

AMFB Holdings Berhad
(5493-X)(Incorporated in Malaysia)
and its subsidiary companies

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2004

	The Group	
	Unaudited	*Audited
	30.9.2004	31.3.2004
	RM'000	RM'000
ASSETS		
Cash and short-term funds	2,104,644	3,067,437
Deposits with financial institutions	261,339	19,265
Dealing securities	151,682	307,000
Investment securities	1,780,059	1,918,590
Loans, advances and financing	27,179,393	25,990,364
Other assets	149,885	165,656
Goodwill on consolidation	94,167	96,896
Deferred tax assets	662,972	730,733
Statutory deposit with Bank Negara Malaysia	959,317	923,736
Investment in associated company	389	306
Property and equipment	396,198	424,599
TOTAL ASSETS	33,740,045	33,644,582
LIABILITIES AND SHAREHOLDERS' FUNDS		
Deposits from customers	19,684,014	20,411,792
Deposits of banks and other financial institutions	6,344,139	5,063,411
Securities sold under repurchase agreements	4,883	274,991
Amount due to Cagamas Berhad	3,331,105	3,675,607
Other liabilities	930,625	867,346
Subordinated term loan	680,000	680,000
Redeemable Unsecured Subordinated bonds	200,000	200,000
Total Liabilities	31,174,766	31,173,147
Minority interests	97	103
Share capital	528,879	528,756
Reserves	2,036,303	1,942,576
Shareholders' Funds	2,565,182	2,471,332
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	33,740,045	33,644,582
COMMITMENTS AND CONTINGENCIES	5,384,816	4,361,007
NET TANGIBLE ASSETS PER SHARE (RM)	4.67	4.49
CAPITAL ADEQUACY (%)		
Core capital ratio	6.55	6.26
Risk-weighted capital ratio	11.28	10.77

* Audited except for certain balances that have been restated to take into account the effect of the change in the accounting policy with respect to the adoption of the Bank Negara Malaysia's Revised Guidelines on Financial Reporting for Licensed Institutions dated 5 October 2004 as shown in Note A1.

The Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 March 2004.

AMFB Holdings Berhad
(5493-X)(Incorporated in Malaysia)
and its subsidiary companies

UNAUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2004
THE GROUP

	Individual Quarter		Cumulative Quarter	
	30.9.2004	30.9.2003	30.9.2004	30.9.2003
	RM'000	RM'000	RM'000	RM'000
Interest income	471,395	511,233	956,321	1,045,046
Interest expense	(241,640)	(253,842)	(474,703)	(514,107)
Net interest income	229,755	257,391	481,618	530,939
Net income from Islamic Banking Business	81,208	49,405	164,805	81,750
Non-interest income	7,296	12,273	18,924	18,844
Operating income	318,259	319,069	665,347	631,533
Staff costs and overheads	(145,367)	(117,774)	(267,099)	(235,136)
Profit before allowances	172,892	201,295	398,248	396,397
Loan and financing loss and allowances	(72,619)	(90,878)	(159,654)	(209,451)
Transfer to profit equalization reserve	(17,834)	(8,464)	(29,449)	(11,212)
Write back of allowance/(Allowance) for diminution in value of investments	7,139	569	(9,538)	10,614
Profit before share in results of associated company and taxation	89,578	102,522	199,607	186,348
Share of profits in associated company	71	65	126	101
Profit before taxation	89,649	102,587	199,733	186,449
Taxation	(37,229)	126,451	(68,255)	128,839
Profit after taxation before minority interests	52,420	229,038	131,478	315,288
Minority shareholders' interests in results of subsidiary companies	3	2	6	2
Profit attributable to shareholders	<u>52,423</u>	<u>229,040</u>	<u>131,484</u>	<u>315,290</u>
Earnings per share (sen)				
Basic	9.91	43.34	24.86	59.66
Fully Diluted	<u>9.91</u>	<u>43.32</u>	<u>24.86</u>	<u>59.64</u>

The Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2004.

