



**AMMB Holdings Berhad**

[www.ambg.com.my](http://www.ambg.com.my)

# AmBank Group

## FY2009 1H Results

**[Abridged Version]**

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11 November 2008

*Cheah Tek Kuang*  
*Group Managing Director*

## Record Profit but Challenges Ahead

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- **Another record profit performance for 1H FY2009**
- **On track to deliver greater than 30% growth in PATMI for FY2009 (vs FY2008)**
- **Tough economic & market conditions ahead, stimulus package to kickstart economy**
- **Malaysian banking system strong, with firm support from BNM**
- **AmBank Group.. FY2009 and beyond**
  - ✓ **Restructuring completed.. ..getting stronger**
  - ✓ **ANZ partnership (1 of 14 AA globally rated bank)**
  - ✓ **Strategies FY10-11: De-risk, Diversify and Dynamic Growth**
  - ✓ **Well position to deliver medium term aspirations but will take longer**

# Delivered Another Record Profit Performance

	H1 FY09 <sup>1</sup>		Change <sup>2</sup>
Profit after Tax & MI	RM 433.0 mil	↑	71.0 %
Profit before Tax	RM 599.3 mil	↑	7.0 %
Return on Equity	11.9%	↑	2.0 %
EPS (fully diluted)	15.90 sen	↑	48.9 %
Net NPL Ratio	3.0 %	↓	1.5 %
Net Lending	RM 55,328 mil	↑	11.8 %
Customer Deposits	RM 48,930 mil	↑	7.9 %
CASA	RM 6,494 mil	↑	12.1 %
RWCA	14.1%	↑	0.8 %

Note :

<sup>1</sup> H1 FY09 – 1<sup>st</sup> half of financial year ending 31 March 2009, ie April 2008 – September 2008

<sup>2</sup> Change – in comparison to 1<sup>st</sup> half of financial year ended 31 March 2008 (April 2007 – September 2007)

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# Targeted Loans Growth, Improved Asset Quality, Corporate Restructuring

## Financials







- Average loans growth of 11.8%
- Average deposits growth of 7.9% with CASA growth of 12.1%
- Asset Quality
  - Net provisions charge down to 0.3%
  - Net NPL ratio down to 3.0% from 4.5%





## Corporate Developments




- Insurance business transformation continues :
  - Segregation of composite license between life and general
  - Specialisation to streamline insurance operations
  - Facilitating entry of new strategic partner into life insurance
  - Negotiating for acquisition of MAA's general insurance business
- Set-up FX & derivatives unit in collaboration with ANZ

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## Improved PATMI Underpinned by Retail & Business Banking

Profit after Tax & MI		RM'mil	H1FY08	H1FY09	H1FY09 vs H1FY08	Business Performance																
Retail Banking Division			228.4	326.8	+43.1% ↑	<ul style="list-style-type: none"> <li>Investment banking performance reflecting weak equity and capital market sentiments</li> <li>AmAssurance impacted by higher claims</li> <li>Operating segments :</li> </ul>																
Business Banking Division			38.5	53.0	+37.9% ↑																	
Investment Banking Division			94.7	37.7	-60.2% ↓																	
Relationship / Regional Banking			35.1	14.4	-58.9% ↓																	
AmAssurance			24.6	20.2	-17.8% ↓																	
Operating Segments : Reported PATMI			-168.1	-19.1	+88.6% ↑	<table border="1"> <thead> <tr> <th></th> <th>H1 FY08</th> <th>H1 FY09</th> <th>H1 09 vs 08</th> </tr> </thead> <tbody> <tr> <td>Underlying PAT</td> <td>399.6</td> <td>464.2</td> <td>+16% ↑</td> </tr> <tr> <td>One-Off's</td> <td>-53.4</td> <td>-25.0</td> <td>-53% ↓</td> </tr> <tr> <td>MI</td> <td>-93.0</td> <td>-6.2</td> <td>-93% ↓</td> </tr> </tbody> </table>		H1 FY08	H1 FY09	H1 09 vs 08	Underlying PAT	399.6	464.2	+16% ↑	One-Off's	-53.4	-25.0	-53% ↓	MI	-93.0	-6.2	-93% ↓
	H1 FY08	H1 FY09	H1 09 vs 08																			
Underlying PAT	399.6	464.2	+16% ↑																			
One-Off's	-53.4	-25.0	-53% ↓																			
MI	-93.0	-6.2	-93% ↓																			

Net Lending Growth		RM'mil	H1FY08	H1FY09	H1FY09 vs H1FY08	Business Performance
Retail Banking division :			40,349.0	41,866.1	+3.8% ↑	<ul style="list-style-type: none"> <li>Retail focus on profitable segments</li> </ul>
- Net Loans			4.7%	3.8%	-0.9% ↓	
Business Banking division :			6,467.4	9,870.0	+52.6% ↑	<ul style="list-style-type: none"> <li>Good growth in business, corporate &amp; SME loans</li> </ul>
- Net Loans			41.9%	52.6%	+10.7% ↑	

 H1FY08 results  
 Favourable growth in H1FY09  
 Unfavourable growth in H1FY09

Note :

