565,243*
Redeemable Unsecured Bonds	660,000	660,000
General allowance for bad and doubtful debts	629,784	601,279
Total tier 2 capital	2,168,434	2,023,822
Capital base	5,481,089	5,844,889
Audited risk-weighted assets	47,442,814	45,846,360
Capital Ratios:		
Core capital ratio	6.98%	8.33%
Risk-weighted capital ratio	11.55%	12.75%

** The amount in the previous year comprise the subordinated term loan of RM680,000,000 from Astute Assets Berhad ("Astute") net of the Group's dealing investment of RM114,757,000 in the redeemable secured asset-backed bonds issued by Astute.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

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

	2005		2004	
	Principal RM'000	Risk- Weighted RM'000	Principal RM'000	Risk- Weighted RM'000
0%	10,448,362	-	10,199,271	-
10%	435,489	43,549	467,472	46,747
20%	6,286,028	1,257,206	5,156,392	1,031,278
50%	7,251,983	3,625,992	6,599,041	3,299,521
100%	42,516,067	42,516,067	41,468,814	41,468,814
	66,937,929	47,442,814	63,890,990	45,846,360

The capital adequacy ratio of the Group as at 31 March 2004 has not been restated for prior year adjustments effect as mentioned in Note 53 to the financial statements.

51. Significant Events

(a) On 27 February 2004 and 31 May 2004, the Company announced the following proposals:

- (i) The Privatisation of AMFB through the acquisition by the Company of 188,927,911 ordinary shares of RM1.00 each in AMFB (the "AMFB Minority Shares"), representing 35.72% of the issued and paid-up share capital of AMFB, not already owned by the Company by way of a scheme of arrangement between AMFB and its shareholders under Section 176 of the Companies Act, 1965 ("AMFB Privatisation"). The AMFB Privatisation was approved by the shareholders of AMFB at the Court Convened Meeting held pursuant to the order of the High Court of Malaya on 31 January 2005. Further, the order of the High Court of Malaya ("Court Order") sanctioning the Scheme of Arrangement was obtained on 17 February 2005.

The Company had also received the approval from the Securities Commission ("SC") via its letter dated 31 January 2005 for the purchase consideration for the AMFB Privatisation amounting to RM1,360,280,959 or RM7.20 per AMFB Minority Share to be satisfied as follows:-

- (a) RM623,462,106 by way of an issuance of 188,927,911 new Company Shares on the basis of one (1) new Company Share valued at RM3.30 per new Company Share for every one (1) existing AMFB Minority Share held; and
- (b) RM736,818,853 in cash, on the basis of RM3.90 for every one (1) existing AMFB Minority Share held.

On 17 March 2005, the AMFB Privatisation was completed following the listing of and quotation of the 188,927,911 Company Shares issued to the minority shareholders of AMFB, and AMFB become a wholly-owned subsidiary of the Company.

The entire issued and paid-up share capital of AMFB was delisted from the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities") with effect from 30 March 2005 pursuant to Paragraph 8.15(6) of the Listing Requirements of Bursa Securities.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

- (ii) The listing of the Company's investment banking group, via a newly incorporated company AIGB, on the Main Board of the Bursa Securities ("Listing Scheme"), comprising the following:
- (a) The incorporation of AIGB, completed on 23 June 2004 as a wholly-owned subsidiary company of the Company, to act as the holding company/listing vehicle of the Company's investment banking group;
 - (b) An internal reorganisation ("Internal Reorganisation") involving the transfer of the Company's 100% equity interest in AmMerchant Bank for a consideration of RM1,109,442,000 wholly satisfied through the issuance of 1,109,441,998 new ordinary shares of RM1.00 each in AIGB ("Transfer of AmMerchant Bank"), and 100% equity interest in AMSH for a consideration of RM214,400,000 to be wholly satisfied by AIGB in cash ("Transfer of AMSH"), prior to the completion of which AmMerchant Bank and AMSH had separately declared dividends to the Company amounting to RM249,840,000 in aggregate;
 - (c) The issue/offer of 646,800,000 Shares comprising 210,558,000 new Shares and 436,242,000 existing Shares, as follows:-
 - (a) 488,400,000 Shares allocated to shareholders of the Company, by way of:-
 - (i) A renounceable restricted offer for sale of 330,278,078 Shares by the Company to the entitled shareholders of the Company; and
 - (ii) A restricted issue of 158,121,922 new Shares to Tan Sri Dato' Azman Hashim and his related companies in direct proportion to their shareholdings in the Company.
 - (b) 39,600,000 Shares allocated by way of a restricted offer for sale by the Company to eligible directors and employees of AIGB and/or its Malaysian-incorporated subsidiary and associated companies, eligible directors of the Company and business associates of the Company, which includes persons who have contributed to the success of the Group; and
 - (c) 118,800,000 Shares allocated to Tan Sri Dato' Azman Hashim as an approved Bumiputera investor, by way of:-
 - (i) An offer for sale of 66,363,922 Shares by the Company; and
 - (ii) A special issue of 52,436,078 new Shares
 - (d) The listing of and quotation for the entire enlarged issued and paid-up share capital of AIGB of RM1,320,000,000, comprising 1,320,000,000 ordinary shares of RM1.00 each, on the Main Board of Bursa Securities.
- (iii) The proposed share split involving the subdivision of every one (1) existing ordinary share of RM1.00 each held in the Company on a date to be determined after the Proposed AMFB Privatisation, into two (2) new ordinary shares of RM0.50 each ("Proposed Share Split").

The Proposed Share Split was approved by the SC on 16 December 2004. The Company had on 25 March 2004 obtained SC's approval for the Proposed Share Split to be implemented within 3 months of the completion of the Proposed AMFB Privatisation. The Company had on 29 June 2004 obtained the approval of Bursa Securities for the Proposed Share Split. The Proposed Share Split is pending implementation.

The AMFB Privatisation, Listing Scheme and Proposed Share Split were also approved by the shareholders of the Company at the Extraordinary General Meeting held on 31 January 2005.

The Company had also obtained the approval of Bank Negara Malaysia and the Minister of Finance and the SC for, inter-alia, the AMFB Privatisation and the Proposed Listing of AIGB via their letters dated 10 December 2004 and 16 December 2004, respectively.

The AMFB Privatisation and the Listing Scheme are inter-conditional with each other. The Proposed Share Split is not conditional upon the AMFB Privatisation or the Listing Scheme.

The Company had on 29 November 2004 obtained Bank Negara Malaysia's approval in principle to undertake Islamic Banking business pursuant to Section 3(4) of the Islamic Banking Act, 1983, through a subsidiary company.

The Islamic Banking license will be issued by the Minister of Finance once all pre-licensing conditions have been satisfactorily fulfilled.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

52. Subsequent Events

Subsequent to the balance sheet date, the Company has proposed a rationalisation exercise in respect of its commercial banking and finance company operations (“the Proposed Rationalisation Exercise”) which will culminate in the merger of the commercial banking and finance company operations under one (1) single entity holding a banking and finance company license (“Bafin”) involving the following steps:

(i) Proposed Acquisition By AMFB

The Proposed Acquisition by AMFB involves the acquisition by AMFB of the entire equity interest in AmBank Berhad (“AmBank”), comprising 761,718,750 ordinary shares, from the Company for a purchase consideration equivalent to the carrying value of the Company’s investment in AmBank as at the date of completion of the Proposed Acquisition by AMFB. The Purchase Consideration is proposed to be satisfied by the issuance of new Shares in AMFB to the Company at an issue price to be determined based on the unaudited net tangible assets (“NTA”) per Share of AMFB as at the completion date.

Upon completion of the Proposed Acquisition by AMFB, AmBank will become a wholly-owned subsidiary of AMFB.

(ii) Proposed AmBank Acquisition By AmFinance

Upon completion of the Proposed Acquisition by AMFB, AmFinance proposes to acquire the entire equity interest in AmBank comprising 761,718,750 Shares from AMFB for a purchase consideration equivalent to the NTA of AmBank after adjusting for certain non-transferable assets as at the date of completion of the Proposed AmBank Acquisition by AmFinance. The Purchase Consideration is proposed to be satisfied by the issuance of new Shares in AmFinance to AMFB at an issue price to be determined based on the unaudited NTA per Share of AmFinance as at the completion date.

(iii) Proposed Business Merger

Upon completion of the Proposed AmBank Acquisition by AmFinance, the finance company business of AmFinance and the commercial banking business of AmBank will be merged by way of a transfer of AmBank’s assets and liabilities (save for certain non-transferable assets) to AmFinance via a vesting order under Section 50 of the Banking and Financial Institutions Act, 1989.

The Proposed AmBank Acquisition by AmFinance is conditional upon completion of the Proposed Acquisition by AMFB.

The Proposed Acquisition by AMFB, Proposed AmBank Acquisition by AmFinance and Proposed Business Merger are subject to the approvals of SC, Minister of Finance, Bank Negara Malaysia and other relevant authorities.