Analysis of non-interest income, staff costs and overheads and loans and financing loss and provisions are as follows:

(i) NON-INTEREST INCOME

The Group	Individual Quarter		Cumulative Quarter	
	30.9.2004	30.9.2003	30.9.2004	30.9.2003
	RM'000	RM'000	RM'000	RM'000
Fee income	7,761	8,816	15,118	13,919
Investment and trading (loss)/income	(3,095)	1,190	(1,059)	160
Other income	2,630	2,267	4,865	4,765
	<u>7,296</u>	<u>12,273</u>	<u>18,924</u>	<u>18,844</u>

(ii) STAFF COSTS AND OVERHEADS

The Group	Individual Quarter		Cumulative Quarter	
	30.9.2004	30.9.2003	30.9.2004	30.9.2003
	RM'000	RM'000	RM'000	RM'000
Personnel/Staff costs	55,231	43,605	103,767	97,949
Establishment costs	30,356	38,893	71,298	68,259
Marketing and communication expenses	20,739	19,803	40,681	40,647
Administration and general expenses	10,655	15,473	22,967	28,281
	<u>116,981</u>	<u>117,774</u>	<u>238,713</u>	<u>235,136</u>
Impairment loss on property	28,386	-	28,386	-
	<u>145,367</u>	<u>117,774</u>	<u>267,099</u>	<u>235,136</u>

(iii) LOAN AND FINANCING LOSS AND ALLOWANCES

The Group	Individual Quarter		Cumulative Quarter	
	30.9.2004	30.9.2003	30.9.2004	30.9.2003
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts and financing:				
Specific allowance – net	102,300	118,856	226,100	246,955
General allowance	12,002	8,050	21,802	9,250
	<u>114,302</u>	<u>126,906</u>	<u>247,902</u>	<u>256,205</u>
Bad debts and financing Recovered – net	(41,683)	(57,445)	(88,248)	(89,094)
Allowance for value impairment on recoverable from Danaharta	-	21,417	-	42,340
	<u>72,619</u>	<u>90,878</u>	<u>159,654</u>	<u>209,451</u>

AMFB Holdings Berhad
(5493-X)(Incorporated in Malaysia)
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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2004

	<u>Non-distributable</u>			<u>Distributable</u>	
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Unappropriated Profit RM'000	Total RM'000
Balance as at 1 April 2003	528,424	590,939	500,259	513,720	2,133,342
Prior year adjustment	-	-	-	(63,471)	(63,471)
As restated	528,424	590,939	500,259	450,249	2,069,871
Arising from share options exercised	183	452	-	-	635
Dividend paid	-	-	-	(38,047)	(38,047)
Profit for the period	-	-	-	315,290	315,290
Balance as at 30 September 2003	528,607	591,391	500,259	727,492	2,347,749
Balance as at 1 April 2004	528,756	591,763	768,947	657,717	2,547,183
Prior year adjustment	-	-	-	(75,851)	(75,851)
As restated	528,756	591,763	768,947	581,866	2,471,332
Dividends paid	-	-	-	(38,070)	(38,070)
Arising from share options exercised	123	313	-	-	436
Profit for the period	-	-	-	131,484	131,484
Balance as at 30 September 2004	528,879	592,076	768,947	675,280	2,565,182

The Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 March 2004.

AMFB Holdings Berhad
(5493-X)(Incorporated in Malaysia)
and its subsidiary companies

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2004

	The Group	
	Cumulative Quarter	
	30.9.2004	30.9.2003
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	199,733	186,449
Adjustments for non operating and non cash items	335,514	496,661
	<u>535,247</u>	<u>683,110</u>
Operating Profit Before Working Capital Changes	535,247	683,110
Increase in operating assets	(1,537,273)	(1,192,066)
(Decrease)/Increase in operating liabilities	(65,477)	346,977
	<u>(1,067,503)</u>	<u>(161,979)</u>
Cash Used In Operating Activities	(1,067,503)	(161,979)
Taxation paid	(875)	(4,455)
	<u>(1,068,378)</u>	<u>(166,434)</u>
Net Cash Used In Operating Activities	(1,068,378)	(166,434)
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of investment securities - net	127,020	121,919
Net dividend received	3,848	7,049
Proceeds from disposal of property and equipment	1,586	7
Purchase of property and equipment	(27,305)	(24,200)
	<u>105,149</u>	<u>104,775</u>
Net Cash From Investing Activities	105,149	104,775
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	436	635
Proceeds from redeemable unsecured subordinated bonds	-	200,000
Dividends paid	-	(38,047)
	<u>436</u>	<u>162,588</u>
Net Cash From Financing Activities	436	162,588
Net (Decrease)/Increase In Cash And Cash Equivalents	(962,793)	100,929
Cash And Cash Equivalents At Beginning Of Period	3,067,437	2,665,991
	<u>2,104,644</u>	<u>2,766,920</u>
Cash And Cash Equivalents At End Of Period	2,104,644	2,766,920