<sup>1</sup> Growth from September 2007 to September 2008

## Sound Profit, despite Income & Expense Pressures

REPORTED		RM'mil	H1FY08	H1FY09	H1FY09 vs H1FY08	Business Performance
Income			1,620.7	1,529.5	-5.6% ↓	<p><b>Underlying :</b></p> <ul style="list-style-type: none"> <li>Adjusted for one-off's provisioning policy changes, deferred tax write offs etc</li> </ul> <p><b>Income :</b></p> <ul style="list-style-type: none"> <li>One off impacts from hedge accounting and acquisitions of - RM 68.3m in H1FY 2009 vs + RM 30.9m in H1FY 2008</li> <li>Trading activities - RM 84 mil in H1FY 2009 vs + RM 41 mil in H1FY 2008. Both fixed income and equities negative in H1FY 2009</li> <li>Investment Banking income adversely impacted by capital market conditions</li> <li>Retail and Business Banking performances meeting expectations</li> </ul> <p><b>Expenses :</b></p> <ul style="list-style-type: none"> <li>Reflects salary adjustments, insurance claims and ongoing investments</li> <li>No one off expenses in H1FY 2009</li> <li>Cost lower in Q2FY09, -6% vs Q1 FY09</li> </ul> <p><b>Provisions :</b></p> <ul style="list-style-type: none"> <li>Lower provisions contributor to profit growth</li> <li>Improved credit risk, asset quality, NPL collections and recoveries management</li> </ul> <p>Higher profit partially contributed by minority interest buy-out in January 2008</p>
Expenses			739.2	807.5	+9.3% ↑	
PBP			881.6	722.0	-18.1% ↓	
Provisions			321.4	122.6	-61.8% ↓	
PBT			560.2	599.3	+7.0% ↑	
PAT			346.2	439.2	+26.9% ↑	
PATMI			253.2	433.0	+71.0% ↑	
UNDERLYING		RM'mil	H1FY08	H1FY09	H1FY09 vs H1FY08	
Income			1,552.4	1,560.4	+0.5% ↑	
Expenses			721.6	807.5	+11.9% ↑	
PBP			830.9	752.9	-9.4% ↓	
Provisions			280.2	120.2	-57.1% ↓	
PBT			550.7	632.6	+14.9% ↑	
PAT			399.6	464.2	+16.2% ↑	
PATMI			392.1	458.0	+16.8% ↑	




H1FY08 results  
 Favourable growth in H1FY09  
 Unfavourable growth in H1FY09




# Balance Sheet Fundamentals Looking Good




REPORTED		RM'mil	H1FY08	H1FY09	H1FY09 vs H1FY08	Business Performance
<b>Balance Sheet - Lending</b>						
Gross loans		54,695.1	59,347.1	+8.5%	↑	<ul style="list-style-type: none"> <li>▪ Good net lending growth despite HP focus being only on profitable segments</li> <li>▪ Normalised customer deposits growth ~11.2% but reported figures impacted by :                             <ul style="list-style-type: none"> <li>▪ single customer limits post-vesting corporate deposits withdrawal of ~RM1.5b</li> <li>▪ repayment of large more expensive corporate deposits following reduction in our HFT and AFS books</li> </ul> </li> </ul> <p>Asset quality continues to improve. Net NPL's down and loan loss coverage up to industry average</p>
Net loans		49,478.4	55,327.9	+11.8%	↑	
<b>Balance Sheet - Deposits</b>						
Customer Deposits		45,341.5	48,930.1	+7.9%	↑	
Low Cost Deposits		5,793.9	6,493.6	+12.1%	↑	
Low-Cost Proportion		12.8%	13.3%	+0.5%	↑	
<b>Asset Quality Ratios</b>						
Gross NPL		8.4%	5.6%	-2.8%	↓	
Net NPL		4.5%	3.0%	-1.5%	↓	
Loan Loss Coverage		66.5%	74.5%	+8.0%	↑	

H1FY08 results  
 Favourable growth in H1FY09  
 Unfavourable growth in H1FY09

## Higher Returns and Earnings Ratios

REPORTED		H1FY08	H1FY09	H1FY09 vs H1FY08	Business Performance
Profitability Ratios (annualised)					
ROE (post-tax)		9.9%	11.9%	+2.0% ↑	<ul style="list-style-type: none"> <li>▪ ROE FY 2008 = 11.2%</li> <li>▪ ROA FY 2008 = 1.00%</li> <li>▪ EPS FY 2008 = 28.2</li> </ul>
ROA (post-tax)		0.88%	1.06%	+0.2% ↑	
EPS (fully-diluted, sen)		21.4	31.8	+48.9% ↑	

UNDERLYING		H1FY08	H1FY09	H1FY09 vs H1FY08	Business Performance
Profitability Ratios (annualised)					
ROE (post-tax)		15.1%	12.6%	-2.6% ↓	<ul style="list-style-type: none"> <li>▪ ROE FY 2008 = 12.2%</li> <li>▪ ROA FY 2008 = 1.11%</li> <li>▪ EPS FY 2008 = 30.7</li> </ul>
ROA (post-tax)		1.02%	1.12%	+0.1% ↑	
EPS (fully-diluted, sen)		33.1	33.6	+1.8% ↑	

 H1FY08 results  
 Favourable growth in H1FY09  
 Unfavourable growth in H1FY09



## Improving Margins from Focus on Profitable Segments

REPORTED		H1FY08	H1FY09	H1FY09 vs H1FY08	Business Performance
<b>Efficiency Ratios &amp; Others</b>					
Net Interest Margin <sup>1</sup>		2.68%	3.04%	+0.36% ↑	<p><b>Cost-Income :</b></p> <ul style="list-style-type: none"> <li>Revenue growth impacted by tough trading conditions</li> <li>Trading activities loss have adversely impacted Cost-Income ratio by 2.8% (reported) and 2.7% (underlying)</li> <li>CTI to stay at high 40-percent for FY2009 due to income growth being impacted by trading outcomes</li> <li>Expense growth will be managed at lower levels over the remainder of FY 2009</li> </ul> <p><b>Net Interest Margin :</b></p> <ul style="list-style-type: none"> <li>Higher NIM mainly due to re-pricing of loan yields, interest recoveries on NPL's and loan step-up rates</li> </ul>
Cost-Income <sup>2</sup>		40.3%	46.1%	+5.8% ↑	
Fee Income / Total Income		16.7% (RM270.8mil)	16.5% (RM252.0mil)	-0.2% ↓	
UNDERLYING		H1FY08	H1FY09	H1FY09 vs H1FY08	
<b>Efficiency Ratios &amp; Others</b>					
Net Interest Margin <sup>1</sup>		2.60%	3.13%	+0.53% ↑	<p><b>Net Interest Margin :</b></p> <ul style="list-style-type: none"> <li>Higher NIM mainly due to re-pricing of loan yields, interest recoveries on NPL's and loan step-up rates</li> </ul>
Cost-Income <sup>2</sup>		41.0%	45.1%	+4.1% ↑	

H1FY08 results  
 Favourable growth in H1FY09  
 Unfavourable growth in H1FY09

Note :