On 26 April 2005 and 9 May 2005, the Company had obtained the approval of the Minister of Finance and the Foreign Investment Committee for the proposed merger of AmBank’s commercial banking business and finance company business.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

53. Prior Year's Adjustments

During the financial year, the Group adopted the Bank Negara Malaysia's Revised Guidelines on Financial Reporting for Licensed Institutions dated 5 October 2004 on the accounting treatment of charging handling fees paid to motor vehicle dealers for hire purchase loans in the period that it was incurred to the income statement and the 3-month classification for non-performing loans from the previous 6-month classification. These change in accounting policies has been accounted for retrospectively and has the following impact on previous financial year results and comparative figures as follows:

The Group	As previously reported RM'000	Effect of change RM'000	As restated RM'000
Balance Sheet			
As at 31 March 2003			
Gross non-performing loans and financing	8,000,125	1,811,505	9,811,630
Interest/Income-in-suspense	1,763,808	57,414	1,821,222
Deferred tax assets	837,497	38,603	876,100
Unappropriated profit	757,677	(70,237)	687,440
Minority interests	811,841	(34,531)	777,310
As at 31 March 2004			
Gross non-performing loans and financing	7,493,282	2,792,431	10,285,713
Interest/Income-in-suspense	1,436,556	56,002	1,492,558
Deferred tax assets	973,554	43,487	1,017,041
Other assets	1,374,634	(103,637)	1,270,997
Unappropriated profit	676,648	(79,012)	597,636
Minority interests	968,558	(37,140)	931,418
Net tangible assets per share (RM)	2.06	(0.04)	2.02
Income Statement			
Financial year ended 31 March 2004			
Interest income	1,424,749	(25,977)	1,398,772
Net income from Islamic Banking business	337,155	27,438	364,593
Staff costs and overheads	1,399,143	17,193	1,416,336
Taxation	(39,841)	(4,398)	(44,239)
Net transfer to deferred taxation	137,391	4,884	142,275
Profit after taxation before minority interests	398,265	(11,384)	386,881
Minority interests	(174,544)	2,609	(171,935)
Profit attributable to shareholders	223,721	(8,775)	214,946

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

54. Islamic Banking Business

The state of affairs as at 31 March 2005 and the results for the year ended 31 March 2005 of the Islamic Banking Business of the Group and included in the financial statements after elimination of intercompany transactions and balances are summarised as follows:

BALANCE SHEET AS AT 31 MARCH 2005

	Note	The Group	
		2005 RM'000	2004 RM'000
ASSETS			
Cash and short-term funds	(ii)	922,365	567,312
Deposit with financial institutions	(iii)	77,300	30,000
Dealing securities	(iv)	178,506	107,002
Investment securities	(v)	504,811	554,911
Financing activities	(vi)	7,026,806	6,516,195
Statutory deposit with Bank Negara Malaysia		245,681	213,650
Other receivables, deposits and prepayments		15,750	3,138
Deferred tax assets	(xix)	84,509	49,117
Property and equipment	(vii)	56	64
TOTAL ASSETS		9,055,784	8,041,389
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(viii)	3,579,449	3,099,575
Deposits of banks and other financial institutions	(ix)	3,879,573	3,538,933
Converted fund	(x)	301,677	328,321
Acceptances payable		43,454	151
Other liabilities	(xi)	340,843	376,140
Total Liabilities		8,144,996	7,343,120
ISLAMIC BANKING FUNDS			
Capital funds	(xii)	595,542	475,542
Unappropriated profit		315,246	222,727
Islamic Banking Funds		910,788	698,269
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		9,055,784	8,041,389
COMMITMENTS AND CONTINGENCIES	(xx)	4,221,222	2,432,369

The accompanying notes form an integral part of the Islamic Banking Business financial statements.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	Note	The Group	
		2005 RM'000	2004 RM'000
Income derived from investment of depositors' funds and others	(xiii)	597,810	473,338
Reversal of allowance/(allowance) for diminution in value of investments		738	(1,924)
Financing loss and allowances	(xiv)	(209,498)	(158,195)
Transfer to profit equalization reserve		(57,949)	(47,870)
Total attributable income		331,101	265,349
Income attributable to the depositors	(xv)	(259,052)	(183,463)
Profit attributable to the Group		72,049	81,886
Income derived from Islamic Banking Funds	(xvi)	96,247	74,718
Total net income		168,296	156,604
Operating expenditure	(xvii)	(39,629)	(64,498)
Profit before taxation		128,667	92,106
Taxation	(xviii)	(36,148)	(28,079)
Profit after taxation		92,519	64,027

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2005

Group	Note	Distributable		Total RM'000
		Capital Funds RM'000	Unappropriated Profit RM'000	
At 1 April 2003				
As previously stated		190,542	194,469	385,011
Prior year adjustments	(xxv)	-	(35,769)	(35,769)
At 1 April 2003 (restated)		190,542	158,700	349,242
Funds allocated from				
Head Office		285,000	-	285,000
Profit for the year		-	64,027	64,027
At 31 March 2004		475,542	222,727	698,269
At 1 April 2004				
As previously stated		475,542	257,882	733,424
Prior year adjustments	(xxv)	-	(35,155)	(35,155)
At 1 April 2004 (restated)		475,542	222,727	698,269
Funds allocated from				
Head Office		120,000	-	120,000
Profit for the year		-	92,519	92,519
At 31 March 2005		595,542	315,246	910,788

The accompanying notes form an integral part of the Islamic Banking Business financial statements.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	The Group	
	2005 RM'000	2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	128,667	92,106
Add/(Less) adjustments for:		
Specific allowance for bad and doubtful financing	202,379	114,240
Transfer to profit equalization reserve	57,949	47,870
Net income suspended	33,107	24,959
General allowance for bad and doubtful financing	20,107	47,781
Depreciation of property and equipment	65	53
(Reversal of allowance)/Allowance for diminution in value of investments	(738)	1,924
Property and equipment written off	-	3
Operating profit before working capital changes	441,536	328,936
(Increase)/Decrease in operating assets		
Deposits with financial institutions	(47,300)	(30,000)
Dealing securities	(70,766)	101,995
Financing activities	(766,204)	(3,269,798)
Other receivables, deposits and prepayments	(12,612)	(24,332)
Statutory deposits with Bank Negara Malaysia	(32,031)	(114,492)
Increase/(Decrease) in operating liabilities		
Deposits from customers	479,874	1,477,914
Deposits of banks and other financial institutions	340,640	1,549,438
Converted fund	(26,644)	23,301
Acceptances payable	43,303	60
Other liabilities	(159,471)	135,780
Net cash generated from operating activities	190,325	178,802
Taxation paid	(5,315)	-
Net cash generated from operating activities	185,010	178,802
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	50,100	(213,520)
Purchase of property and equipment	(57)	(12)
Net cash generated from/(used in) investing activities	50,043	(213,532)
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from increase in capital funds	120,000	285,000
Net cash generated from financing activity	120,000	285,000
Net increase in cash and cash equivalents	355,053	250,270
Cash and cash equivalents at beginning of year	567,312	317,042
Cash and cash equivalents at end of year	922,365	567,312

The accompanying notes form an integral part of the Islamic Banking Business financial statements.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

NOTES TO THE ISLAMIC BANKING BUSINESS FINANCIAL STATEMENTS

(i) ISLAMIC BANKING BUSINESS

Disclosure of Shariah Advisor

The Group's Islamic banking activities are subject to conformity with Shariah requirements and confirmation by the Shariah Advisor, Professor Madya Dato' Hj Md. Hashim bin Yahya, Dato' Sheikh Ghazali bin Hj Abdul Rahman and Professor Dr Mohd Daud Bakar. The role and authority of the Shariah Advisor are as follows:

- (a) Advise and provide guidance on all matters pertaining to Shariah principles including product development, marketing and implementation activities.
- (b) Assist in the setting up of business and operational procedures with respect to compliance with Shariah principles.

(ii) CASH AND SHORT TERM FUNDS

	The Group	
	2005 RM'000	2004 RM'000
Cash and bank balances	9,167	9,012
Money on call and deposits maturing within one month:		
Licensed banks	580,950	492,000
Licensed finance companies	154,048	40,000
Other financial institutions	178,200	26,300
	922,365	567,312
 (iii) DEPOSITS WITH FINANCIAL INSTITUTIONS		
Licensed banks	77,300	30,000

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(iv) DEALING SECURITIES

	The Group	
	2005 RM'000	2004 RM'000
Money Market Securities:		
Cagamas Mudharabah Bearer Bonds	60,022	53,500
Malaysian Government Investment Certificates	668	927
Negotiable Islamic debt certificates	11,991	-
Khazanah Bonds	139	-
	72,820	54,427
Unquoted Private Debt Securities of Companies Incorporated In Malaysia:		
Corporate bonds	51,290	51,290
Islamic corporate bonds	56,677	3,704
Islamic corporate notes	-	486
	107,967	55,480
	180,787	109,907
Allowance for diminution in value of investments	(2,281)	(2,905)
Total/Net	178,506	107,002
Market indicative value:		
Money Market Securities:		
Cagamas Mudharabah Bearer Bonds	60,363	53,500
Malaysian Government Investment Certificates	671	932
Negotiable Islamic debt certificates	12,174	-
Khazanah Bonds	138	-
Unquoted Private Debt Securities of Companies Incorporated In Malaysia:		
Islamic corporate bonds	56,557	3,664
Islamic corporate notes	-	487