Note: Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term funds.

The Condensed Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 March 2004.

A1. ACCOUNTING POLICIES AND METHOD OF COMPUTATION

The interim financial statements of the Group have been prepared in accordance with Malaysian Accounting Standards Board No. 26, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") (formerly known as Malaysia Securities Exchange Berhad) and should be read in conjunction with the Annual Financial Report for the year ended 31 March 2004.

The accounting policies and method of computation adopted in the interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 March 2004 of the Group except for the adoption of 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. 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 period by RM24.5 million.

A2. AUDIT QUALIFICATION

There were no audit qualification in the annual financial statements for the year ended 31 March 2004.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The operations of the Group are not subject to seasonal or cyclical fluctuations.

A4. UNUSUAL ITEMS

There were no unusual items during the current financial period other than the impairment loss on property of RM28.4 million recorded by the finance subsidiary company.

A5. USE OF ESTIMATES

There was no material change in estimates of amounts reported in the prior financial years that have a material effect on the financial quarter ended 30 September 2004.

A6. ISSUANCE, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

During the financial period, the issued and fully paid-up share capital of the Company was increased from 528,756,120 ordinary shares of RM1.00 each to 528,879,120 ordinary shares of RM1.00 each by the issue of 123,000 new ordinary shares of RM1.00 each at price of RM3.42 to RM5.37 by virtue of the exercise of share options granted pursuant to the Company's Employees' Share Option Scheme. The resulting share premium amounting to RM313,830 has been credited to share premium account.

The 123,000 new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company, except for entitlement to dividends declared in respect of the financial year ended 31 March 2004.

The Company has not issued any new debentures during the financial period.

There were no share buy-back, share cancellation, shares held as treasury shares nor resale of treasury shares by the Company during the financial period.

A7. DIVIDENDS

The directors do not recommend the payment of any dividend in respect of the current financial period.

A8. SEGMENTAL INFORMATION

(A) BY BUSINESS SEGMENT

	Individual Quarter		Cumulative Quarter	
	30.9.2004	30.9.2003	30.9.2004	30.9.2003
	RM'000	RM'000	RM'000	RM'000
Retail financing				
Revenue	481,287	518,408	955,455	1,056,805
Profit before taxation	49,277	102,852	111,410	190,145
Islamic financing				
Revenue	133,956	86,324	266,256	149,709
Profit before taxation	40,216	20,195	88,102	32,484
Others				
Revenue	699	1,175	1,391	2,391
Profit before taxation	1,128	2,619	2,567	7,043
Total before consolidation adjustments				
Revenue	615,942	605,907	1,223,102	1,208,905
Profit before taxation	90,621	125,666	202,079	229,672
Consolidation adjustments				
Revenue	(175)	(4,237)	(361)	(8,069)
Profit before taxation #	(972)	(23,079)	(2,346)	(43,223)
Total after Consolidation Adjustments				
Revenue	615,767	601,670	1,222,741	1,200,836
Profit before taxation	89,649	102,587	199,733	186,449

Includes Danamodal contingent sum recoveries arising from acquisition of AmFinance of RMNil million for the quarter and period ended 30 September 2004 (RM21.7 million for the quarter and RM40.5 million for the period ended 30 September 2003).

The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia.