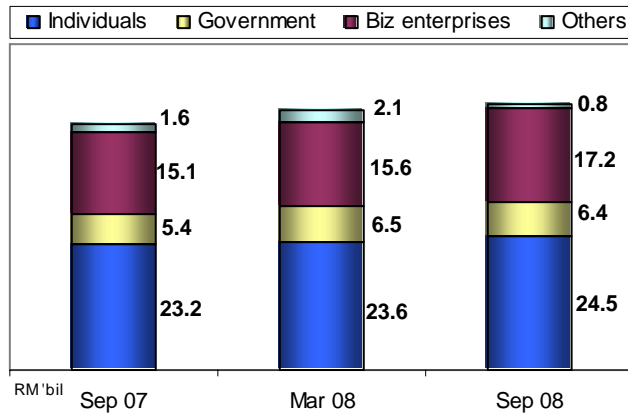
<sup>1</sup> Net Interest Margin includes Net Income from Islamic Banking business, as follows :

Reported and Underlying : H1FY08 – 0.60% H1FY09 – 0.65%

<sup>2</sup> Cost-income excluding insurance claims

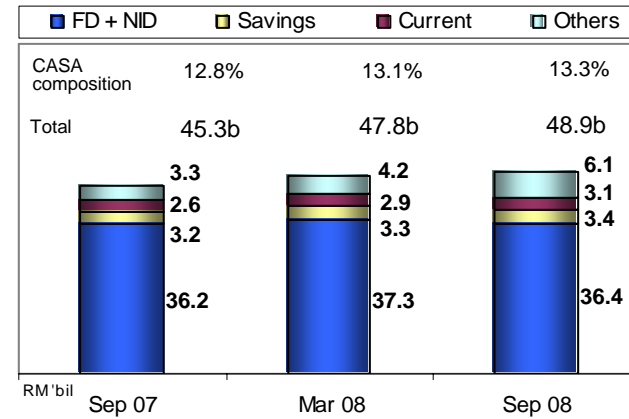
# Deposits Composition Continues to Improve

## CUSTOMER DEPOSITS BY SOURCES



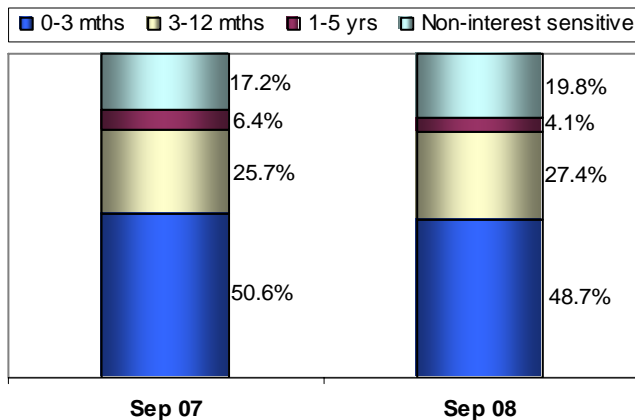
**“Sticky” deposits grew by 8%**  
(comprises deposits from individuals and government)

## CUSTOMER DEPOSITS BY TYPE

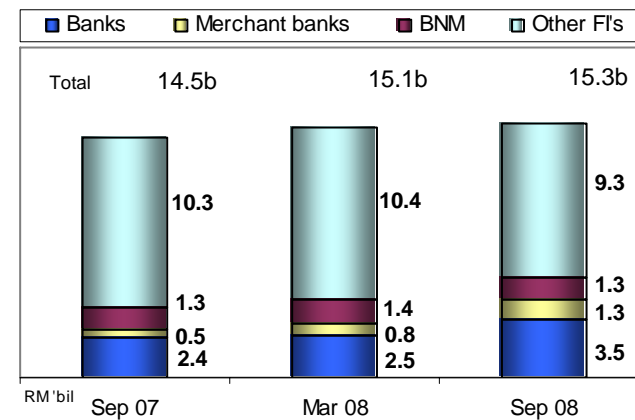


**Growth Sept 07 – Sept 08 :**  
Deposits from Customers = 7.9%  
CASA growth = 12.1%

## CUSTOMER DEPOSITS : INTEREST REPRICING PROFILE



## DEPOSITS of BANKS & FINANCIAL INSTITUTIONS

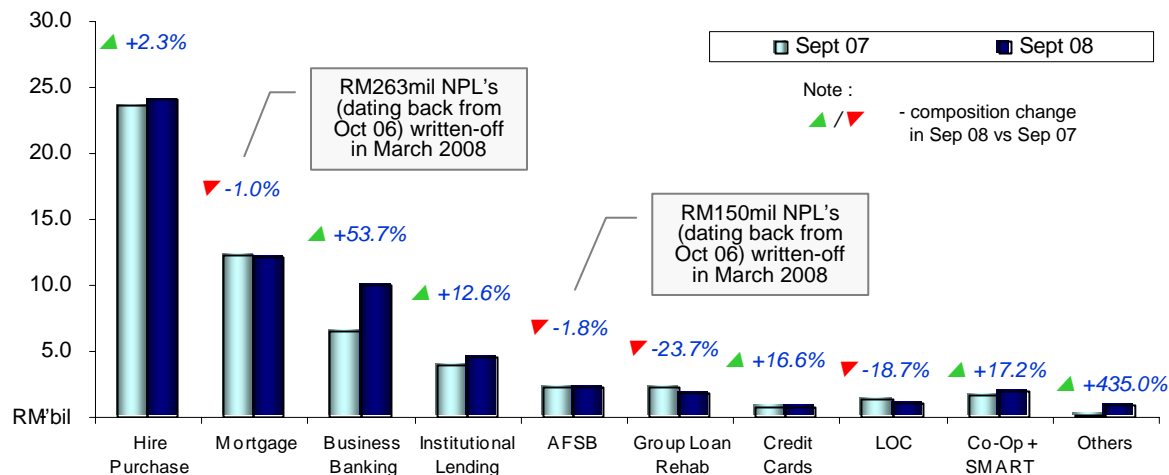


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# Loans Growth Focusing on Higher Profit Segments

