Press Release

13 February 2009

AMMB Holdings Berhad – 9-Month Results to December 2008
PATMI growth of 51% to RM681.0 Million

Financial Results 9-Month of Financial Year Ending 31 March 2009 (FY2009)
(9MFY09 : period 1 April 2008 to 31 December 2008)

Profitability		Change 9M-o-9M[1]	
Profit before tax	RM 944.3 mil	up	6.6%
Profit after tax and minority interests (PATMI)	RM 681.0 mil	up	51.0%

Operating Performance Ratios		Change 9M-o-9M	
ROE (post-tax)	12.4%	up	1.0%
ROA (post-tax)	1.1%	up	0.1%
EPS (fully diluted, annualised)	33.3 sen	up	30.1%
Cost-Income Ratio	43.5%	up	4.4%

Growth, Lending and Deposit Ratios	
Net Lending Growth (YoY[2])	10.7%
Customer Deposits Growth (YoY)	9.5%
Low-Cost Deposits Composition	13.3%

Asset Quality Ratios		Change YoY[2]	
Net NPL	2.7%	down	1.3%
Loan Loss Coverage	77.5%	up	8.6%

Capital Ratios	
Core Capital Ratio	9.4%
Risk-Weighted Capital Ratio	14.3%

Financial Highlights

- Profit after tax and minority interests recorded 51.0% growth 9M-o-9M, from :
  - Higher net interest income and net income from Islamic banking business by RM180.3 million (+11.5%);
  - Improved net provisions' charge at 0.5% (1.2% previously); and
  - Minority interest buy-out in January 2008 following the privatization of AmInvestment Group Berhad.

AMMB Holdings Berhad ("AMMB" or the "Group") today announced another record performance for the nine months ending 31 December 2008, with profit after tax and minority interests of RM681.0 million, representing earnings per share of 33.3 sen (fully-diluted, annualised) and post-tax return on equity of 12.4%. **Mr Cheah Tek Kuang**, the Group CEO and Managing Director of AMMB, commented, "*The Group is on track to deliver record performance for PATMI FY2009 (as per earlier guidance)*".

Delivering another High Profit Performance

The Group's 9M-o-9M profit performance was contributed by growth in net interest income and net income from Islamic banking business of +RM144.8 million (+12.2%) and +RM35.4 million (+9.3%) respectively.

Profit after tax grew by 17.9%. Post-tax return on equity (ROE) grew by 1.0%, return on assets (ROA) was up 0.1% and earnings per share higher by 30.1%. Net interest margin ratio was higher at 2.99% compared to 2.70% in the previous corresponding 9-month due to income recoveries, loans re-pricing and step-up loan rates. Loan loss provisions were RM251.1 million (-48.6%) lower, underpinned by improved credit control, collections and recoveries management.

Retail and Business Banking Divisions were the largest contributors to the Group's profits, reporting a combine post-tax profit of RM577.1 million. Retail Banking's profit after tax grew 25.6%, as a result of lower provisions and moderate revenue growth. Business Banking charted a 37.4% higher post-tax profit, driven by good revenue growth from a 41.8% larger loans base.

Investment Banking Division made a reasonable profit after tax of RM36.0 million, despite being impacted by tough conditions in capital and stock markets. The Relationship and Regional Banking Division recorded RM33.7 million profit, 28.3% lower than last corresponding period mainly in its international stock broking businesses. Insurance operations contributed RM33.8 million to Group's profits.

Upping its Ante in Deposits Growth

Transactional customer deposits, comprising savings and current accounts, grew 9.6% YoY to RM6.7 billion. Total customer deposits registered growth of 9.5% YoY to RM50.7 billion, with AmBank Group continuing to promote cash management services and payroll crediting facilities. Deposits mobilised from individuals continued to form the largest source of customer deposits, accounting for circa 50% of total deposits.

Low-cost deposits composition (savings and current accounts) was 13.3%. Besides expanding direct deposits sales team, our enlarged branch network plays a significant role in deposits gathering. At present, the Group has a network of 186 commercial bank branches, 551 automated teller machines ("ATM's") and 107 electronic banking centres nationwide. Of these, 172 ATM's are placed at 7-Eleven convenience stores nationwide, with another 228 machines targeted for roll-out at strategic locations in 2009 and 2010.

Sustaining Lending Growth, No Impacts from Economic Downturn yet

Net loans registered growth of 10.7% YoY to RM56.0 billion. Business Banking Division has maintained its well-diversified growth in gross loans, whilst keeping asset quality under control.