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(v) INVESTMENT SECURITIES

	The Group	
	2005 RM'000	2004 RM'000
Money Market Securities:		
Negotiable Islamic debt certificate	224,005	237,658
Malaysian Government Investment Certificates	145,055	190,482
Khazanah bonds	105,999	82,491
Bankers acceptances	-	4,472
Islamic acceptance bills	-	2,979
	475,059	518,082
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:		
Corporate bonds	21,031	21,031
Unquoted Debt Equity Converted Securities Of Companies Incorporated In Malaysia	10,381	10,494
Total	506,471	549,607
Amortisation of premium less accretion of discount	8,721	15,798
Allowance for diminution in value of investments in Malaysia	(10,381)	(10,494)
Net	504,811	554,911
Market indicatice value:		
Money Market Securities:		
Negotiable Islamic debt certificate	235,000	255,000
Malaysian Government Investment Certificates	150,785	202,530
Khazanah bonds	110,171	87,231
Bankers acceptances	-	4,472
Islamic acceptance bills	-	2,997
Unquoted Private Debt Securities Of Companies Incorporated In Malaysia:		
Corporate bonds	20,790	20,990
The maturity structure of money market securities held for investment is as follows:		
Maturing within one year	181,382	251,123
One year to two years	167,399	186,899
Two years to three years	126,278	80,060
	475,059	518,082

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(vi) FINANCING ACTIVITIES

	The Group	
	2005 RM'000	2004 RM'000
Term financing/Revolving credit financing	1,249,096	1,490,015
Islamic hire purchase, net of unearned income	4,128,835	4,136,315
Credit card receivables	212,024	74,752
Trust receipts	13,629	1,646
Bills receivables	164,023	39,383
Other financing	1,779,585	1,143,721
Gross financing	7,547,192	6,885,832
Less:		
Allowance for bad and doubtful financing		
General	121,150	101,043
Specific	221,416	91,255
	342,566	192,298
Income-in-suspense	177,820	177,339
	520,386	369,637
Net financing	7,026,806	6,516,195
Financing analysed by concepts are as follows:		
Al-Ijarah	4,747,879	4,566,874
Al-Bai' Bithaman Ajil	2,074,669	1,741,717
Al-Musyarakah	274,434	399,187
Al-Murabahah	217,980	86,387
Al-Bai In'nah	211,899	73,533
Al-Wujud	16,499	17,012
Al-Istina	3,832	1,122
	7,547,192	6,885,832
The maturity structure of financing are as follows:		
Maturing within one year	3,316,022	2,582,630
One year to three years	1,807,294	1,800,270
Three to five years	1,394,043	1,451,240
Over five years	1,029,833	1,051,692
	7,547,192	6,885,832

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Financing analysed by their economic purposes are as follows:

	The Group			
	2005		2004	
	RM'000	%	RM'000	%
Purchase of transport vehicles	4,030,324	53.4	3,962,298	57.5
Consumption credit	931,868	12.3	443,091	6.4
Purchase of landed property of which:				
(a) Residential	409,617	5.4	350,846	5.1
(b) Non-residential	103,294	1.4	222,635	3.2
Manufacturing	344,364	4.6	190,577	2.8
Investment holding	325,719	4.3	325,314	4.7
Finance, insurance and business services	278,960	3.7	263,796	3.8
Construction	240,205	3.2	221,454	3.2
Agriculture	231,301	3.1	401,490	5.8
Real estate	161,632	2.1	157,955	2.3
Transport, storage and communication	145,119	1.9	156,670	2.3
Electricity, gas and water	139,140	1.8	2,539	0.1
General commerce	113,729	1.5	97,630	1.4
Purchase of securities	32,569	0.4	32,569	0.5
Mining and quarrying	6,812	0.1	7,706	0.1
Others	52,539	0.7	49,262	0.8
	7,547,192	100.0	6,885,832	100.0

Gross financing analysed by type of customers are as follows:

	The Group	
	2005 RM'000	2004 RM'000
Individuals	5,424,619	4,806,415
Small medium industries	1,177,970	1,081,764
Business enterprises	692,424	680,234
Government	40,376	40,423
Other domestic entities	208,060	271,348
Foreign entities	3,051	4,936
Non-bank financial institutions	692	712
	7,547,192	6,885,832

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

Movements in non-performing financing are as follows:

	The Group	
	2005 RM'000	2004 RM'000
Gross		
Balance at beginning of year		
As previously stated	450,909	407,545
Prior year's adjustments (Note xxv)	683,272	65,088
	1,134,181	472,633
Non-performing during the year	202,452	798,414
Reclassification to performing financing	(413,091)	(59,013)
Recoveries	(88,067)	(14,296)
Amount written off	(80,604)	(60,819)
Debt equity conversion	(2,178)	-
Transfer to conventional business	-	(2,738)
Balance at end of year	752,693	1,134,181
Less:		
Specific allowance	221,416	91,255
Income-in-suspense	177,820	177,339
	399,236	268,594
Non-performing financing - net	353,457	865,587
Ratio of non-performing financing to total financing - Net	4.94%	13.08%

Movements in allowances for bad and doubtful financing and income-in-suspense accounts are as follows:

	The Group	
	2005 RM'000	2004 RM'000
General Allowance		
Balance at beginning of year	101,043	53,262
Allowance made during the year	20,107	47,781
Balance at end of year	121,150	101,043
Specific Allowance		
Balance at beginning of year	91,255	56,034
Allowance made during the year	270,782	136,132
Amount written back in respect of recoveries	(68,403)	(21,892)
Net charge to income statement	202,379	114,240
Reclassifications	29	247
Amount written off/Adjustment to Asset Deficiency Account	(72,247)	(79,266)
Balance at end of year	221,416	91,255

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

	The Group	
	2005 RM'000	2004 RM'000
Income-in-suspense		
Balance at beginning of year		
As previously reported	172,097	136,558
Prior year's adjustments (Note xxv)	5,242	32,680
	177,339	169,238
Income suspended during the year	51,826	41,175
Amount written back in respect of recoveries	(18,719)	(16,216)
Net charge to income statement	33,107	24,959
Amount written off/Adjustment to Asset Deficiency Account	(31,339)	(16,858)
Reclassifications to conventional	(1,287)	-
Balance at end of year	177,820	177,339

(vii) PROPERTY AND EQUIPMENT

The Group	Leasehold improvements RM'000	Computer hardware and software RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
COST				
At beginning and end of year	417	248	392	1,057
Addition	36	19	2	57
	453	267	394	1,114
ACCUMULATED DEPRECIATION				
At beginning of year	415	220	358	993
Addition	37	12	16	65
At end of year	452	232	374	1,058
NET BOOK VALUE				
As at 31 March 2005	1	35	20	56
As at 31 March 2004	2	28	34	64
Depreciation charge for the year ended 31 March 2004	1	24	28	53

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(viii) DEPOSITS FROM CUSTOMERS

	The Group	
	2005 RM'000	2004 RM'000
Mudarabah Fund		
Special Investment deposits	311,881	119,730
General Investment deposits	2,729,158	2,496,256
Non-Mudarabah Fund		
Demand deposits	103,869	70,396
Savings deposits	395,691	270,661
Negotiable Islamic debt certificates	38,850	142,532
	3,579,449	3,099,575

The maturity structure of deposits from customers is as follows:

Due within six months	3,298,011	2,713,502
Six months to one year	165,852	256,150
One year to three years	108,285	108,236
Three years to five years	7,301	21,687
	3,579,449	3,099,575

The deposits are sourced from the following types of customers:

Government and statutory bodies	711,804	743,527
Business enterprises	1,544,440	1,568,040
Individuals	1,168,862	690,593
Others	154,343	97,415
	3,579,449	3,099,575

(ix) DEPOSITS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

Mudarabah Fund		
Licensed banks	99,614	25,576
Other financial institutions	1,285,183	1,359,273
Non-Mudarabah Fund		
Licensed banks	1,293,660	865,780
Licensed finance companies	95,060	179,661
Licensed merchant banks	147,153	146,439
Other financial institutions	958,903	962,204
	3,879,573	3,538,933

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(x) CONVERTED FUND

This represent funds transferred from Non Islamic Banking Business to Islamic Banking Business for funding purposes at commercial terms.

