

Corporate Developments

The Financial Year 2005 was an eventful one for the AmBank Group with respect to corporate developments. Various corporate exercises were undertaken during the year, which would set the necessary building blocks to streamline and simplify the corporate structure, and enable the Group to offer a full suite of financial products and services.

Privatisation of AMFB

The AMFB privatisation, whereby AHB had acquired the remaining 35.7% shareholding that was previously held by minority shareholders in AMFB, was implemented to facilitate the eventual merger of the Group's commercial banking and finance company businesses into a single legal entity, holding the Bank and Finance Company ("BAFIN") license.

Listing of AmInvestment Group

AHB implemented the listing of AIGB on the Main Board of Bursa Securities by way of a restricted offer for sale of the AIGB shares to existing shareholders of AHB, upon completion of the AMFB privatisation.

- Proceeds raised from listing exercise were used to finance the AMFB privatisation
- Reward shareholders. Provided opportunity for shareholders to participate directly in equity of AIGB and to benefit from capital gains arising from future appreciation in value of AIGB shares
- Reorganisation in anticipation of BNM's Investment Banking Framework, which guidelines were announced in July, 2005

Merger between AmBank and AmFinance

Following the privatisation of AMFB, on 1 June, 2005 the commercial banking business of AmBank was vested into AmFinance, pursuant to a vesting order of the High Court of Malaya. AmFinance was renamed AmBank (M) Bhd.

The significant benefits of the merger are:

- AmBank emerged as the sixth largest commercial bank in Malaysia
- Expanded commercial bank branch network from 23 to 171 branches
- Improve customer service as able to offer full range of financial services and products for both retail and corporate clients
- Ability to lower cost of funding by mobilising current accounts
- Enable the Group to expand exposure to SME sector, by offering overdraft, trade finance and remittance services
- Improve operational efficiency with consolidation of duplicated back-office functions



Shareholding in AmAssurance

The Group had increased its shareholding in AmAssurance from 65.9% to 80.0%, by acquiring an additional 14.06% equity interest, as there is tremendous potential to extract value from banc assurance activities going forward, both in the area of general and life insurance.

Moving Forward

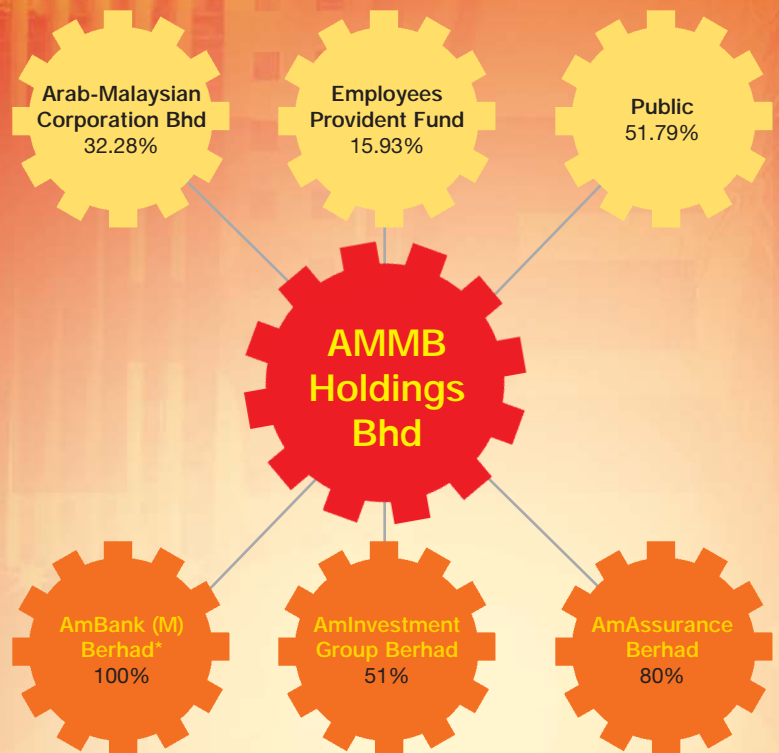
The organisation structure will be further streamlined to improve efficiency and business synergies through the implementation of the following corporate exercises:

- the establishment of an Islamic Banking subsidiary to undertake the Islamic banking business of the AmBank Group;
- the creation of an Investment Bank through the rationalisation of the merchant banking business and stockbroking business; and
- the expansion of overseas operations.