Business Banking will continue its focus on trade finance and small medium sized industries ("SME") particularly in agriculture, oil and gas, and domestic trade sectors, with additional focus on contract manufacturing from government and government-related organisations. Dedicated relationship management teams and tailored facilities have contributed to the growth in lending base.

Retail Banking Division recorded moderate net loans growth of 3.1%, with its strategy increasingly shifting towards capturing new bookings in higher-returns segments in preference to market share. The Group is the fourth largest banking group by retail assets. We have maintained our second position in passenger vehicle financing with a market share of 21.3%. In addition, the Group is the largest Islamic credit card issuer in the country.

Improving Asset Quality, Narrowing Gap to Industry Averages

Under a sound risk, collections and recoveries management regime, loan loss coverage has improved to 77.5%. Gross and net non-performing loans ("NPL") ratio improved to 5.2% and 2.7% respectively.

The management of NPL's and bad debts for Retail and Business Banking are centralized within the divisions for greater concerted effort and operations rationalization. The Group is in the pipeline of introducing second-generation Retail Banking risk scorecards by the first quarter of next financial year. These are underpinned by loss given default and probability of default models.

AmBank Group's collections and recoveries outfit is well positioned to weather the increasingly challenging economic scenario, with its well distributed collection centres, dunning capabilities and collections frameworks. The economic challenges have not manifested in material decline in asset quality to date. Nevertheless, we anticipate some deterioration in asset quality is inevitable in the overall banking industry this year, with escalating global financial issues.

Positioning its Capital and Balance Sheet at Strong Footing

As at 31 December 2008, the Group's total assets stood at RM86.5 billion, a 9.4% increase YoY. The Group's risk-weighted capital ratio is at a comfortable 14.3%. Total risk-weighted assets ("RWA") of RM70.0 billion at 31 December 2008 complies with standardised Basel II requirement.

Outlook

The full effects of the global economic downturn on Malaysia are yet to be felt todate but are imminent. The export market has slowed down considerably amid weakening demand and falling commodity prices, and this is starting to impact on the unemployment rate. Consumer spending in the last quarter of 2008 remained positive, but will begin to moderate, especially post – festive season in January 2009.

Given the scale and momentum of the global economic downturn, the consensus national real GDP forecast for 2009 is projected at 0.5%, with downward bias. Industry lending growth is forecasted to taper off to circa 5% in 2009. Further intervention by the federal government via additional fiscal measures and monetary stimulus packages is anticipated. The economic slowdown may not be a short term phenomenon, and any rebound is unlikely until early to mid 2010.

"*AMMB Group is well positioned to weather global, regional and national volatilities, leveraging on the strategic partnership with Australia & New Zealand Banking Group (ANZ). Coupled with firm sovereign support from the Central Bank, the Malaysian banking system remains intact. We are investing and implementing on strategies to build sustainable growth,*" emphasized Mr Cheah Tek Kuang.

Medium Term Aspirations

Amidst deteriorating global and domestic economic conditions, operating landscape will become tougher. In order to achieve its medium term aspirations, the Group will continue to de-risk, diversify and focus on differentiated growth within its various businesses.

AMMB Group, whilst committed to its medium term aspirations, recognize that achieving these aspirations will now take longer, given the material changes to the macro-economic conditions.

Strategic Partnership with ANZ

The support, knowledge exchange and regional presence of ANZ, the Group's strategic partner, will continue to be leveraged to steer business growth. ANZ is one of the eleven AA rated banks globally.

Corporate Developments

In December 2008, the Group completed the restructuring of its insurance business, involving the separation of the composite business of AmLife Insurance Berhad ("AmLife", formerly known as AmAssurance Berhad), with the transfer of its general insurance business to AmG Insurance Berhad ("AmG"). Subsequent to the business transfer, the shareholding of AmG and AmLife was restructured via :

- The increase of equity interest by 19% in AmG by Insurance Australia Group ("IAG") resulting in it holding 49% equity interest in AmG; and
- The on-sale to Friends Provident Fund plc ("FP") of the 30% equity interest in AmLife acquired by AMMB from IAG.

AMMB is in progress of acquiring the general insurance business of Malaysian Assurance Alliance Berhad and a 4.9% stake in MAA Takaful Berhad.

Further, in January 2009, the Group announced its undertaking of Special Issue Shares amounting to 96,300,000 new ordinary shares of RM1.00 each to Bumiputra shareholders. This exercise will enable AMMB to comply with the Bumiputra equity condition pursuant to the equity participation of ANZ in AMMB.