(xi) OTHER LIABILITIES

	The Group	
	2005 RM'000	2004 RM'000
Other payables and accruals	153,586	94,251
Amount owing to head office	18,615	177,122
Profit equalisation reserve	112,261	54,312
Lease deposits and advance rentals	17,050	11,124
Taxation and zakat payable	39,331	39,331
	340,843	376,140

The movements in profit equalisation reserve are as follows:

Balance at beginning of year	54,312	6,442
Provision during the year	62,540	51,865
Amount written back	(4,591)	(3,995)
Balance at end of year	112,261	54,312

(xii) CAPITAL FUNDS

Allocated :

Balance at beginning of year	610,542	240,542
Increase during the year	-	370,000
Balance at end of year	610,542	610,542

Utilised :

Balance at beginning of year	475,542	190,542
Increase during the year	120,000	285,000
Balance at end of year	595,542	475,542

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(xiii) INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	The Group	
	2005 RM'000	2004 RM'000
Income derived from investment of:		
(i) general investment deposits	320,130	306,614
(ii) specific investment deposits	7,757	15,510
(iii) others	269,923	151,214
	597,810	473,338
(i) Income derived from investment of general investment deposits		
Finance income and hibah :		
Financing activities	301,564	287,713
Dealing securities	3,165	4,829
Investment securities	195	307
Money at call and deposits with financial institutions	10,868	5,924
	315,792	298,773
Income-in-suspense	(4,675)	(1,647)
Accretion of discount	5,149	4,747
	316,266	301,873
Net gain from sale of dealing securities	3	212
Net gain from sale of investment securities	48	427
	51	639
Fee and commission income:		
Commission	307	1,068
Other fee income	3,506	3,034
	3,813	4,102
Total	320,130	306,614
(ii) Income derived from investment of specific investment deposits		
Finance income and hibah :		
Financing activities	7,757	15,510

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(iii) Income derived from investment of other deposits

	The Group	
	2005 RM'000	2004 RM'000
Finance income and hibah :		
Financing activities	265,246	145,860
Dealing securities	5,158	9,645
Investment securities	882	971
Money at call and deposits with financial institutions	5,292	5,538
	276,578	162,014
Income-in-suspense	(27,691)	(23,465)
Accretion of discount	11,645	5,907
	260,532	144,456
Net gain from sale of dealing securities	15	704
Net gain from sale of investment securities	216	1,418
	231	2,122
Fee and commission income:		
Commission	529	658
Other fee income	8,631	3,978
	9,160	4,636
Total	269,923	151,214
(xiv) FINANCING LOSS AND ALLOWANCES		
Allowance for bad and doubtful financing:		
- general allowance	20,107	47,781
- specific allowance (net)	202,379	114,240
	222,486	162,021
Bad debts recovered	(12,988)	(3,826)
	209,498	158,195
(xv) INCOME ATTRIBUTABLE TO DEPOSITORS		
Deposits from customers		
- Mudarabah Fund	87,075	95,684
- Non-Mudarabah Fund	9,890	44,083
Deposits and placements of banks and other financial institutions		
- Mudarabah Fund	36,150	2,215
- Non-Mudarabah Fund	103,303	17,797
Converted funds	22,634	23,684
	259,052	183,463

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(xvi) INCOME DERIVED FROM ISLAMIC BANKING FUNDS

	The Group	
	2005 RM'000	2004 RM'000
Finance income and hibah :		
Financing activities	56,448	42,005
Dealing securities	926	721
Investment securities	84	102
Money at call and deposits with financial institutions	2,581	1,465
	60,039	44,293
Income-in-suspense	(741)	153
Accretion of discount	1,431	907
	60,729	45,353
Net gain from sale of dealing securities	26,583	22,453
Net gain from sale of investment securities	21	440
	26,604	22,893
Fee and commission income		
Guarantee fees	3,274	155
Other fee income	5,640	6,317
	8,914	6,472
Total	96,247	74,718
(xvii) OPERATING EXPENDITURE		
Personnel costs	1,489	5,174
Establishment costs	98	1,755
Marketing and communication expenses	34,845	53,465
Administration and general expenses	3,197	4,104
	39,629	64,498
(xviii) TAXATION		
Estimated current tax payable	71,540	62,205
Transfer to deferred tax assets (Note xix)	(35,392)	(34,126)
Total	36,148	28,079

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(xix) DEFERRED TAX ASSETS

	The Group	
	2005 RM'000	2004 RM'000
Balance at beginning of year		
As previously stated	48,979	14,913
Prior year's adjustments (Note xxv)	138	78
	49,117	14,991
Net transfer from income statement (Note xviii)	35,392	34,126
Balance at end of year	84,509	49,117
The deferred taxation is in respect of the following:		
General allowance for financing activities	33,923	28,291
Profit equalisation reserve	31,433	15,208
Unabsorbed tax losses	18,059	6,300
Allowance for diminution in value of investment	3,545	3,742
Accretion of discounts on investments	(2,442)	(4,424)
Temporary difference between depreciation and tax allowance	(9)	
	84,509	49,117

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(xx) COMMITMENTS AND CONTINGENCIES

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

As at 31 March 2005, the commitments and contingencies outstanding are as follows:

The Group	2005			2004		
	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
Commitments						
Irrevocable commitments to extend credit maturing:						
Within one year	810,084	-	-	537,814	-	-
More than one year	36,959	18,479	18,479	97,553	48,777	48,777
Direct credit substitutes	30,000	30,000	6,000	-	-	-
Sale and buy back agreements	1,797,882	1,797,882	965,427	1,451,451	1,451,451	759,285
	2,674,925	1,846,361	989,906	2,086,818	1,500,228	808,062
Contingent Liabilities						
Islamic revolving underwriting facilities	294,000	147,000	126,600	216,400	108,200	108,200
Certain transaction-related contingent items	24,671	12,336	12,336	23,499	11,750	11,750
Financing sold to Cagamas Bhd	928,658	928,658	927,011	3,508	3,508	1,754
Short-term self liquidating trade-related contingencies	19,660	3,932	3,828	6,936	1,387	1,387
Al-Kafalah guarantees	279,264	279,264	161,915	95,208	95,208	66,667
Others	44	-	-	-	-	-
	1,546,297	1,371,190	1,231,690	345,551	220,053	189,758
	4,221,222	3,217,551	2,221,596	2,432,369	1,720,281	997,820

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

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(xxi) YIELD/PROFIT RATE RISK

The following table shows the effective profit rates at the balance sheet date and the periods in which the financial instruments reprice or mature, whichever is earlier.

The Group	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years	Non- yield/profit sensitive	Total	Effective profit rate
2005	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS									
Cash and short-term funds	916,453	-	-	-	-	-	5,912	922,365	2.73
Deposits with financial institutions	-	77,300	-	-	-	-	-	77,300	2.80
Dealing securities	17,193	-	15,865	25,250	111,920	8,278	-	178,506	4.19
Investment securities	-	-	-	189,668	313,774	1,369	-	504,811	3.40
Financing activities									
- performing	435,449	766,240	399,436	779,153	3,739,313	674,908	-	6,794,499	7.97
- non-performing*	-	-	-	-	-	-	232,307	232,307	-
Other non-profit sensitive balances	-	-	-	-	-	-	345,996	345,996	-
TOTAL ASSETS	1,369,095	843,540	415,301	994,071	4,165,007	684,555	584,215	9,055,784	
LIABILITIES AND ISLAMIC BANKING FUNDS									
Deposits from customers	1,871,225	950,306	363,075	165,852	125,123	-	103,868	3,579,449	2.81
Deposits of banks and other financial institutions	940,990	1,457,278	344,863	576,851	548,411	-	11,180	3,879,573	3.18
Converted funds	5,704	152,741	5,370	1,073	-	-	136,789	301,677	3.24
Acceptances payable	6,813	15,013	21,628	-	-	-	-	43,454	
Other non-profit sensitive balances	-	-	-	-	-	-	340,843	340,843	-
Total Liabilities	2,824,732	2,575,338	734,936	743,776	673,534	-	592,680	8,144,996	
Islamic Banking Funds	-	-	-	-	-	-	910,788	910,788	
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	2,824,732	2,575,338	734,936	743,776	673,534	-	1,503,468	9,055,784	
On-balance sheet yield/profit rate sensitivity gap	(1,455,637)	(1,731,798)	(319,635)	250,295	3,491,473	684,555	(919,253)	-	
Off-balance sheet yield/profit rate sensitivity gap	(696,772)	(764,617)	(240,651)	410,362	1,048,074	243,604	-	-	
Total yield/profit rate sensitivity gap	(2,152,409)	(2,496,415)	(560,286)	660,657	4,539,547	928,159	(919,253)	-	
Cumulative yield/profit rate sensitivity gap	(2,152,409)	(4,648,824)	(5,209,110)	(4,548,453)	(8,906)	919,253	-	-	

* This is arrived at after deducting the general allowance, specific allowance and income-in-suspense from gross non-performing financing outstanding.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

The Group	Up to 1 month	>1 - 3 months	>3 - 6 months	>6 - 12 months	1 - 5 years	Over 5 years	Non-yield/profit sensitive	Total	Effective profit rate
2004	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
ASSETS									
Cash and short-term funds	558,300	-	-	-	-	-	9,012	567,312	2.70-2.80
Deposits with financial institutions	-	20,000	10,000	-	-	-	-	30,000	2.96
Dealing securities	-	851	100	486	72,877	32,688	-	107,002	3.50-3.97
Investment securities	17,453	188,651	58,081	-	288,952	1,774	-	554,911	3.05-3.50
Financing activities									
- performing	687,822	222,132	16,602	956,016	2,683,897	1,185,182	-	5,751,651	5.40-8.61
- non-performing*	-	-	-	-	-	-	764,544	764,544	-
Other non-profit sensitive balances	-	-	-	-	-	-	265,969	265,969	-
TOTAL ASSETS	1,263,575	431,634	84,783	956,502	3,045,726	1,219,644	1,039,525	8,041,389	
LIABILITIES AND ISLAMIC BANKING FUNDS									
Deposits from customers	1,383,738	829,827	429,541	256,150	129,922	-	70,397	3,099,575	2.68
Deposits of banks and other financial institutions	1,038,390	808,836	323,021	798,146	553,157	16,455	928	3,538,933	4.50
Converted funds	-	-	328,321	-	-	-	-	328,321	3.22
Acceptances payable	-	-	151	-	-	-	-	151	3.00
Other non-profit sensitive balances	-	-	-	-	-	-	376,140	376,140	-
Total Liabilities	2,422,128	1,638,663	1,081,034	1,054,296	683,079	16,455	447,465	7,343,120	
Islamic Banking Funds	-	-	-	-	-	-	698,269	698,269	
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	2,422,128	1,638,663	1,081,034	1,054,296	683,079	16,455	1,145,734	8,041,389	
On-balance sheet yield/profit rate sensitivity gap	(1,158,553)	(1,207,029)	(996,251)	(97,794)	2,362,647	1,203,189	(106,209)	-	
Off-balance sheet yield/profit rate sensitivity gap	(755,944)	(311,481)	(182,294)	108,127	895,103	246,489	-	-	
Total yield/profit rate sensitivity gap	(1,914,497)	(1,518,510)	(1,178,545)	10,333	3,257,750	1,449,678	(106,209)	-	
Cumulative yield/profit rate sensitivity gap	(1,914,497)	(3,433,007)	(4,611,552)	(4,601,219)	(1,343,469)	106,209	-	-	