## GROSS LOAN MOVEMENT

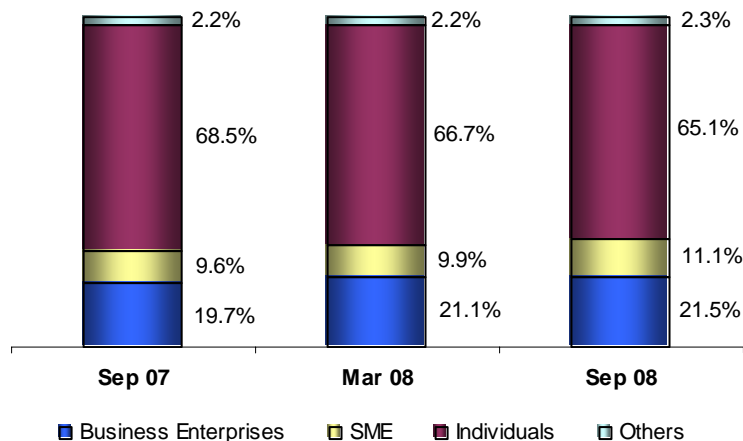
(before netting Islamic financing sold to Cagamas)



Note :

- 1 AFSB – Asset Financing & Small Business (includes equipment financing and financing for small-medium enterprises)
- 2 Coop – Personal financing to government servants via cooperatives
- 3 SMART – Share margin financing
- 4 Others – comprise Institutional Lending, Group Loan Rehabilitation, AMCB

## GROSS LOANS by CUSTOMER TYPE



## GROSS LOANS by INTEREST RATE

RM'bil	Sep-07	Sep-08
Fixed rate	62%	60%
Variable rate	38%	40%

Note :

Fixed Rate comprises mainly hire purchase receivables, and other fixed rate loans  
Variable Rate comprises BLR-plus, cost-plus and other variable rate loans

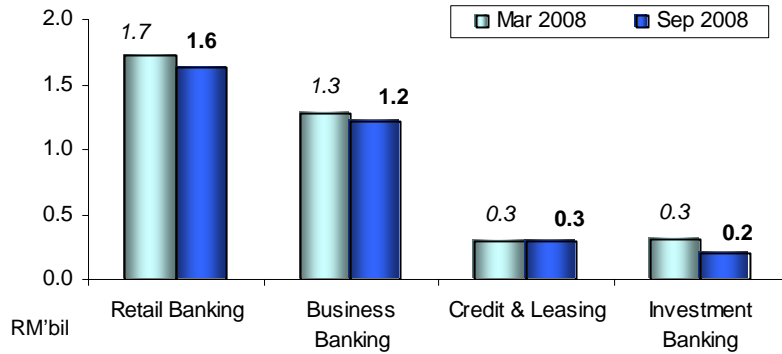
Note :

Business Enterprises comprises domestic business banking and SME comprises domestic small medium enterprises  
Others include other non-bank financial institutions, government & statutory bodies, other domestic and foreign entities

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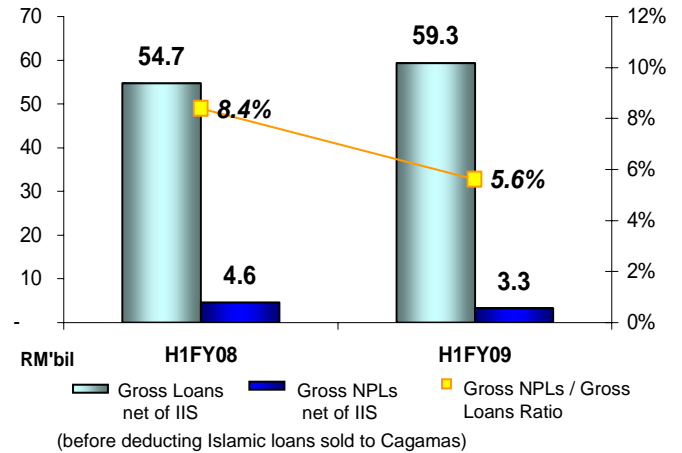
# Asset Quality Continues to Improve

### Gross NPL by Segments

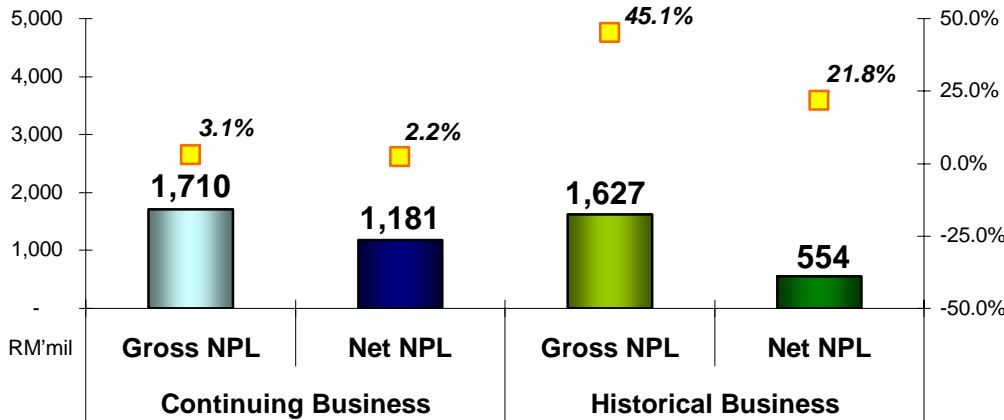


**Loan Loss Coverage : H1FY08 (66.5%); H1FY09 (74.5%)**

### Gross Loans and NPL ratio

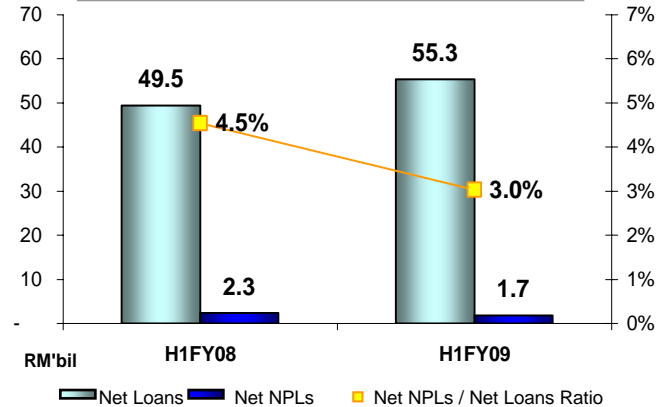


### Non-Performing Loans



Note :  
 1 "Historical" NPL's comprise legacy non-performing loans from entities acquired by the Group prior to and during 2002, and Arab-Malaysian Credit Berhad