STREAMLINED CORPORATE STRUCTURE IN MAY 2005 FOR FUTURE GROWTH

Post Reorganisation May 2005



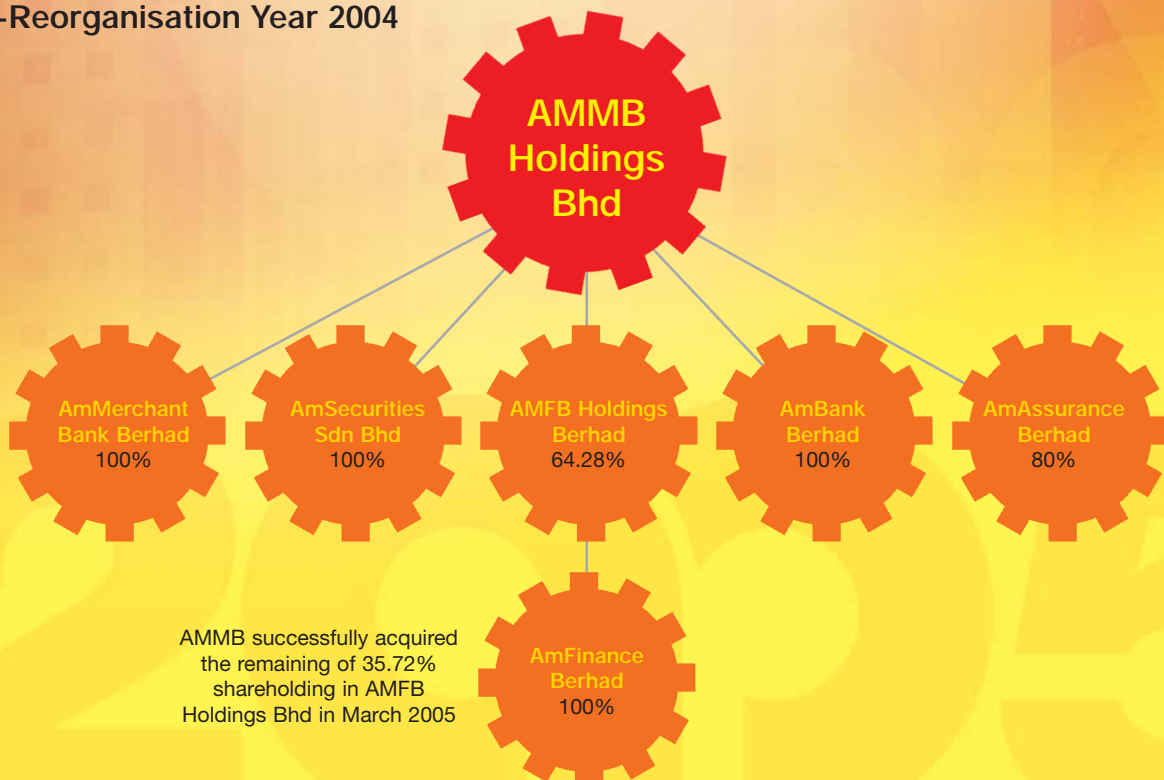
- Retail Banking
- Islamic Banking
- Commercial Banking
- SME Lending

- Investment Banking
- Offshore Banking
- Securities and Futures Trading
- Funds Management
- Regional :
 - Frasers Securities, Singapore
 - PT AmCapital, Indonesia

- Life Insurance
- General Insurance

* Merger of Commercial Bank and Finance Company on 1 June 2005

Pre-Reorganisation Year 2004



AMMB successfully acquired the remaining of 35.72% shareholding in AMFB Holdings Bhd in March 2005