* This is arrived at after deducting the general allowance, specific allowance and income-in-suspense from gross non-performing financing outstanding.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(xxii) FAIR VALUE OF ISLAMIC BANKING OPERATIONS FINANCIAL INSTRUMENTS

The estimated fair values of the Group Islamic Banking Business financial instruments are as follows:

The Group	2005		2004	
	Carrying Value RM'000	Fair Value RM'000	Carrying Value RM'000	Fair Value RM'000
Financial Assets				
Cash and short-term funds	922,365	922,365	567,312	567,312
Deposits with financial institutions	77,300	77,300	30,000	30,000
Dealing securities	178,506	178,912	107,002	107,002
Investment securities	504,811	506,693	554,911	557,589
Financing activities*	7,147,956	7,458,367	6,617,238	7,250,697
Other financial assets	15,750	15,750	3,138	3,138
	<u>8,846,688</u>	<u>9,159,387</u>	<u>7,879,601</u>	<u>8,515,738</u>
Non-financial assets	209,096		161,788	
TOTAL ASSETS	<u>9,055,784</u>		<u>8,041,389</u>	
Financial Liabilities				
Deposits from customers	3,579,449	3,589,364	3,099,575	3,100,413
Deposits of banks and other financial institutions	3,879,573	3,885,932	3,538,933	3,546,687
Converted funds	301,677	301,677	328,321	340,697
Acceptances payable	43,454	43,454	151	151
Other financial liabilities	189,251	189,251	282,497	282,497
	<u>7,993,404</u>	<u>8,009,678</u>	<u>7,249,477</u>	<u>7,270,445</u>
Non-financial liabilities				
Other non-financial liabilities	151,592		93,643	
Islamic Banking Funds	910,788		698,269	
	<u>1,062,380</u>		<u>791,912</u>	
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	<u>9,055,784</u>		<u>8,041,389</u>	

* The general allowance for the Group amounting to RM121,150,000 (RM101,043,000 as at 31 March 2004) has been included under non-financial assets.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(xxiii) NET INCOME FROM ISLAMIC BANKING BUSINESS

For consolidation with the conventional operations, net income from Islamic Banking Business comprises the following items:

	The Group	
	2005 RM'000	2004 RM'000
Income derived from investment of depositors' funds and others	597,810	473,338
Less : Income attributable to depositors	(259,052)	(183,463)
Income attributable to the Group	338,758	289,875
Income derived from Islamic Banking Funds	96,247	74,718
	435,005	364,593

(xxiv) CAPITAL ADEQUACY RATIO

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

	2005 RM'000	2004 RM'000
Tier 1 capital		
Capital funds	595,542	475,542
Unappropriated profit at end of year	315,246	226,530
Total tier 1 capital	910,788	702,072
Less: Deferred tax assets - net	(84,509)	(48,979)
	826,279	653,093
Tier 2 capital		
General allowance for bad and doubtful financing	121,150	101,043
Capital base	947,429	754,136
Capital Ratios:		
Core capital ratio	8.73%	8.49%
Risk-weighted capital ratio	10.01%	9.80%

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

	2005		2004	
	Principal RM'000	Risk- Weighted RM'000	Principal RM'000	Risk- Weighted RM'000
0%	1,416,097	-	827,147	-
10%	54,433	5,443	54,336	5,434
20%	1,467,968	293,594	1,369,380	273,876
50%	573,396	286,698	395,308	197,654
100%	8,877,003	8,877,003	7,216,710	7,216,710
	12,388,897	9,462,738	9,862,881	7,693,674

The capital adequacy ratio of the Group as at 31 March 2004 has not been restated for prior year adjustments effect as mentioned in Note xxv below.

Notes to the Financial Statements (cont'd)

For The Year Ended 31 March 2005

(xxv) PRIOR YEAR'S ADJUSTMENTS

The prior year's adjustments relate to the change in accounting policy on handling fees on hire purchase loans and the 3-month classification for non-performing loans from the previous 6-month classification.

The accounting policy change has been accounted for retrospectively and the effects on prior years have been taken up as a prior year adjustments in the financial statements.

Accordingly, the following accounts in prior years have been restated to reflect the effects of the accounting change.

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
Group			
As at 31 March 2003			
Non-performing loans	407,545	65,088	472,633
Income-in-suspense	(136,558)	(32,680)	(169,238)
Deferred tax assets	14,913	78	14,991
Unappropriated profit at end of the year	(194,469)	35,769	(158,700)
For the financial year ended 31 March 2004			
Income suspended	52,398	(27,439)	24,959
Operating expenditure	37,855	26,643	64,498
Taxation	27,899	180	28,079
As at 31 March 2004			
Non-performing loans	450,909	683,272	1,134,181
Income-in-suspense	(172,097)	(5,242)	(177,339)
Deferred tax assets	48,979	138	49,117
Other assets	46,682	(43,544)	3,138
Other liabilities	(389,633)	13,493	(376,140)
Unappropriated profit at end of the year	(257,882)	35,155	(222,727)

55. Comparatives

The comparative figures in respect of financial year ended 31 March 2004 have been audited by a firm of chartered accountants other than Ernst & Young.

56. Currency

All amounts are in Ringgit Malaysia.

List of Landed Properties

As At 31 March 2005

Location	Description	Age of Properties	Tenure	Net Book Value (RM)	Built-up Area (Sq.Ft)	Date of Acquisition
The properties owned by the subsidiary companies are as follows:						
Perlis Indera Kayangan						
13, Jalan Jubli Perak 01000 Kangar Perlis Indera Kayangan	One unit of double storey shoplot for branch premises	21 years	Freehold	123,085	2,800	4 Nov 1991
Perak Darul Ridzuan						
5, Main Road 32300 Pulau Pangkor Perak Darul Ridzuan	One unit of two-storey shophouse for branch premises	32 years	Freehold	56,133	2,720	31 Dec 1990
27, Jalan Trump Kuala Sepetang 34650 Taiping Perak Darul Ridzuan	One unit of double storey shoplot for branch premises	22 years	Freehold	44,801	2,702	4 Nov 1991
23 & 24, Jalan Raja Omar 32000 Sitiawan Perak Darul Ridzuan	Two units of three-storey shoplots for branch premises	23 years	Freehold	262,123	7,040	1 Nov 1991
107, Jalan Tokong Datoh 33300 Grik Perak Darul Ridzuan	One unit of two-storey shoplot for branch premises	20 years	Leasehold Term: 99 years Expiry: 30 Oct 2084	183,899	5,695	29 Dec 1990
2 & 4, Jalan Temenggong Pusat Bandar 34200 Parit Buntar Perak Darul Ridzuan	Two units of two-storey shoplots for branch premises	16 years	Leasehold Term: 99 years Expiry: Oct 2088	303,848	6,722	23 Dec 1993
Pulau Pinang						
1 & 3, Lorong Murni 6 Taman Desa Murni, Sungai Dua 13800 Butterworth Pulau Pinang	Two units of double storey shoplots for branch premises	13 years	Freehold	608,389	7,200	28 Nov 1996
35 & 36 - Phase 1 Prai Business Point Prai Perdana 12000 Seberang Prai Pulau Pinang	Two units of vacant three-storey shop office	5 years	Freehold	1,560,422	10,307	28 Nov 1998
1311, Jalan Besar 14200 Sungai Bakap Province Wellesley Pulau Pinang	One unit of two-storey shoplot for branch premises	15 years	Freehold	208,816	3,894	7 Dec 1992
4194, Jalan Bagan Luar 12000 Butterworth Pulau Pinang	Two units of two-storey shoplots for branch premises	20 years	Freehold	238,620	7,200	16 Sep 1992

List of Landed Properties

As At 31 March 2005 (cont'd)