### Net Loans and NPL ratio



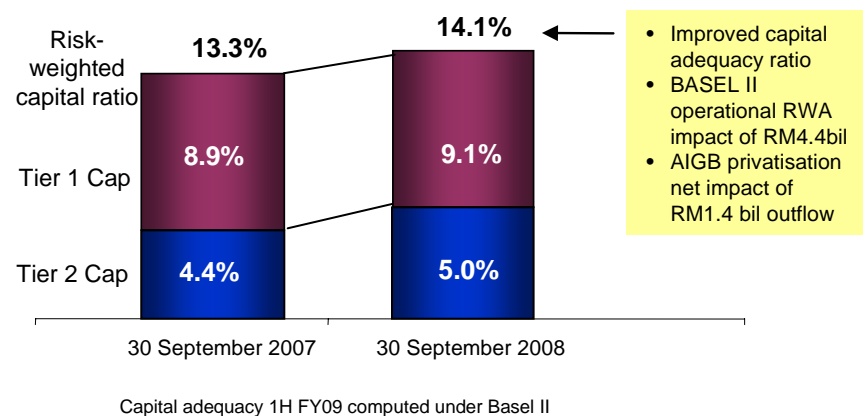
Legend:  
 - Light Blue: Gross NPL net of IIS  
 - Dark Blue: Net NPL  
 - Yellow: Gross / Net NPL ratios



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# Stronger Capital Base, Capacity to Grow

## Capital adequacy ratio – AMMB Holdings



## Capital base – AMMB Holdings

RM'b	30 September 07	30 September 08
Tier 1 Capital	7.34	8.37
Less:		
Goodwill	0.53	1.73
Deferred tax assets - net	0.75	0.46
Total Tier 1 Capital	6.06	6.18
Tier 2 Capital	2.98	3.43
Less: Restriction on borrowing	-	-
Capital Base	9.04	9.61

RWA 67.75 68.22

\* Tier 2 capital decrease due to redemption of subordinated term loans

## Capital ratio by legal entity

	Capital Base		Risk-weighted Assets		Tier 1 Ratio		RWCA Ratio	
	September 07 RM' b	September 08 RM' b	September 07 RM' b	September 08 RM' b	September 07	September 08	September 07	September 08
<b>AmInvestment Bank (Note 1)</b>	2.34	<b>0.44</b>	15.65	<b>2.20</b>	11.9%	<b>19.5%</b>	15.0%	<b>19.8%</b>
<b>AmBank (M) + AMIL (Note 2)</b>	4.55	<b>6.38</b>	40.02	<b>52.51</b>	7.5%	<b>8.3%</b>	11.4%	<b>12.2%</b>
<b>AmIslamic</b>	1.44	<b>1.63</b>	9.77	<b>10.80</b>	9.2%	<b>9.8%</b>	14.8%	<b>15.1%</b>
<b>AmBank (M) Group</b>	5.97	<b>8.59</b>	49.81	<b>63.31</b>	6.3%	<b>8.4%</b>	12.0%	<b>13.6%</b>

Note 1: Excludes AMIL in the current financial year as AMIL became a wholly-owned subsidiary of AmBank in April 2008.

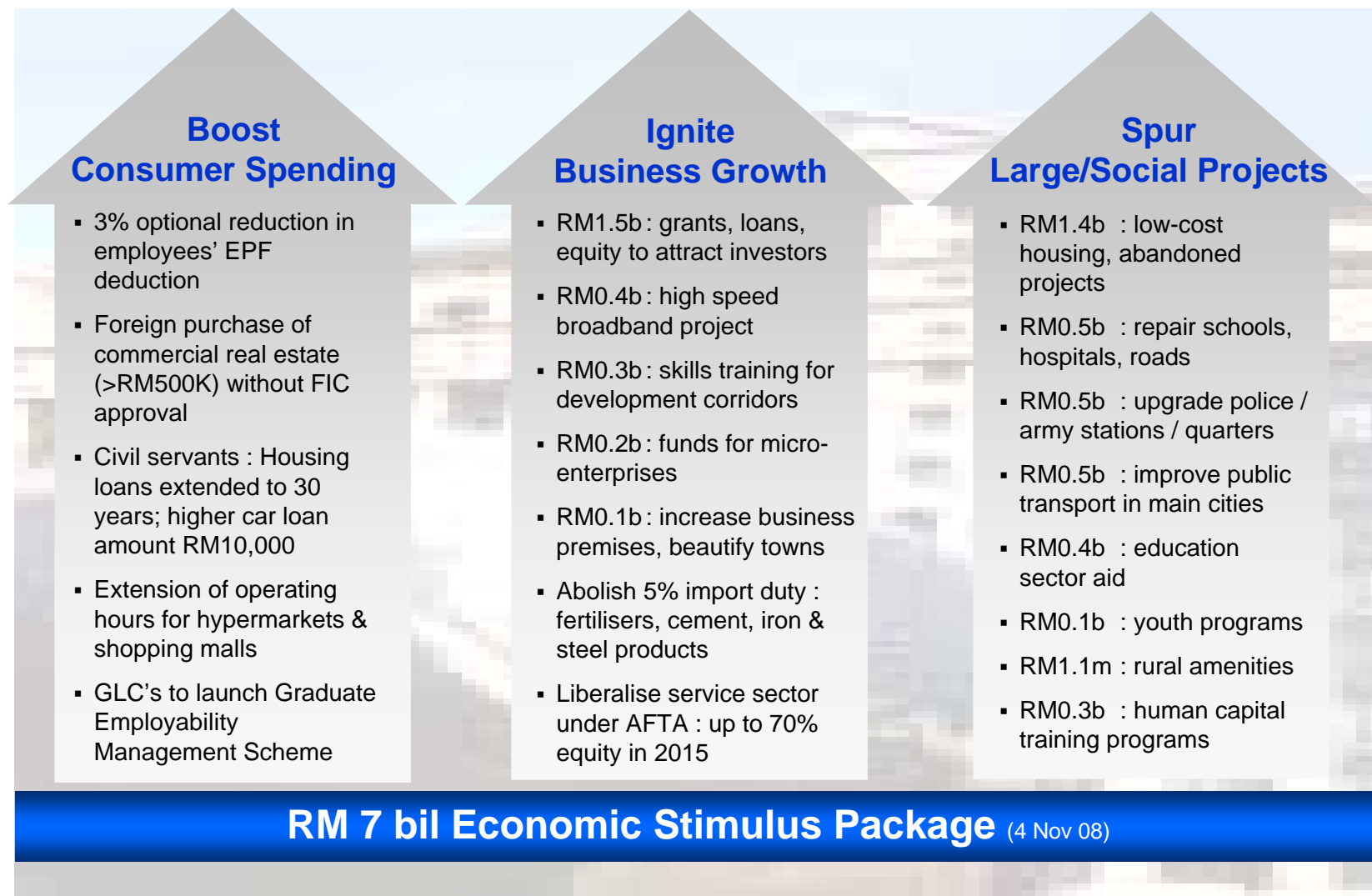
Note 2: Includes AMIL in the current financial year as AMIL became a wholly-owned subsidiary of AmBank in April 2008.