(B) SEGMENTAL REPORTING ON LOANS, ADVANCES AND FINANCING ANALYSED BY THEIR ECONOMIC PURPOSES

The Group	30.9.2004		31.3.2004		Annualised Loan Growth
	RM'000	%	RM'000	%	%
Purchase of transport vehicles	15,732,800	52.3	14,391,180	51.3	
Purchase of landed property:					
Residential	5,416,022	18.0	5,073,287	18.1	
Non-residential	1,370,409	4.6	1,450,323	5.2	
Consumption credit	1,979,914	6.5	1,674,165	6.0	
Construction	1,780,186	5.9	1,776,356	6.3	
Manufacturing	750,895	2.5	742,257	2.6	
General commerce	732,735	2.4	681,355	2.4	
Purchase of securities	657,666	2.2	652,792	2.3	
Transport, storage and communication	380,241	1.3	373,583	1.3	
Finance, insurance and business services	317,963	1.1	312,900	1.1	
Agriculture	311,528	1.0	273,401	1.0	
Real estate	288,353	1.0	319,434	1.1	
Mining and quarrying	29,267	0.1	33,511	0.1	
Electricity, gas and water	11,646	0.1	11,507	0.1	
Others	317,150	1.0	313,481	1.1	
	<u>30,076,775</u>	<u>100.0</u>	<u>28,079,532</u>	<u>100.0</u>	
Less: Islamic financing sold to Cagamas	<u>493,510</u>		<u>-</u>		
	<u>29,583,265</u>		<u>28,079,532</u>		
Less:					
Allowance for bad and doubtful debts and financing:					
General allowance	427,058		405,256		
Specific allowance	<u>951,569</u>		<u>736,007</u>		
	1,378,627		1,141,263		
Interest/Income-in-suspense	<u>1,025,245</u>		<u>947,905</u>		
	<u>2,403,872</u>		<u>2,089,168</u>		
Loans, advances and financing– net	<u>27,179,393</u>		<u>25,990,364</u>		<u>9.1</u>

A9. VALUATIONS OF PROPERTY AND EQUIPMENTS

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

A10. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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

A11. CHANGES IN THE COMPOSITION OF THE GROUP AND THE COMPANY

The were no changes in the composition of the Group for the current financial period.

A12. COMMITMENTS AND CONTINGENCIES

In the normal course of business, 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 30 September 2004, commitments and contingencies outstanding are as follows:

The Group	30.9.2004		31.3.2004	
	Principal	Credit	Principal	Credit
	Amount	Equivalent	Amount	Equivalent
	RM'000	Amount*	RM'000	Amount*
	RM'000	RM'000	RM'000	RM'000
Derivative Financial Instruments				
Interest rate swap contracts:				
- maturing within one year	80,000	155	30,000	75
- maturing more than one year	1,350,000	24,000	800,000	13,230
	<u>1,430,000</u>	<u>24,155</u>	<u>830,000</u>	<u>13,305</u>
Commitments				
Irrevocable commitments to extend credit:				
- maturing less than one year	2,861,454	-	2,880,399	-
- maturing more than one year	568,410	284,205	568,697	284,349
	<u>3,429,864</u>	<u>284,205</u>	<u>3,449,096</u>	<u>284,349</u>
Contingent Liabilities				
Islamic financing sold				
to Cagamas Berhad	493,510	493,510	-	-
Direct credit substitutes	30,576	30,576	81,045	81,045
Transaction-related contingent items	616	308	616	308
Unpaid portion of partly paid shares	250	250	250	250
	<u>524,952</u>	<u>524,644</u>	<u>81,911</u>	<u>81,603</u>
Total	<u>5,384,816</u>	<u>833,004</u>	<u>4,361,007</u>	<u>379,257</u>

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

A13. RELATED PARTY TRANSACTIONS

On 10 November 2004, AmProperty Holdings Sdn Bhd entered into fourteen (14) Sale and Purchase Agreements with AmAssurance Berhad, to dispose 14 properties for a total cash consideration of RM18,620,000.