Location	Description	Age of Properties	Tenure	Net Book Value (RM)	Built-up Area (Sq.Ft)	Date of Acquisition
Wilayah Persekutuan – Kuala Lumpur						
Bangunan AmBank 8, Jalan Yap Kwan Seng 50450 Kuala Lumpur	46-storey office building for operations and rental	7 years	Freehold	197,711,298	927,070	13 Mar 1990
Wisma AmBank 113, Jalan Pudu 55100 Kuala Lumpur	One unit 12-storey office building for operations and branch premises	19 years	Freehold	16,066,299	55,700	4 Nov 1991
Warisan MBf Jalan Tun H. S. Lee 50050 Kuala Lumpur	Four-storey pre-war shoplot used for branch premises	62 years	Freehold	4,500,000	16,114	24 Apr 1991
2 & 4, Jalan 12/5 Taman Melati, Setapak 53100 Kuala Lumpur	Two units of two-storey shoplots for storage purposes	14 years	Freehold	361,341	5,600	17 July 1992
2 & 4, Jalan 23/70A Desa Sri Hartamas 55048 Kuala Lumpur	Two units of four-storey shoplots for rental purposes	6 years	Freehold	3,346,750	13,504	23 Apr 1998
85, 87, 89, 107, 109 & 111 Jalan 3/93, Taman Miharja 55200 Kuala Lumpur	Six units of three-storey shoplots for rental purposes	15 years	Leasehold Term: 99 years Expiry: 11 Aug 2086	2,641,037	30,528	9 Mar 1992
45, Jalan 45/26 Taman Sri Rampai, Setapak 53300 Kuala Lumpur	One unit of three-storey shophouse for storage purposes	19 years	Freehold	200,925	1,399	20 Feb 1991
8th & 9th Floors Bangunan AMDB 1, Jalan Lumut 50400 Kuala Lumpur	Two floors of office space for operations	12 years	Freehold	7,738,320	25,488	18 May 1994
Wilayah Persekutuan – Labuan						
A (03-6) & E (03-1) Kerupang II 87000 Federal Territory of Labuan	Two units of three-room walk-up apartment for residential purposes	10 years	Leasehold Term: 99 years Expiry: 25 Apr 2058	401,586	1,016	30 June 1996
Alpha Park Tower Condo Labuan, 10th Floor Financial Park Complex 87000 Federal Territory of Labuan	Condominium for residential purposes	9 years	Leasehold Term: 99 years Expiry: 31 Dec 2090	462,756	1,679	1 July 1996

List of Landed Properties

As At 31 March 2005 (cont'd)

Location	Description	Age of Properties	Tenure	Net Book Value (RM)	Built-up Area (Sq.Ft)	Date of Acquisition
Selangor Darul Ehsan						
11, Jalan Taman Off Jalan Melayu, 41300 Klang Selangor Darul Ehsan	One unit of four-storey shoplot under joint venture for rental	20 years	Leasehold Term: 20 years Expiry: July 2006	35,062	6,200	4 Nov 1991
7 & 9, Jalan Perusahaan 2 Off Jalan Kolej 43300 Seri Kembangan Selangor Darul Ehsan	Two units of two-storey commercial complex for branch premises	19 years	Leasehold Term: 40 years Expiry: May 2017	525,733	8,000	25 Nov 1995
Damansara Fairway 3 6C, Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan	One unit of 13-storey office building	14 years	Leasehold Term: 99 years Expiry: 25 Oct 2090	18,499,855	76,120	13 Oct 2000
Pahang Darul Makmur						
Lot 8, Sec 7, Jalan Besar Gambang, 25000 Kuantan Pahang Darul Makmur	One piece of vacant land	N/A	Freehold	27,000	1,600	4 Nov 1991
Lot 4, Sec 1, Pekan Mengkuang Mukim of Triang District of Temerloh Pahang Darul Makmur	One piece of vacant land	N/A	Freehold	61,000	410,009	4 Nov 1991
533, Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur	One unit of apartment	21 years	Leasehold Term: 85 years Expiry: Aug 2067	166,006	980	30 Nov 1985
Melaka						
Lot 43 & 44, Sec 7 Jalan Hang Tuah Town Area XXI, Melaka Tengah Melaka	Two pieces of vacant land for rental purposes	N/A	Freehold	3,492,416	26,789	4 Nov 1991
Negeri Sembilan Darul Khusus						
226, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus	One unit of abandoned four-storey shophouse	21 years	Freehold	143,684	5,200	4 Nov 1991
Lot 14, Rompin, Jempol Negeri Sembilan Darul Khusus	One piece of vacant land	N/A	Freehold	50,000	219,412	4 Nov 1991
22 & 23, Jalan Dato' Lee Fong Yee 70000 Seremban Negeri Sembilan Darul Khusus	Two units of four-storey shoplots for branch premises	20 years	Freehold	1,142,930	22,000	15 Mar 1990

List of Landed Properties

As At 31 March 2005 (cont'd)

Location	Description	Age of Properties	Tenure	Net Book Value (RM)	Built-up Area (Sq.Ft)	Date of Acquisition
Johor Darul Takzim						
S142, Bt 22, Jalan Mersing Kahang New Village 86700 Kahang Johor Darul Takzim	One unit of double storey shoplot for branch premises	22 years	Freehold	75,773	2,300	4 Nov 1991
33 & 35, Jalan Permatang 12 Taman Desa Jaya 81100 Johor Bahru Johor Darul Takzim	Two units of two-storey shoplots for storage purposes	15 years	Freehold	415,142	5,800	8 July 1990
31-7, Jalan Raya Kulai Besar 81000 Kulai Johor Darul Takzim	One unit of shoplot for branch premises	17 years	Freehold	407,590	6,930	19 May 1992
14 & 15, Jalan Abdullah 85000 Segamat Johor Darul Takzim	Two units of four-storey shoplots for branch premises	65 years	Freehold	393,021	5,832	12 June 1985
100, Jalan Besar 83700 Yong Peng Johor Darul Takzim	One unit of shoplot for branch premises	67 years	Freehold	231,261	3,120	12 June 1985
PTD No.3700, 3702, 3887, 4338 and 4339 H.S.(D) 9062, 9064, 9249, 9695, 9696, 10101 and 10128 Mukim Paloh, Daerah Kluang Johor Darul Takzim	Five pieces of bungalow land	N/A	Freehold	271,224	33,903	29 Dec 1999
PT 4758, 4759, 4760, 4761, 4762, 4763,4764,and 4765 H.S.(D) 10114, 10115, 10116 10117, 10118, 10119, 10120 and 10121 Mukim Paloh, Daerah Kluang Johor Darul Takzim	Eight pieces of semi-detached land	N/A	Freehold	239,616	29,952	29 Dec 1999
Kelantan Darul Naim						
707, Jalan Masjid Lama 17000 Pasir Mas Kelantan Darul Naim	One unit of two-storey shoplot for branch premises	27 years	Leasehold Term: 66 years Expiry: Jan 2061	343,827	3,024	25 June 1993
Terengganu Darul Iman						
50, Jalan Lim Teck Wan 23000 Dungun Terengganu Darul Iman	One unit of double storey shoplot for branch premises	22 years	Freehold	164,803	3,600	4 Nov 1991
Sabah and Sarawak						
TL017533238, Likas District of Kota Kinabalu Sabah	Vacant commercial land	N/A	Leasehold Term:99 years Expiry: Dec 2075	8,094,538	216,232	24 May 2001
257, Jalan Haji Taha 93400 Kuching Sarawak	Seven-storey office building for branch premises and rental	6 years	Leasehold Term: 855 years Expiry: July 2792	14,877,089	51,906	31 Dec 1994

Shareholding and Warrant Holding Structures

As At 26 July 2005

ANALYSIS OF SHAREHOLDINGS

Authorised Share Capital	:	RM5,000,000,000
Paid-up Share Capital	:	RM2,130,533,695
Class of Share	:	Ordinary share of RM1.00 each
Voting Rights	:	1 vote per shareholder on a show of hands 1 vote per ordinary share on a poll

	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Size of Shareholdings				
Less than 100	981	2.24	41,548	0.00
100 - 1,000	10,749	24.58	8,623,027	0.40
1,001 - 10,000	24,724	56.54	102,678,816	4.82
10,001 - 100,000	6,451	14.75	175,558,030	8.24
100,001 - less than 5.0% of issued shares	822	1.88	1,067,489,219	50.11
5.0% and above of issued shares	3	0.01	776,143,055	36.43
Total	43,730	100.00	2,130,533,695	100.00

	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Location of Shareholders				
Malaysia	41,805	95.60	1,691,368,451	79.39
Singapore	499	1.14	8,218,376	0.38
Hong Kong	11	0.02	786,124	0.04
Australia	41	0.09	633,774	0.03
Japan	3	0.01	22,000	0.00
United States	17	0.04	222,558	0.01
Other Countries	1,354	3.10	429,282,412	20.15
Total	43,730	100.00	2,130,533,695	100.00

	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Types of Shareholders (By Nationality)				
Malaysian				
- Individual	35,842	81.96	242,106,318	11.36
- Nominee companies	5,307	12.14	935,105,032	43.89
- Other companies	656	1.50	514,157,101	24.14
Singaporean	499	1.14	8,218,376	0.38
Hong Kong Nationals	11	0.02	786,124	0.04
Australian	41	0.09	633,774	0.03
Japanese	3	0.01	22,000	0.00
American	17	0.04	222,558	0.01
Other Nationalities	1,354	3.10	429,282,412	20.15
Total	43,730	100.00	2,130,533,695	100.00

Shareholding and Warrant Holding Structures

As At 26 July 2005 (cont'd)