## Economic and Market Conditions are Getting Tougher

- **Real GDP forecast for 2009 at circa 3%**
  - *Rebound expected during late 2010*
- **Inflation may ease to circa 3% for 2009**
  - *Consumers adjust to higher costs of living*
  - *Subject to falling commodity prices*
- **Lending growth projected to taper off to circa 5% in 2009**
  - *6% - 8% p.a. and gradually rising thereafter*
- **BNM OPR to reduce to 3.0% in 2009 to stimulate economic growth**
  - *50 bps increase in 2010*
- **BLR reduction to 6.25% for 2009**
  - *50 bps rise alongside OPR in 2010*
- **RM currently weakening against USD**
  - *Projected to strengthen to 3.40 by end 2009*

Source : Internal economic research

# Government's Expansionary Policy to Stimulate Economy



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Source : Various Malaysian newspaper publications

## Financials on Track to Deliver >30% Growth in PATMI<sup>1</sup> for FY2009 (vs FY2008)

Expected Financial Outcome	Divisional Performances
<p><b>Produce superior revenue growth :</b></p> <ul style="list-style-type: none"> <li>▪ 4 – 5% revenue growth for business segments</li> <li>▪ Negative growth for operating segments</li> </ul> <p><b>Improve asset quality and provisioning ratios :</b></p> <ul style="list-style-type: none"> <li>▪ Net NPL ratio at circa 2.5%</li> <li>▪ Provisions charge &lt;0.8%</li> </ul> <p><b>Lower group funding costs :</b></p> <ul style="list-style-type: none"> <li>▪ Reduce funding cost by 5 – 10 bps</li> </ul> <p><b>Improve efficiency and return to shareholders :</b></p> <ul style="list-style-type: none"> <li>▪ ROE at 11.5% - 12.5%</li> <li>▪ Cost-income ratio circa 50%</li> <li>▪ Dividends at 7% - 8%</li> </ul>	<p><u>Retail Banking</u></p> <ul style="list-style-type: none"> <li>• On track to achieve PAT target driven by lower provisions</li> </ul>
	<p><u>Business Banking</u></p> <ul style="list-style-type: none"> <li>• Good lending growth in target segments</li> <li>• On track to achieve PAT target driven by income growth and lower provisions</li> </ul>
	<p><u>Investment Banking</u></p> <ul style="list-style-type: none"> <li>• PAT impacted by weak equity and debt capital markets</li> <li>• Reduce focus on origination business and diversify income streams</li> </ul>
	<p><u>Relationship &amp; Regional Banking</u></p> <ul style="list-style-type: none"> <li>• PAT impacted by lower contributions from international stockbroking business</li> <li>• Sound lending growth to higher quality credits</li> </ul>
	<p><u>Assurance</u></p> <ul style="list-style-type: none"> <li>• PAT impacted by higher claims</li> </ul>
	<p><u>Operating Segments</u></p> <ul style="list-style-type: none"> <li>• Improved profits due to provision recoveries partly offset by trading losses</li> </ul>

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Note 1 : Forecast PATMI for FY2009 is 10% above market consensus  
Source : Bloomberg, consensus statistics dated 15 October 2008