A14. NON-PERFORMING LOANS AND FINANCING

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

	The Group	
	30.9.2004	31.3.2004
	RM'000	RM'000
Gross		
Balance at beginning of period/year	4,051,944	4,349,529
Non-performing during the period/year	602,875	1,599,089
Reclassification to performing loan	(235,283)	(297,627)
Amount recovered	(200,219)	(490,210)
Amount written off	(11,517)	(1,055,067)
Debt equity conversion	(8,415)	(53,770)
	<u>4,199,385</u>	<u>4,051,944</u>
Balance at end of period/year		
Less:		
Specific allowance	(951,569)	(736,007)
Interest/Income-in-suspense	(1,025,245)	(947,905)
	<u>(1,976,814)</u>	<u>(1,683,912)</u>
Non-performing loans and financing (net)	<u>2,222,571</u>	<u>2,368,032</u>
Ratio of net non-performing loans to loans, advances and financing	<u>7.91%</u>	<u>8.97%</u>

A15. LOAN AND FINANCING LOSS ALLOWANCES

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

	The Group	
	30.9.2004	31.3.2004
	RM'000	RM'000
General Allowance		
Balance at beginning of period/year	405,256	388,705
Allowance made during the period/year	21,802	16,551
Balance at end of period/year	<u>427,058</u>	<u>405,256</u>
% of total loans less specific allowance and interest / income-in-suspense	<u>1.52%</u>	<u>1.53%</u>
Specific Allowance		
Balance at beginning of period/year	736,007	1,047,778
Allowance made during the period/year	375,582	696,900
Amount written back in respect of recoveries	(149,482)	(238,126)
	226,100	458,774
Amount written off/Adjustment to Asset Deficiency Account	(10,538)	(690,436)
Debt equity conversion	-	(49,387)
Danamodal contingent sum recoveries arising from acquisition of AmFinance	-	(30,722)
Balance at end of period/year	<u>951,569</u>	<u>736,007</u>
Interest/Income-in-Suspense		
Balance at beginning of period/year	947,905	1,190,485
Allowance made during the period/year	170,645	487,270
Amount written back in respect of recoveries	(87,141)	(209,505)
	83,504	277,765
Amount written off/Adjustment to Asset Deficiency Account	(3,643)	(135,778)
Debt equity conversion	(2,521)	(372,710)
Danamodal contingent sum recoveries arising from acquisition of AmFinance	-	(11,857)
Balance at end of period/year	<u>1,025,245</u>	<u>947,905</u>

A16. AMOUNT RECOVERABLE FROM DANAHARTA

	The Group	
	30.9.2004	31.3.2004
	RM'000	RM'000
Balance at beginning of period/year	-	67,497
Allowance during the period/year	-	(62,795)
Amount recovered during the period/year	-	(4,702)
Balance at end of period/year	<u>-</u>	<u>-</u>

B1. PERFORMANCE REVIEW ON THE RESULTS OF THE COMPANY AND GROUP FOR THE QUARTER AND PERIOD

The Group reported a lower pretax profit of RM89.6 million for the quarter ended 30 September 2004 as compared to RM102.6 million in the corresponding quarter ended 30 September 2003. The Group pretax profit for the period ended 30 September 2004 was RM199.7 million as compared to RM186.4 million for the corresponding period ended 30 September 2003. The higher in pretax profit was mainly due to increase in net income from Islamic Banking business which increase by RM83.1 million or more than 100% and decline in loans loss allowances. This was however reduced by higher handling fees of RM50.7 million (RM46.7 million for the period ended 30 September 2003) arising from increase in hire purchase loans, impairment loss on property of RM28.4 million and allowance for diminution in value of investments of RM9.5 million (write back of RM10.6 million for the period ended 30 September 2003). The Group reported a lower profit after tax and minority interests of RM131.5 million for the period ended 30 September 2004 as compared to RM315.3 million in the period ended 30 September 2003 after full recognition of MBf Finance Berhad unabsorbed tax losses during the period ended 30 September 2003.

During the period, net interest income fell to RM481.6 million as compared to RM530.9 million in the corresponding period ended 30 September 2003 due to the competitive lending environment and customers opting for Islamic based products as an alternative of conventional interest based products. Accordingly, the Group's net income from Islamic banking operations rose to RM164.8 million for the period and RM81.2 million for the quarter as compared to RM81.7 million and RM49.4 million in the last corresponding period and quarter respectively, due to increases in Islamic financing activities.