30 LARGEST SHAREHOLDERS

		No. of Shares	%
1	UOBM Nominees (Tempatan) Sdn Bhd Arab - Malaysian Corporation Berhad	479,126,825	22.49
2	Employees Provident Fund Board	271,915,634	12.76
3	Arab-Malaysian Corporation Berhad	115,100,596	5.40
4	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd Arab-Malaysian Corporation Berhad	62,500,000	2.93
5	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd for Government Of Singapore	42,183,499	1.98
6	HSBC Nominees (Asing) Sdn Bhd BNY Brussels for The Great Eastern Life Assurance Co Ltd	38,684,200	1.82
7	Malaysia Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad	27,127,500	1.27
8	Valuecap Sdn Bhd	26,515,900	1.24
9	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd for Monetary Authority of Singapore	21,001,100	0.99
10	Cartaban Nominees (Tempatan) Sdn Bhd Amanah SSCM Nominees (Tempatan) Sdn Bhd for Employees Provident Fund Board	18,408,080	0.86
11	Regal Genius Sdn Bhd	17,090,000	0.80
12	Amanah Raya Nominees (Tempatan) Sdn Bhd Skim Amanah Saham Bumiputera	13,750,000	0.65
13	Pertubuhan Keselamatan Sosial	12,999,940	0.61
14	CIMB Nominees (Tempatan) Sdn Bhd Regal Genius Sdn Bhd	12,400,000	0.58
15	RHB Nominees (Tempatan) Sdn Bhd RHB Asset Management Sdn Bhd for Kumpulan Wang Simpanan Pekerja	11,741,080	0.55
16	Citicorp Nominees (Tempatan) Sdn Bhd CMS Dresdner Asset Management Sdn Bhd for Employees Provident Fund	10,900,000	0.51
17	Kenanga Nominees (Tempatan) Sdn Bhd Irama Hasrat Sdn Bhd	10,459,130	0.49
18	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Malaysia	10,437,120	0.49
19	Amanah Raya Nominees (Tempatan) Sdn Bhd Sekim Amanah Saham Nasional	10,110,500	0.47

Shareholding and Warrant Holding Structures

As At 26 July 2005 (cont'd)

30 LARGEST SHAREHOLDERS

		No. of Shares	%
20	HSBC Nominees (Asing) Sdn Bhd MSCOIL for Boyer Allan Pacific Partners LP	10,000,000	0.47
21	Citicorp Nominees (Tempatan) Sdn Bhd ING Insurance Berhad	9,877,973	0.46
22	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Berhad For CMS Premier Fund	9,800,000	0.46
23	HSBC Nominees (Asing) Sdn Bhd Saudi Arabian Monetary Agency	9,191,600	0.43
24	Cartaban Nominees (Asing) Sdn Bhd Investors Bank and Trust Company for Ishares, Inc.	9,000,900	0.42
25	HSBC Nominees (Asing) Sdn Bhd BBH (LUX) SCA for Fidelity Funds Malaysia	8,800,000	0.41
26	HSBC Nominees (Asing) Sdn Bhd Abu Dhabi Investment Authority	8,747,905	0.41
27	HLG Nominee (Tempatan) Sdn Bhd PB Trustee Services Berhad for HLG Growth Fund	8,531,860	0.40
28	HSBC Nominees (Asing) Sdn Bhd BBH (LUX) SCA for Fidelity Funds Asean	8,500,000	0.40
29	Citicorp Nominees (Asing) Sdn Bhd American International Assurance Company Ltd	8,381,800	0.39
30	AMSEC Nominees (Tempatan) Sdn Bhd Fulcrum Asset Management Sdn Bhd for Arab-Malaysian Corporation Bhd	8,000,000	0.38
Total		1,311,283,142	61.52

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest	No. of Shares		
		%	Deemed Interest	
Tan Sri Dato' Azman Hashim Slan Sdn Bhd	675,490	0.03	697,095,373 ⁽¹⁾	32.72
Ginagini Sdn Bhd	-	-	696,181,468 ⁽²⁾	32.68
Arab-Malaysian Corporation Bhd	666,252,421	31.27	29,929,047 ⁽⁴⁾	1.40
Employees Provident Fund Board	343,143,914	16.11	-	-

Notes:

- (1) Deemed interested by virtue of his interests in Arab-Malaysian Corporation Bhd and Azman Hashim Holdings Sdn Bhd.
- (2) Deemed interested by virtue of its interest in Arab-Malaysian Corporation Bhd and Ginagini Sdn Bhd.
- (3) Deemed interested by virtue of its interest in Arab-Malaysian Corporation Bhd.
- (4) Deemed interested through the shares held by its subsidiary company and an associated company.

Shareholding and Warrant Holding Structures

As At 26 July 2005 (cont'd)

ANALYSIS OF WARRANT 1997/2007 HOLDINGS

No. of Warrants in Issue	:	143,534,078
Exercise Price of Warrants	:	RM6.51
Exercise Period of Warrants	:	14 May 1998 – 13 May 2007 (Only in the months of January, April, July and October)
Exercise Rights	:	Each warrant entitles the holder to subscribe for one new ordinary share of RM1.00 each in the Company.
Voting Rights at meetings of warrant holders	:	1 vote per warrant holder on a show of hands 1 vote per warrant on a poll

	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Warrants
Size of Warrant Holdings				
Less than 100	1,048	13.12	68,526	0.05
100 - 1,000	999	12.50	552,493	0.38
1,001 - 10,000	3,838	48.04	19,375,738	13.50
10,001 - 100,000	1,906	23.86	58,904,508	41.04
100,001 - less than 5.0% of issued warrants	198	2.48	64,632,813	45.03
5.0% and above of issued warrants	-	0.00	-	0.00
Total	7,989	100.00	143,534,078	100.00

Location of Warrant Holders				
Malaysia	7,795	97.58	128,642,826	89.63
Singapore	58	0.72	828,567	0.58
Australia	1	0.01	1,649	0.00
United States	3	0.04	32,095	0.02
Other Countries	132	1.65	14,028,941	9.77
Total	7,989	100.00	143,534,078	100.00

Types of Warrant Holders (By Nationality)				
Malaysian				
- Individual	6,697	83.83	93,132,684	64.89
- Nominee companies	1,039	13.01	32,090,908	22.36
- Other companies	59	0.74	3,419,234	2.38
Singaporean	58	0.72	828,567	0.58
Australian	1	0.01	1,649	0.00
American	3	0.04	32,095	0.02
Other Nationalities	132	1.65	14,028,941	9.77
Total	7,989	100.00	143,534,078	100.00

Shareholding and Warrant Holding Structures

As At 26 July 2005 (cont'd)

30 LARGEST WARRANT HOLDERS

		No. of Warrants	%
1	Citicorp Nominees (Asing) Sdn Bhd Goldman Sachs International	5,211,700	3.63
2	Citicorp Nominees (Asing) Sdn Bhd GSI for DKR Soundshore Oasis Holdings Fund Ltd	2,500,000	1.74
3	AMSEC Nominees (Tempatan) Sdn Bhd G K Goh Stockbrokers Pte Ltd for Omar Bin Malek Ali Merican	1,960,000	1.37
4	Citicorp Nominees (Asing) Sdn Bhd Merill Lynch International	1,955,129	1.36
5	Alliancegroup Nominees (Tempatan) Sdn Bhd Chan Chee Kit	1,758,848	1.23
6	Citicorp Nominees (Tempatan) Sdn Bhd Janaki @ Mallika a/p Palaniappan	1,662,400	1.16
7	Tan Boon Har	1,394,916	0.97
8	IOI Corporation Berhad	1,319,696	0.92
9	SBB Nominees (Tempatan) Sdn Bhd Pertubuhan Keselamatan Sosial	1,250,411	0.87
10	Mayban Nominees (Tempatan) Sdn Bhd Kek Lian Lye	1,222,633	0.85
11	Tan Soon Lai	1,128,340	0.79
12	Chew Ee Suan	1,089,837	0.76
13	Sai Ko Tin	1,000,000	0.70
14	HSBC Nominees (Asing) Sdn Bhd HPBS SG for Tenacious Hold Limited	948,953	0.66
15	Lew Tin Yang @ Leu Ting Yeang	910,101	0.63
16	Ang Choon Kiat	844,000	0.59
17	JF Apex Nominees (Tempatan) Sdn Bhd See Kooi Lum @ Chui Sue Lim	800,000	0.56
18	Affin Nominees (Tempatan) Sdn Bhd Tan Boon Har	753,876	0.53
19	RHB Nominees (Tempatan) Sdn Bhd Tan Boon Keong	700,000	0.49
20	Kumpulan Kseena Sdn Bhd	691,006	0.48
21	Ee Cheng Tak	650,000	0.45
22	HDM Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd For Ang Theng Ho	626,000	0.44

Shareholding and Warrant Holding Structures

As At 26 July 2005 (cont'd)

30 LARGEST WARRANT HOLDERS

		No. of Warrants	%
23	Poh Keng @ Bok Keng Tin	601,300	0.42
24	Chu Mee King	600,000	0.42
25	Mayban Nominees (Tempatan) Sdn Bhd Tan Lee Kuang	549,374	0.38
26	Public Nominees (Tempatan) Sdn Bhd Teh Yoke Wan @ Tee Yoke Wan	469,490	0.33
27	Leong Chee Yee (Liang Juyi)	469,000	0.33
28	Foo Chong Chin	460,000	0.32
29	RHB Capital Nominees (Tempatan) Sdn Bhd Tai Sooi Chin	450,000	0.31
30	Lee Meng Yong	445,397	0.31
Total		34,422,407	24.00