## Key Financial Statistics

as at 30 September 2008

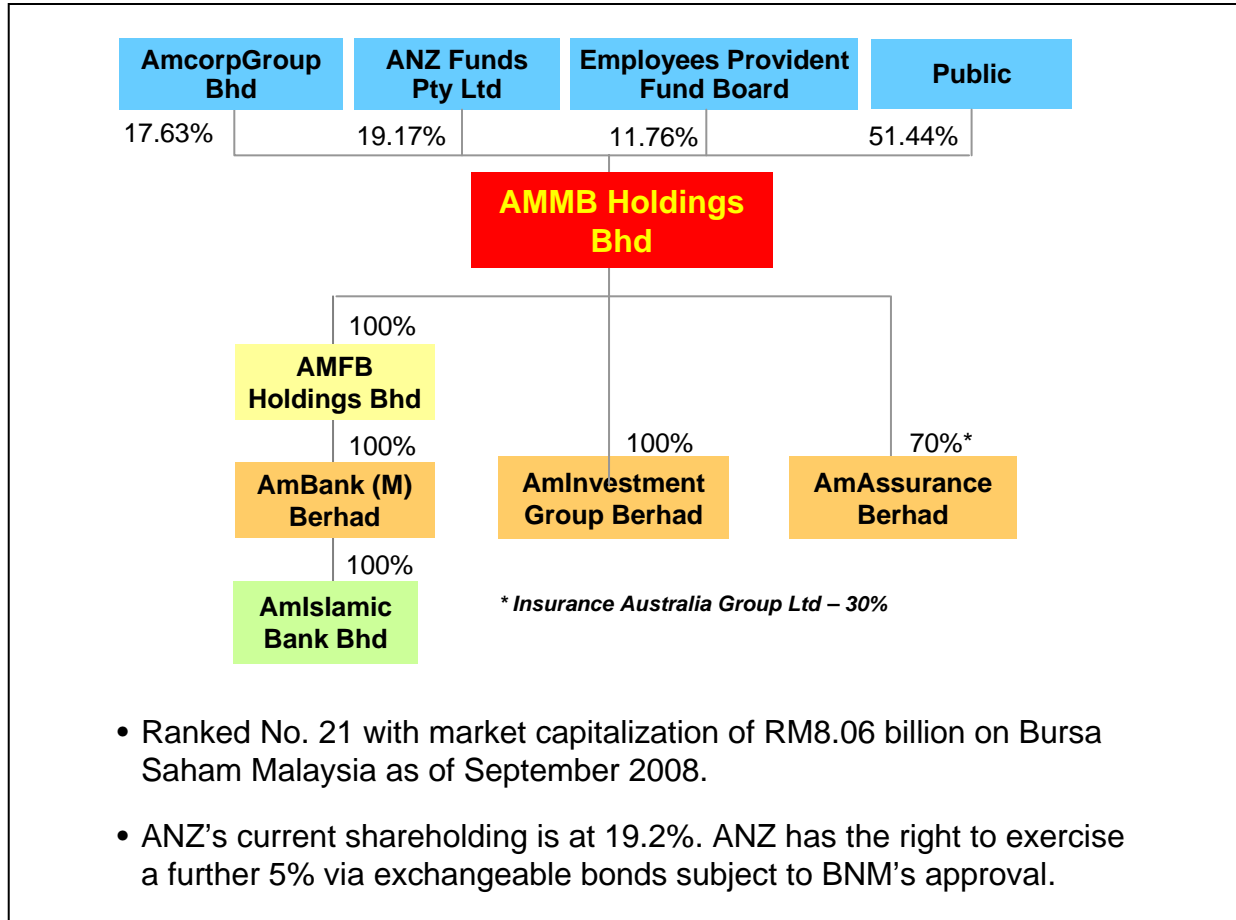
<i>RM'000</i>	FY2008	H1 FY09
Share Capital	2,722,970	2,722,970
Reserves	4,446,623	4,678,224
Shareholders' Equity	7,169,593	7,401,194
Less: Intangible Assets	(1,801,985)	(1,812,600)
NTA	5,367,608	5,588,594
NTA Per Ordinary Share (RM)	1.97	2.05
Net Asset Per Ordinary Share (RM)	2.63	2.72
Profit Before Tax	1,194,437	599,338
<b>Profit After Tax and MI</b>	<b>668,542</b>	<b>433,043</b>
ROE – Pre-tax (%), annualised	19.98	16.45
<b>ROE – After tax &amp; MI (%), annualised</b>	<b>11.18</b>	<b>11.89</b>
Market Price (RM)	3.44	2.96
<b>Price to Book [NTA / Net Asset]</b>	<b>1.75 / 1.31</b>	<b>1.44 / 1.09</b>
<b>EPS (sen) – basic, annualised</b>	<b>28.24</b>	<b>31.80</b>
Dividend (gross sen / share)	6.0	-

Convertible Instruments Outstanding	30 Sep 2008	Exercise Price	Expiry Date	Held By
Exchangeable Bonds	194,915,254	RM2.95	18 May 2017	ANZ

*Paid-up capital as at 30 Sep 2008 = 2,722,969,590 Ordinary shares (after CPS conversion by ANZ)*

# Shareholding Structure

as at 30 September 2008



- Ranked No. 21 with market capitalization of RM8.06 billion on Bursa Saham Malaysia as of September 2008.
- ANZ's current shareholding is at 19.2%. ANZ has the right to exercise a further 5% via exchangeable bonds subject to BNM's approval.

## Foreign Shareholding excluding ANZ

Mar-07	Jun-07	Sep-07	Dec-07	Mar-08	Jun-08	Sep-08
31.93%	41.16%	41.10%	38.14%	36.95%	37.15%	34.39%

# Key Group Information Highlight : ANZ Strategic Partnership

ANZ is the only Australian bank to have been in the Asian region for over 38 years, with strategic banking partnerships across 7 countries

- AmBank is ANZ's single largest investment in Asia, with a total investment of US\$696 million
- This is equivalent to 51% of total investments to date



ANZ has provided key resources and support to AmBank

<b>Board</b>	<b>Director</b> <i>Dr. Robert John Edgar</i>	<b>Director</b> <i>Alex Thursby</i>	<b>TBC</b>	
<b>Senior Management</b>	<b>Group CFO &amp; Deputy Group MD</b> <i>Ashok Ramamurthy</i>	<b>Chief Risk Officer</b> <i>Andrew Kerr</i>	<b>Chief Operating Officer</b> <i>TBC</i>	
<b>Management</b>	<b>Head of Capital &amp; Balance Sheet Management</b> <i>Neville Mallard</i>	<b>Head of Retail Distribution &amp; Deposits</b> <i>Brad Gravell</i>	<b>Head of FX &amp; Derivatives</b> <i>Steve Kelly</i>	<b>Head of Market Risk</b> <i>Jonathan Manifold</i>
	<b>Head of Systems Accounting</b> <i>Ignatius Lim</i>	<b>Project Director</b> <i>Mark Lockhart</i>	<b>Head of Risk Infrastructure</b> <i>Chung Fui Ken</i>	<b>Credit Risk/ Portfolio Mgt</b> <i>Glenn Saunders</i>
			<b>Program Director – Retail CoF</b> <i>Christopher Shields</i>	

**ANZ is committed to AmBank's long-term success and aspirations**

# Key Group Information Highlight : Delivery Channels



## Key Objectives

- Expand Footprint
- Improve Sales Productivity
- Improve Operations Efficiency
- Stabilize and improve & service level