The Group's net loans and advances stood at RM27.2 billion, an increase of RM1.2 billion as compared to RM26.0 billion as at 31 March 2004. The bulk of the new loans disbursed during the period were directed towards car financing and residential properties.

Total assets outstanding and shareholders' funds stood at RM33.7 billion and RM2.6 billion respectively as at 30 September 2004.

In the opinion of the Directors, the results of the operations of the Group for the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

B2. REVIEW OF MATERIAL CHANGES IN PROFIT BEFORE TAXATION

The Group registered a pretax profit of RM89.6 million for the quarter ended 30 September 2004 compared to RM110.1 million in the quarter ended 30 June 2004 due to impairment loss on property of RM28.4 million. However, for the quarter the Group reported a lower loan loss allowances and write back of allowance for diminution in value of investments.

B3. PROSPECTS FOR 31 MARCH 2005

The improving global economic prospects and positive Malaysian economic indicators provides the Group with an encouraging landscape for growth this coming year. The economy's resilience and the more positive outlook for year 2004 have led to the upward revision of GDP growth forecast by MIER to 7.2%. Growth momentum is expected to pick up as a result of the rebounding corporate investments, sustained consumption, improving external trade and accommodative fiscal and monetary policies by BNM.

The banking sector is expected to remain competitive in year 2004 with net interest margins continuing to be under pressure.

The Group is targeting to complete the legal merger of AmBank Berhad and AmFinance Berhad by the financial year ending 31 March 2005. With the recent modifications to the Banking and Financial Industry 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 it is well positioned to benefit from the improved economic environment to further improve on its performance.

B4. VARIANCE FROM PROFIT FORECAST AND SHORTFALL FROM PROFIT GUARANTEE

This is not applicable to the Group.

B5. TAXATION

Included in taxation charge for the period are:

The Group	Individual Quarter		Cumulative Quarter	
	<u>30.9.2004</u>	<u>30.9.2003</u>	<u>30.9.2004</u>	<u>30.9.2003</u>
	RM'000	RM'000	RM'000	RM'000
Over provision in prior years	-	(32)	-	(32)
Net transfer from/(to) deferred taxation	<u>36,937</u>	<u>(127,000)</u>	<u>67,761</u>	<u>(130,043)</u>

The total tax charge of the Group for the financial quarter and period ended 30 September 2004 reflects an effective tax rate which is higher than the statutory tax rate due mainly to certain expenses which are not allowable for tax purposes.

The total tax charge of the Group for the financial quarter and quarter ended 30 September 2003 reflects an effective tax rate which is lower than the statutory tax rate due mainly to the utilisation of unabsorbed tax losses and unutilised capital allowances brought forward by the finance subsidiary company.

B6. SALE OF INVESTMENTS AND/OR FORECLOSED PROPERTIES

The Group	Individual Quarter		Cumulative Quarter	
	30.9.2004	30.9.2003	30.9.2004	30.9.2003
	RM'000	RM'000	RM'000	RM'000
Loss on sale of investments	(594)	(594)	(5,882)	(8,678)
Write back of allowance/(Allowance) for diminution in value of investments	7,139	569	(9,538)	10,614

B7. QUOTED SECURITIES

This note is not applicable to financial institutions.

B8. CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

Status of corporate proposals announced but not completed are as follows:

1. On 27 February 2004 and 31 May 2004, the ultimate holding company, AMMB Holdings Berhad (“AHB”), announced the following proposals:
 - (i) The Proposed Privatisation of the Company through the acquisition by AHB of the remaining ordinary shares of RM1.00 each in the Company not already owned by the AHB by way of a scheme of arrangement under Section 176 of the Companies Act 1965 (“Proposed AMFB Privatisation”);
 - (ii) Proposed listing of AHB’s investment banking group, via a newly incorporated company, on the Main Board of the Bursa Securities (“Proposed Newco Listing”); and
 - (iii) The proposed share split involving the subdivision of every one (1) existing ordinary share of RM1.00 each held in AHB on a date to be determined after the Proposed AMFB Privatisation, into two (2) new ordinary shares of RM0.50 each (“Proposed Share Split”).