CORPORATE CALENDAR

| Proposal | Date | Event |
|---|--|--|
| <p>Privatisation of AMFB Proposal from AHB to privatise AMFB through the acquisition of the 188,927,911 ordinary shares in AMFB, not already owned by AHB. Purchase consideration based on market price of AMFB at RM7.20 per share amounted to RM1,360.3 million.</p> <p><i>Settlement of Purchase Consideration</i></p> <ul style="list-style-type: none"> • RM623.5 million by way of issuance of 188,927,911 new AHB shares, on the basis of one (1) new AHB share valued at RM3.30 per new AHB share for every one (1) AMFB share; and • RM736.8 million in cash, on the basis of RM3.90 for every one (1) AMFB share. | 27.02.04 10.12.04 17.12.04 31.01.05 17.02.05 17.02.05 08.03.05 30.03.05 | <ul style="list-style-type: none"> • Proposal announced • BNM approval • SC approval • Shareholders approval • Court Order • Announcement of Books Closure • Books Closure and Settlement of Purchase Consideration • Delisting of AMFB |
| <p>Listing of AmInvestment Group Proposal to list AHB's investment banking operations via a newly incorporated company, AmInvestment Group Berhad (AIGB).</p> <p>Prior to the listing, AHB transferred to AIGB, the shareholding held by AHB in AmMerchant Bank and AmSecurities Holding Sdn Bhd.</p> <p>Offer for sale/restricted issue of:</p> <ul style="list-style-type: none"> • 488.4 million AIGB shares or 37.0% of the paid up capital of AIGB to the shareholders of AHB; • 39.6 million shares or 3.0% of AIGB paid-up capital allotted to directors of AHB; employees of AIGB and business associates of AHB; • 118.8 million shares or 9.0% of AIGB paid up capital to Tan Sri Dato' Azman Hashim as an approved Bumiputera investor; and • Issue price of RM1.40 per share or 1.05 times NTA of AIGB. <p>Listed on Main Board of the Bursa.</p> | 27.02.04 31.05.04 10.12.04 17.12.04 31.01.05 08.03.05 24.03.05 31.03.05 26.04.05 18.05.05 | <ul style="list-style-type: none"> • Preliminary announcement • Details of listing • BNM approval • SC approval • Shareholders approval • Announcement of Books Closure for Entitlement • Books Closure for Entitlement • Issue of Prospectus • Payment received • Listing of shares |
| <p>Merger between AmBank and AmFinance Internal reorganisation to facilitate the merge between AmBank and AmFinance.</p> <ul style="list-style-type: none"> • AHB transferred its entire shareholding in AmBank to AMFB. • Subsequently, AMFB transferred the shareholding in AmBank to AmFinance i.e. AmBank becomes a wholly owned subsidiary of AmFinance. • Vesting of commercial banking business of AmBank into AmFinance pursuant to a vesting order from the High Court of Malaya. • AmFinance changes its name to AmBank (M) Bhd. • AmBank (M) Bhd licensed to undertake Bank and Finance Business under BAFIN. • Conversion of IT systems, branches. • Consolidation of general ledger & other systems. | 26.04.05 20.05.05 31.05.05 31.05.05 18.05.05 01.06.05 01.06.05 01.06.05 05.06.05 19.06.05 | <ul style="list-style-type: none"> • BNM/MOF approval • SC approval • Completed • Completed • Court Hearing • Assets Vested • Name changed • License issued • Completed • Completed |

| Proposal | Date | Event |
|---|----------|--|
| AHB increase shareholding in AmAssurance <ul style="list-style-type: none"> Acquire 47,116,000 shares, representing 47.116% of paid-up capital in AmAssurance from AmMerchant Bank. Purchase consideration based on AmMerchant's saving of cost of investment in AmAssurance. Purchase consideration of RM75,762,537 to be satisfied by cash. | 13.09.04 | <ul style="list-style-type: none"> Proposal announced |
| | 23.09.04 | <ul style="list-style-type: none"> BNM approval |
| | 13.10.04 | <ul style="list-style-type: none"> Sale & Purchase Agreement signed |
| | 23.02.05 | <ul style="list-style-type: none"> SC/FIC approval |
| | 25.03.05 | <ul style="list-style-type: none"> Completed |
| AmBank acquires shareholding in AmAssurance <ul style="list-style-type: none"> Acquire 14,062,000 shares, representing 14.062% of paid-up capital in AmAssurance from ABH Holdings Sdn Bhd. Purchase consideration based on actuarial valuation. Purchase consideration of RM44,588,774 to be satisfied by cash. | 13.09.04 | <ul style="list-style-type: none"> Proposal announced |
| | 23.09.04 | <ul style="list-style-type: none"> BNM approval |
| | 13.10.04 | <ul style="list-style-type: none"> Sale & Purchase Agreement signed |
| | 09.12.04 | <ul style="list-style-type: none"> FIC approval |
| | 14.12.04 | <ul style="list-style-type: none"> Completed |

FINANCIAL CALENDAR

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|---|--|---|---|
| 2004 31 May Announcement of audited consolidated results and dividend for the financial year ended 31 March 2004. 30 August Announcement of unaudited consolidated results for the financial first quarter ended 30 June 2004. 6 September Issue of Notice of 13th Annual General Meeting, Notice of Dividend Entitlement and Payment, and Annual Report for the financial year ended 31 March 2004. 15 September Issue of Notice of 15th Extraordinary General Meeting in respect of Acquisition of interest in AmAssurance Bhd by AmBank Bhd from ABH Holdings Sdn Bhd, and Shareholders' Mandates for Recurrent Related Party Transactions. | 29 September 13th Annual General Meeting and 15th Extraordinary General Meeting. 6 October Date of Entitlement to first and final dividend. 21 October Payment of first and final dividend of 4.0% less tax for the financial year ended 31 March 2004. 29 November Announcement of unaudited consolidated results for the financial half year ended 30 September 2004. | 25 February Announcement of unaudited consolidated results for the financial third quarter ended 31 December 2004. 16 May Announcement of audited consolidated results and dividend for the financial year ended 31 March 2005. 2 September Issue of Notice of 14th Annual General Meeting, Notice of Dividend Entitlement and Payment, and Annual Report for the financial year ended 31 March 2005. | |
| | 2005 7 January Notice of 16th Extraordinary General Meeting in respect of the Privatisation of AMFB Holdings Bhd, and Listing of AmInvestment Group Bhd. 31 January 16th Extraordinary General Meeting. | 26 September 14th Annual General Meeting. |  |