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Annexure :

AMMB Holdings Berhad – Performance Snapshot

RM'million	Headline Results 9MFY09	Headline Results Change[5]	Underlying[4] Results 9MFY09	Underlying[4] Results Change[5]
Income	2,418.2	- 4.3%	2,377.0	- 2.0%
Expenses	1,208.5	+ 7.6%	1,200.5	+ 8.7%
Profit before Provisions	1,209.7	-13.7%	1,176.5	-10.9%
Provisions	265.4	-48.6%	263.0	-44.7%
Profit before Tax	944.3	+ 6.6%	913.5	+ 8.1%
Profit after Tax	692.5	+17.9%	670.6	+ 8.6%
Profit after Tax and Minority Interests	681.0	+51.0%	659.1	+ 8.9%
Cost-Income Ratio	43.5%	+ 4.4%	44.0%	+ 4.0%

Notes :

[1] 9M-o-9M – 9 months of 1 April 2008 to 31 December 2008 in comparison to 1 April 2007 to 31 December 2007 (9MFY08; 9 months of financial year ended 31 March 2008 – FY2008)

[2] YoY – Position as at 31 December 2008 in comparison to position as at 31 December 2007

[3] One-off adjustments comprise impacts on financial performance arising from changes to accounting and provisioning policies, differences between accounting and economic hedges, prior period catch ups, strategic investments and divestments, and tax and regulatory regime.

[4] Underlying performance refers to the financial performance adjusted for one off impacts, eg 2008 results were restated as if AmInvestment Group Berhad ("AIGB") was a 100%-owned entity of AMMB.

[5] Comparison to the financial results of 9MFY09 is made against 9MFY08 (9-month of financial year ended 31 March 2008 : period 1 April 2007 to 31 March 2008).

Segment Performance and Business Highlights

Retail Banking Division :

- Registered 26% 9M-o-9M improvement in underlying profit after tax, driven by revenue growth and improved asset quality (lower provisions by 42%)
  - Lending growth recorded 3% and non-performing loans level reduced by 25% YoY
  - Net NPL ratio was 3.2% (3.4% in December 2007)
  - Grew its deposits by 11% in December 2008 YoY
- Officially launched Family First Solution in January 2009, an innovative financial solution designed to aid growing Malaysian families in financial planning
  - Encapsulates holistic suite of financial products, services, tools and resources to help families better manage finances and plan for the future
  - Aims to place AmBank brand as a family-oriented bank that cares for the well-being of the average Malaysian family, especially in current times of financial uncertainties
- In a strategic move, Retail Banking is placing emphasis in higher profit segments in the auto financing market relative to pursuance of market share, via more resilient pricing structure linked to credit assessment (pricing for risk)
- Growth in mortgage will focus on owner-occupied residential properties with mid-market range

- CASA deposits activities revolve around providence of products and services which meet the needs of the mass market families, small businesses and emerging / mass affluent segments

Business Banking Division :

- Delivered lending growth 42% YoY, against backdrop of reducing net non-performing loans level by 76%
  - Deposits grew at 70% YoY rate
  - SME and mid-market lending, the identified target market segment with high growth potential, continues to propel the income growth of 53% and profit after tax increase of 37% 9M-o-9M
- At present, there are 13 commercial business centres and 5 regional business centres
  - To engineer business growth, we have an extensive coverage of relationship managers trained by industry specialisation
  - End-to-end processes have been rationalised for speedier loan approvals, whilst relationships with cross-border partners are continually expanded to ease foreign trade transactions
  - Business Banking continues to focus on FX, remittance, trade and cash management services

Investment Banking Division :

- 9M-o-9M profit after tax decreased by 72%, with weak capital markets and lower stock market turnovers adversely impacting on income
- Bracing for tough operating environment, Investment Banking will enhance focus on corporate and structured finance and other financial advisory services. It will continue to build relationships with select origination clients, whilst enhancing distribution channels and ensuring optimal pricing
- Funds under management and broking businesses offer pockets of growth opportunities, with emphasis on higher margin retail funds and absolute return funds

Assurance Division :

- Recorded YoY growth in life and general business assets size by 17% and 33%
  - Experienced profitability decline 16% 9M-o-9M, owing to higher claims experience
  - Initiatives are in place to manage productivity and cost control
- The conclusion of the insurance business transformation has delineated the path for greater specialisation within general and life insurance businesses respectively
  - Paved the way for entry of new strategic partner, FP (Friends Provident Fund plc), in the life insurance business, and increased strategic involvement by our general insurance partner, IAG (Insurance Australia Group)
  - The Group is optimistic that the partnerships will revitalise its reputation in the local insurance arena, benefiting from the knowledge exchange, technical expertise transfer and international presence of IAG and FP