AHB had on 25 March 2004 obtained Securities Commission’s (“SC”) approval for the Proposed Share Split to be implemented within 3 months of the completion of the Proposed AMFB Privatisation. AHB had on 29 June 2004 obtained the approval of Bursa Securities for the Proposed Share Split.

The Proposed AMFB Privatisation, Proposed Newco Listing and Proposed Share Split are pending the approvals of, inter alia, SC, Minister of Finance, Bank Negara Malaysia, shareholders of the Company and AHB, and other relevant authorities and parties.

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

B9. BORROWINGS

Deposits and placement of customers and financial institutions and debt securities are as follows:

	The Group	
	30.9.2004	31.3.2004
	RM'000	RM'000
(i) Deposits from customers		
Due within one year	18,443,288	19,389,487
More than one year	1,240,726	1,022,305
	<u>19,684,014</u>	<u>20,411,792</u>
(ii) Deposits and placements of banks and other financial institutions		
Due within one year		
- Interbank borrowing *	192,950	200
- Others	4,058,586	3,353,480
	<u>4,251,536</u>	<u>3,353,680</u>
More than one year		
- Others	2,092,603	1,709,731
	<u>6,344,139</u>	<u>5,063,411</u>
<i>Recap:</i>		
<i>Interbank lending</i>	(2,144,141)	(2,933,300)
* <i>Interbank borrowing</i>	192,950	200
<i>Net interbank lending</i>	<u>(1,951,191)</u>	<u>(2,933,100)</u>
(iii) Unsecured Subordinated Term Loan		
More than one year	<u>680,000</u>	<u>680,000</u>
(iv) Redeemable Unsecured Subordinated Bonds	<u>200,000</u>	<u>200,000</u>

B10. DERIVATIVE FINANCIAL INSTRUMENTS

As at 23 November 2004, the value of off balance sheet financial instruments outstanding are as follows:

The Group

Item	Principal Amount RM'000	1 mth or less RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000	>5 years RM'000	Margin requirement RM'000
Interest rate swap contracts								
■ related company	1,430,000	-	30,000	-	50,000	1,350,000	-	-
■ others	430,000	-	-	50,000	-	380,000	-	-
Total	1,860,000	-	30,000	50,000	50,000	1,730,000	-	-

Interest Rate Swap Contracts

The Group uses interest rate swaps as a hedging instrument.

Interest income or interest expense associated with interest rate swaps is recognised over the life of the swap agreement as a component of interest income or interest expense.

B11. MATERIAL LITIGATIONS

There are no material litigations. For pending litigations, please refer to note B14.

B12. DIVIDENDS

Refer to item A7 above.

B13. EARNINGS PER SHARE (SEN)

(a) Basic earnings per share

The basic earnings per RM1.00 ordinary share is calculated by dividing the net profit for the financial quarter and period attributable to shareholders' of the Company by the weighted average number of ordinary shares in issue during the financial quarter and period.

The Group	Individual Quarter		Cumulative Quarter	
	30.9.2004	30.9.2003	30.9.2004	30.9.2003
	RM'000/ '000	RM'000/ '000	RM'000/ '000	RM'000/ '000
Net profit attributable to shareholders of the Company	52,423	229,040	131,484	315,290
Number of ordinary shares at beginning of period/year	528,826	528,430	528,756	528,424
Effect of ordinary shares issued pursuant to:				
- ESOS exercised	33	63	76	68
Weighted average number of ordinary shares in issue	528,859	528,493	528,832	528,492
Basic earnings per share (sen)	9.91	43.34	24.86	59.66

(b) Fully diluted earnings per share

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

The Group	Individual Quarter		Cumulative Quarter	
	30.9.2004	30.9.2003	30.9.2004	30.9.2003
	RM'000/ '000	RM'000/ '000	RM'000/ '000	RM'000/ '000
Adjusted profit after taxation and minority interests	52,423	229,040	131,484	315,290
Weighted average number of ordinary shares in issue	528,859	528,493	528,832	528,493
Adjusted for ESOS	53	163	53	163
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	528,912	528,656	528,885	528,656
Fully diluted earnings per share (sen)	9.91	43.32	24.86	59.64

The Group's adjusted weighted average number of ordinary shares in issue and issuable for the financial quarter and period ended 30 September 2004 and 2003 have been arrived at based on the assumption that dilutive share options are exercised at beginning of period.