Shareholding and Warrant Holding Structures

As At 26 July 2005 (cont'd)

ANALYSIS OF WARRANT 2003/2008 HOLDINGS

No. of Warrants in Issue	:	132,105,145
Exercise Price of Warrants	:	RM2.19
Exercise Period of Warrants	:	20 March 2003 – 19 March 2008
Exercise Rights	:	Each warrant entitles the holder to subscribe for one new ordinary share of RM1.00 each in the Company.
Voting Rights at meetings of warrant holders	:	1 vote per warrant holder on a show of hands 1 vote per warrant on a poll

	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Warrants
Size of Warrant Holdings				
Less than 100	1,284	17.27	63,351	0.05
100 - 1,000	1,076	14.47	558,523	0.42
1,001 - 10,000	4,246	57.12	13,674,677	10.36
10,001 - 100,000	729	9.81	21,492,700	16.27
100,001 - less than 5.0% of issued warrants	96	1.29	57,736,456	43.70
5.0% and above of issued warrants	3	0.04	38,579,438	29.20
Total	7,434	100.00	132,105,145	100.00

Location of Warrant Holders				
Malaysia	7,218	97.09	118,619,683	89.80
Singapore	76	1.02	736,027	0.55
Australia	4	0.05	33,563	0.03
United States	5	0.07	21,051	0.02
Other Countries	131	1.77	12,694,821	9.60
Total	7,434	100.00	132,105,145	100.00

Types of Warrant Holders (By Nationality)				
Malaysian				
- Individual	5,957	80.13	30,334,844	22.96
- Nominee companies	1,121	15.08	42,169,649	31.92
- Other companies	140	1.88	46,115,190	34.92
Singaporean	76	1.02	736,027	0.55
Australian	4	0.05	33,563	0.03
American	5	0.07	21,051	0.02
Other Nationalities	131	1.77	12,694,821	9.60
Total	7,434	100.00	132,105,145	100.00

Shareholding and Warrant Holding Structures

As At 26 July 2005 (cont'd)

30 LARGEST WARRANT HOLDERS

		No. of Warrants	%
1	Corporateview Sdn Bhd	20,983,203	15.88
2	A. A. Assets Nominees (Tempatan) Sdn Bhd Fulcrum Asset Management Sdn Bhd for Corporateview Sdn Bhd	10,675,535	8.08
3	Employees Provident Fund Board	6,920,700	5.24
4	Arab-Malaysian Corporation Berhad	5,954,097	4.51
5	HSBC Nominees (Asing) Sdn Bhd MSCO NY for Liberty Square Offshore Partners Ltd	4,957,500	3.75
6	Citicorp Nominees (Tempatan) Sdn Bhd CMS Dresdner Asset Management Sdn Bhd for Employees Provident Fund	3,800,000	2.88
7	BHLB Trustee Berhad Prugrowth Fund	3,730,700	2.82
8	Regal Genius Sdn Bhd	2,989,936	2.26
9	HSBC Nominees (Asing) Sdn Bhd MSCO NY for Liberty Square Partners LP	2,542,500	1.92
10	Citicorp Nominees (Tempatan) Sdn Bhd CMS Dresdner Asset Management Sdn Bhd for Malaysian Assurance Alliance Bhd	2,000,000	1.51
11	HLG Nominee (Tempatan) Sdn Bhd PB Trustee Services Bhd for HLG Growth Fund	1,934,989	1.46
12	HSBC Nominees (Tempatan) Sdn Bhd HSBC (Malaysia) Trustee Bhd for Amanah Saham Sarawak	1,826,000	1.38
13	HSBC Nominees (Asing) Sdn Bhd MSCO NY for Liberty Square Strategic Partners IV (Asia) Offshore, L.P.	1,575,000	1.19
14	Ng Leong Huat	1,440,000	1.09
15	Universal Trustee (Malaysia) Berhad HLG Balanced Fund	1,234,752	0.93
16	SBB Nominees (Tempatan) Sdn Bhd Tahan Insurance Malaysia Bhd	1,222,700	0.93
17	Amanah Raya Berhad SBB Double Growth Fund	1,100,000	0.83
18	Mayban Nominees (Tempatan) Sdn Bhd Eng Lai Sim	982,500	0.74
19	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Tahan Insurance Malaysia Berhad	950,100	0.72
20	Manulife Insurance (Malaysia) Berhad	840,501	0.64
21	Citicorp Nominees (Tempatan) Sdn Bhd CMS Dresdner Asset Management Sdn Bhd for Lembaga Kumpulan Wang Kawasan Konsesi Hutan	816,300	0.62

Shareholding and Warrant Holding Structures

As At 26 July 2005 (cont'd)

30 LARGEST WARRANT HOLDERS

		No. of Warrants	%
22	HLG Nominees (Tempatan) Sdn Bhd Goh Gek Ying @ Goh Sai Ying	727,100	0.55
23	Citicorp Nominees (Asing) Sdn Bhd Merrill Lynch International	580,000	0.44
24	Citicorp Nominees (Tempatan) Sdn Bhd CMS Dresdner Asset Management Sdn Bhd for CIMB Securities Sdn Bhd	560,000	0.42
25	Lee San Ming @ Lee Lay Eng	500,000	0.38
26	Low Chee Kein	435,000	0.33
27	Yong Poh Kon	400,000	0.30
28	AMMB Nominees (Tempatan) Sdn Bhd Assar Asset Management Sdn Bhd for Lembaga Kumpulan Wang Kawasan Konsesi Hutan	400,000	0.30
29	DB (Malaysia) Nominee (Tempatan) Sdn Bhd Kumpulan Sentiasa Cemerlang Sdn Bhd for Malaysian Assurance Alliance Bhd	400,000	0.30
30	Tan Swee Hing	383,720	0.29
Total		82,862,833	62.69

DIRECTORS' INTEREST IN COMPANY AND ITS RELATED CORPORATIONS

The Company – AMMB Holdings Bhd

	Direct Interest	No. of Shares		%
		%	Deemed Interest	
Tan Sri Dato' Azman Hashim	675,490	0.03	697,095,373 ⁽¹⁾	32.72
Dato' Azlan Hashim	95,952	*	-	-
Prof Tan Sri Dato' Dr Mohd Rashdan bin Haji Baba	226,071	0.01	-	-
Dato' Izham Mahmud	4,670	*	-	-
Cheah Tek Kuang	23,800	*	-	-

	Direct Interest	No. of Warrants 1997/2007		%
		%	Deemed Interest	
Prof Tan Sri Dato' Dr Mohd Rashdan bin Haji Baba	19,795	0.01	-	-

	Direct Interest	No. of Warrants 2003/2008		%
		%	Deemed Interest	
Tan Sri Dato' Azman Hashim	-	-	40,625,453 ⁽²⁾	30.75
Cheah Tek Kuang	46,189	0.03	-	-

Shareholding and Warrant Holding Structures

As At 26 July 2005 (cont'd)

Subsidiary Company – AmInvestment Group Bhd

	Direct Interest	No. of Shares		%
		%	Deemed Interest	
Tan Sri Dato' Azman Hashim	111,654,848	8.46	831,167,074 ⁽³⁾	62.97
Dato'Azlan Hashim	223,331	0.02	-	-
Tun Mohammed Hanif bin Omar	200,000	0.02	-	-
Prof Tan Sri Dato' Dr Mohd Rashdan bin Haji Baba	201,824	0.02	-	-
Tan Sri Datuk Dr Aris Othman	50,000	*	-	-
Tan Sri Datuk Clifford Francis Herbert	50,000	*	-	-
Tan Sri Dato' Dr Lim Kok Wing	50,000	*	-	-
Tan Sri Dato' Mohd Ibrahim Mohd Zain	50,000	*	-	-
Dato' Izham Mahmud	101,070	0.01	-	-
Cheah Tek Kuang	2,620,100	0.20	-	-
Soo Kim Wai	100,000	0.01	-	-
Shalina Azman	100,000	0.01	-	-

Subsidiary Company – AmMerchant Bank Bhd

	Direct Interest	Redeemable Unsecured Subordinated Bonds		%
		%	Deemed Interest	
Dato' Izham Mahmud	250,000	0.05	-	-

Subsidiary Company - AmAssurance Bhd

	Direct Interest	No. of Shares		%
		%	Deemed Interest	
Dato'Azlan Hashim	-	-	20,000,000 ⁽⁴⁾	20.00

Tan Sri Dato' Azman Hashim, by virtue of his interest in the shares and warrants of AMMB Holdings Bhd (AHB), he is also deemed to have an interest in the shares of the subsidiaries of AHB to the extent that AHB has an interest.

Other than stated above, none of the other directors of the Company had any direct and deemed interest in the Company or its related corporations.

Notes:

- (1) Deemed interested by virtue of his interests in Arab-Malaysian Corporation Bhd and Azman Hashim Holdings Sdn Bhd.
 - (2) Deemed interested by virtue of his interest in Arab-Malaysian Corporation Bhd.
 - (3) Deemed interested by virtue of his interest in AMMB Holdings Bhd, Arab-Malaysian Corporation Bhd and Azman Hashim Holdings Sdn Bhd.
 - (4) Deemed interested by virtue of his interest in ABH Holdings Sdn Bhd.
- * Negligible