



Press Release

10 July 2012

AMMB Holdings Berhad to acquire MBF Cards (M'sia) Sdn Bhd

AMMB Holdings Berhad ("AMMB" or "AmBank Group") announced today that it has entered into a conditional share sale agreement ("SPA") with MBf Holdings Berhad ("MBf Holdings") and its wholly-owned subsidiaries Atox Cards Sdn Bhd and Jastura Sdn Bhd (collectively, the "Vendors"), for the proposed acquisition of an aggregate 100% equity interest held by the Vendors in MBF Cards (M'sia) Sdn Bhd ("MBF Cards") for a total cash purchase consideration of RM623.4 million (the "Proposed Acquisition"), subject to adjustments on completion. The businesses to be acquired under this transaction include cards issuing, merchant acquiring and bill payments business under Visa and MasterCard licences. The Proposed Acquisition also includes MBF Cards' ownership of 33.33% in Bonuskad Loyalty Sdn Bhd's ("Bonuskad") shares.

This transaction is pending the approvals of Bank Negara Malaysia and the Vendors' shareholders. Completion is expected before end December 2012.

Tan Sri Azman Hashim, Chairman of AMMB Holdings Berhad said, "This acquisition enhances the profile of our merchant acquiring and card issuance businesses with a greatly enlarged merchant network and an increase in receivables. It also fits well with our Retail Banking strategic priorities and aspirations, including stronger customer centricity, accelerating growth in deposits and non-interest incomes, building our wealth management and growing quality assets in targeted segments.

The combined customer pool also presents itself as an attractive marketing opportunity for a wide range of retail products and services from across the

AmBank Group. The expanded merchant acquiring business will provide opportunities for accelerating growth in our recurring non-interest income. These benefits will be realised by accessing our combined and larger customer base, new products and services, significant cost efficiencies and via leveraging the enlarged distribution channels.”

Mr Ashok Ramamurthy, Group Managing Director, AMMB Holdings Berhad added, “With greater than 45,000 merchants-in-force, this will clearly make AmBank the Top 3 merchant acquirer in Malaysia. Additionally, the multiple franchises and licenses such as MasterCard, Visa, e-Debit, Japan Credit Bureau and China Union Pay, will provide a more complete suite of payment card acceptance for our extensive merchant network. In terms of cards receivables, it will increase to RM2.3 billion. It also gives us full control over the line of credit (“LOC”) business model, allowing AmBank card brand to be used and giving greater control over marketing and card positioning. The LOC is a unique arrangement whereby AmBank provides financing (“LOC”) to MBF Cards’ cardholders, which will expire in mid-2017. We will have strengthened our rank at no. 6 with the combined cards in circulation. Through the Bonuskad acquisition (33.33% equity), we will also have access to a 7-million strong customer database of the Bonuslink loyalty card which would present good cross-selling opportunities.

Datuk Mohamed Azmi Mahmood, Deputy Group Managing Director and Managing Director, Retail Banking said, “MBF Cards’ profile of a large base of active and loyal cardmembers with at least more than six years’ card memberships, as well as its strong presence in East Malaysia provides sound potential for cross-selling opportunities. The resulting enhanced scale of the merchant acquiring and cards businesses also augurs well for the range of benefits and promotions that we will be able to offer to our customers, in line with our commitment to customer centricity and better customer experience.”

About AmBank Group

AMMB Holdings Berhad ("AmBank Group") provides a wide range of financial products and services through its major subsidiaries including AmBank (M) Bhd, AmInvestment Bank Bhd, AmInvestment Group Bhd, AmLife Insurance Bhd, AmG Insurance Bhd and AmIslamic Bank Bhd.

Incorporated in 1975, today its business divisions covers activities across retail banking, business banking, transaction banking, corporate and institutional banking, investment banking including funds management and stockbroking, markets, general insurance, life assurance and Family Takaful. These business divisions offer both Conventional and Islamic financial services.

Adding greater value to this one-stop financial hub is the Group's strategic partnership with the Australia and New Zealand Banking Group Ltd ("ANZ"), one of Australia's leading financial institutions, providing the synergy of a wide network, regional presence and international banking expertise.

For more information, please visit www.ambankgroup.com

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