B14. PENDING LITIGATIONS

By a Vesting Order of the High Court of Malaya dated 21 May 2002 pursuant to Section 50 of the Banking And Financial Institutions Act, 1989, all rights and liabilities (including rights and liabilities under and or in respect of any past, pending or future litigation) accruing to, owed or incurred by the Company in relation to its finance company business have been transferred to and assumed by AmFinance with effect from 15 June 2002 and the Company shall cease to be liable in respect of such liabilities with effect therefrom. Therefore, AmFinance had assumed the rights and liabilities in respect of the following three (3) legal suits relating to the Highland Towers tragedy, whereby the plaintiffs had contended that the Company 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, AmFinance, entered into a Settlement Agreement with the plaintiffs in respect of the legal suits in relation to the Highland Tower tragedy.

These legal suits are as follows:-

- (a) A suit dated 15 October 1994 was filed by six individuals against the Company and eight other defendants in relation to the collapse of a building in which the Company was sued in its capacity as owner of the land adjacent to the building and for the acts and omissions of another company as alleged servant and/or agent of the Company.

The claim against the Company and eight other defendants based on negligence, nuisance and breach of statutory duty was for general damages, special damages, exemplary damages and/or aggravated damages. On 7 August 1998, the plaintiffs obtained an order whereby this suit was consolidated with the suit referred to in (b) below. This suit has been adjourned *sine die* pending the disposal of the suit in (b) below.

- (b) A suit dated 5 December 1996 was filed by seventy-three parties against the Company and nine other defendants in relation to two buildings in which the Company was sued in its capacity as owner of the land adjacent to the buildings. The claim against the Company and nine other defendants based on negligence, nuisance and breach of statutory duty is for general damages, special damages, exemplary damages and/or aggravated damages. Subsequently, judgement was delivered with partial liability of 30% apportioned to the Company.

On 3 December 2002, the Court of Appeal dismissed the appeal by the Company against the finding of liability by the High Court and had ordered that damages be assessed. The Court of Appeal has also excluded certain items of damage claimed by the plaintiffs.

On 2 January 2003, the Company filed an application for leave to appeal to the Federal Court against the finding of the Court of Appeal. The application for leave to appeal included an application for stay of the proceedings pertaining to the assessment of damages by the High Court. The application for leave to appeal came up for hearing on 4 February 2004, but was adjourned for a period of 6 months pending settlement negotiations with the plaintiffs in this suit as well as the plaintiffs in suit (a) above and in suit (c) below.

- (c) A suit dated 10 December 1996 was filed by sixty parties against the Company and nine other defendants in relation to the collapse of a building in which the Company was sued in its capacity as owner of the land adjacent to the building. The claim against the company and nine other defendants based on negligence, nuisance and breach of statutory duty is for general damages, special damages, exemplary and/or aggravated damages. Defence had been filed on 27 February 1998 and the case is pending trial.

On 7 August 1998, the plaintiffs obtained an order whereby this suit was consolidated with the suit referred to in (b) above. This suit has been adjourned *sine die* pending the disposal of the suit in (b) above.

AmFinance agreed to pay the plaintiffs a sum of RM52.0 million in full and final settlement of the suits and claims against the Company, inclusive of costs, arising/or resulting whether directly or indirectly from the suits. In return for this settlement amount, the plaintiffs shall, among others, release and assign to AmFinance 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 in Highland Towers and their rights to common property, unencumbered and free from claims of end financiers.

AmFinance had made full provision for the settlement sum of RM52 million in its accounts as at 31 March, 2004, of which RM39 million has been paid during the current period.

BY ORDER OF THE BOARD
RAVINDRA KUMAR THAMBIMUTHU
GROUP COMPANY SECRETARY
Kuala Lumpur

Date : 29 November 2004