## Business Units

## Key Strategic Initiatives



Branch Banking

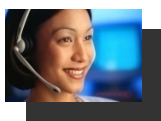
- 10 New Branches + 4 Sales Kiosks
- Increase Sales by +30%

( 200+ Branches by 2011)



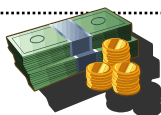
Distribution Operations

- 7 Eleven Strategic Partnership
- EBC and Traditional Offsite Growth of 100 +
- Additional SSM Functionality



E-Channel & Contact Centre

- 7 Eleven Strategic Partnership (400 ATMs)
- EBC and Traditional Offsite Growth of 100 +
- Expand Outbound competency
- Implement 3.2 Platform Upgrade



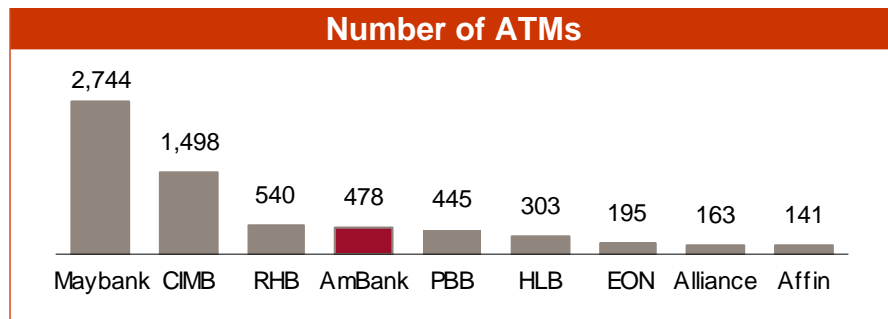
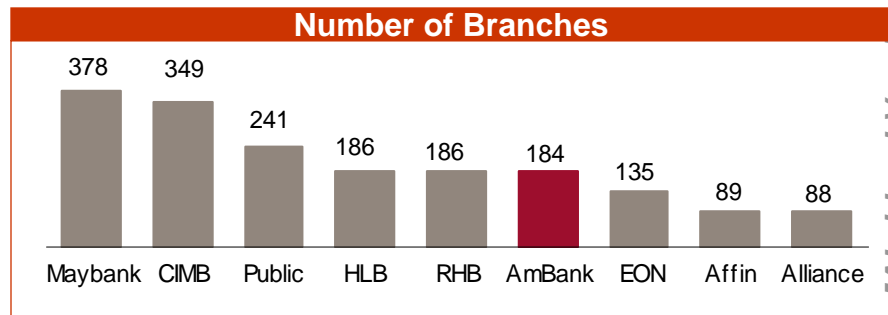
Wealth Management

- Implement new sales platform
- Increase sales productivity



Distribution Intelligence

- Sales Operating Model
- Branch Operating Model
- Effective & efficient sales methodology
- Enhanced MIS



Source: Company websites of peer banks  
 Note: Peer group as at 30 September 2008; AmBank as at latest practicable date

[Abridged Version]

# Ratings

## AmBank (M) Berhad

Rating Agency	Long-Term	Short-Term	Date
<b>RAM</b> <u>Instrument :</u> - RM200mil subordinated tier-2 bonds - RM575mil exchangeable bonds - RM2.0bil MTN programme	A1	P1	Jan 08
	A2		Jan 08
	A2		Jan 08
	A2		Jan 08
<b>Moody's</b> <u>Instrument :</u> USD200mil non-cumulative non-convertible guaranteed preference share	Baa2	P-3	Jan 08
	Ba2		Jan 08
<b>Fitch</b> <u>Instrument :</u> USD200mil non-cumulative non-convertible guaranteed preference share SGD denominated stapled securities	BBB-	F3	Feb 08
	BB		Feb 08
	BB		Mar 08
<b>S&amp;P</b> <u>Instrument :</u> USD200mil non-cumulative non-convertible guaranteed preference share SGD denominated stapled securities	BBB-	A-3	Sep 07
	BB		Sep 07
	BB		Mar 08
<b>Capital Intelligence</b>	BBB-	A3	Oct 07

[Abridged Version] Please contact us for full version

# Ratings

## AmlInvestment Bank Berhad

Rating Agency	Long-Term	Short-Term	Date
<b>RAM</b>	AA3	P1	Mar 08
<u>Instrument :</u>			
- Up to RM1.0bil long-term NID's	AA3		Mar 08
- Up to RM460mil redeemable unsecured subordinated bonds	A1		Mar 08
- RM200mil subordinated tier-2 bonds	A1		Mar 08
<b>MARC</b>	AA-	MARC-1	May 08
<b>S&amp;P</b>	BB+	B	Sep 07
<b>Fitch</b>	BB+	B	May 07

## Amlslamic Bank Berhad

Rating Agency	Long-Term	Short-Term	Date
<b>RAM</b>	A1	P1	Mar 08
<u>Instrument :</u>			
- RM400mil subordinated sukuk musyarakah (2006 / 2016)	A2		Mar 08

# Glossary

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## **Reported Performance**

Reported performance refers to the financial performance as reported in the Audited Financial Statements and disclosed to the market.

## **One Offs**

One offs comprise those impacts on financial performance that arise from changes to;

- Accounting and provisioning policies (eg 5 and 7 year rules)
- Differences between economic and accounting hedges
- Prior period catch ups (eg backdated salary costs)
- Strategic investments and divestments (eg ANZ partnership), and
- Tax and regulatory regimes (eg Deferred tax asset write off due to reduction in Corporate tax rates)

## **Underlying Performance**

Underlying performance refers to the financial performance adjusted for one off impacts as above.

## **Business Segments**

Business Segments

- Comprise AmBank Group's core operating businesses that generate profits from direct customer transactions and interactions
- Have relatively more stable income streams, incur the bulk of the costs and typically have a lower risk profile
- In most instances have market shares and growth metrics that can be measured and benchmarked externally

## **Operating Segments**

Operating Segments

- Have more volatile and lumpy income streams, with the former a direct function of risk appetite
- Includes
  - Income and expenses associated with proprietary and treasury trading, shareholder funds, loan rehabilitation and legacy businesses, plus
  - Costs associated corporate, shared services and governance functions currently not be charged back to the business units

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