

# Our Philosophy



The strategies we follow and the actions we take are all aligned to value creation for all our stakeholders.

## The AmBank Way

A Culture of Excellence and Professionalism

### **CUSTOMER PRIORITY**

Our clients are our reason for existence. We are committed to them and we will strive to provide outstanding service to all our customers.

### **INTEGRITY**

Integrity and honesty are paramount in everything we do when we conduct our business. We will treat all our business partners and competitors with unwavering grace and honour.

### **SPEED AND CREATIVITY**

We strive to be fearless, responsive and nimble in our approach to doing business. We are not afraid to pioneer new ideas and approaches.

### **QUALITY**

Any output or deliverable we produce serves to represent AmBank Group. We know we must never compromise on what we need to do to preserve the reputation of the Group.

### **INITIATIVE**

We are empowered to take responsibility for what we do, going the extra mile and applying sound judgement in the process.

### **VISION AND GOAL-ORIENTATION**

We are a winning team. Our victories and goals are achieved through a strong sense of purpose, ownership and commitment.

### **TEAMWORK**

Teamwork is the essence of our success. We willingly come together in formal and informal teams, valuing our colleagues and cooperating wholeheartedly with them.

### **OPEN-MINDEDNESS**

The spirit of open communication is important to us. We will give and receive criticism constructively. We will always treat each other with respect and good humour.

### **SELF-REALISATION**

We will coach, develop and mould our people to allow them to realise their highest potential. We will facilitate their ability to meaningfully contribute to AmBank Group.

# Friendliness



Friendliness is one of the key elements to successful communication. The right attitude and intonation imply a warm and welcoming environment, which is our approach to building long lasting relationships with our customers.

# Corporate Developments



**In laying the foundation for sustainable growth, the Group followed through with the strategies it had initiated in FY2005, and at the same time pursued new strategic initiatives during the year. These pursuits all shared a common goal, to create business synergy, provide earnings diversification and create growth opportunities in new market segments.**

## REITs Management

Am ARA REIT Managers Sdn Bhd, a 70:30 joint venture between AIGB and ARA Asset Management (Malaysia) Limited, incorporated AmFIRST REIT as an institutional property fund. On 21 December 2006, AmFIRST REIT was listed on Bursa Malaysia as the first commercial property REIT (Real Estate Investment Trust).

The REIT currently owns five (5) buildings, Menara AmBank, Bangunan AmBank Group, the AmBank Group Leadership Centre, Menara Merais and the Kelana Brem Towers. It has more recently on 1 August 2007, announced the purchase of the Menara Summit, The Summit Hotel and a six-storey retail podium.

## Establishment of Amlslamic Bank Berhad

On 1 May 2006, Amlslamic Bank began operations as a stand alone, full fledged Islamic bank subsequent to the vesting of Islamic assets and liabilities of AmBank (M) Berhad into Amlslamic Bank. With its universal banking licence, Amlslamic Bank offers a complete range of innovative commercial, retail and investment banking services.

Subsequently On 21 December 2006, Amlslamic Bank issued RM400.0 million nominal amount of Subordinated Sukuk Musyarakah, to increase its general working capital requirements which are Syariah-compliant and to fund the growth of its Islamic financial services business.

The financial year 2007 has been an eventful one, as AmBank Group marked another milestone with the entry of ANZ as a strategic partner, completed the integration of the stockbroking and merchant banking business, and more recently announced the privatisation of AmInvestment Group Berhad.

## Investment Banking

In response to Bank Negara Malaysia's and the Securities Commission's framework for the establishment of investment banks, the Group completed the integration of AmSecurities Sdn Bhd into AmInvestment Bank effective 3 March 2007. The AmInvestment Bank now operates as a full-fledged investment bank, offering a complete range of investment banking services to our clients.

## The ANZ Partnership

Following the approval of shareholders on 26 April 2007, we commemorated the entry of ANZ Banking Group through its wholly-owned company, ANZ Funds Pty Limited (ANZ Fund), as a strategic partner and major investor of the AmBank Group on 18 May 2007. It purchased 300 million ordinary shares in AHB from AmcorpGroup Berhad at a purchase price of RM4.30 per share. In addition, ANZ Funds also subscribed to the following securities:

- i) 163,934,426 million Converting Preference Shares (CPS) of RM1.00 each, issued by AHB at an issue price of RM3.05 per CPS, which will convert into 163,934,426 ordinary shares of RM1.00 each in AHB; and
- ii) RM575,000,000 nominal value 10 year Unsecured Exchangeable Bonds (EBs) issued by AmBank (M) Berhad which are exchangeable into 188,524,590 new shares in AHB at an exchange price of RM3.05 per share.

We feel that ANZ with its operations in 13 countries in Asia would fit very well into our plans, providing us with access to an instant regional platform. This partnership presents us many opportunities to diversify our earnings by further expanding our trade finance business as well as leverage on ANZ's expertise on a wide menu of retail banking products and treasury solutions.

ANZ has won various accolades such as the 'Australian Home Lender of the Year' six years in a row and the 'Best Bank in Asia' awarded by Global Finance. It is also recognised for its project finance deals by winning awards such as 'Project Deal of the Year' and 'Best Project Finance Deal' under the Euromoney Deal of the Year and FinanceAsia Achievement Awards, respectively.

The Partnership also saw the appointment of three ANZ key management personnel:

- Mr Anthony Healy as Deputy Group Managing Director. He has held a number senior management positions in ANZ's Corporate Banking, International Institutional and Investment Banking business units.
- Mr Andrew Kerr as Chief Risk Officer. He has extensive experience in the areas of Corporate Finance and Risk Management within ANZ and other international financial institutions.
- Mr Ashok Ramamurthy as Chief Financial Officer. He has played key roles in transformational strategy and leading large finance functions within ANZ.



### Privatisation of AmInvestment Group Berhad (AIGB)

As part of a restructuring exercise to migrate to a universal banking platform, the Company had on 19 June 2007 proposed the privatisation of AIGB through a scheme of arrangement between AIGB and its shareholders. AIGB will reduce its capital by cancelling the 646,800,000 ordinary shares of RM1.00 each in AIGB, representing 49% of its existing issued and paid-up share capital, which is not held by AHB. The minority shares shall be paid RM3.70 per AIGB Share by AHB.

The RM3.70 per share offer represents a price to book value of 2.1 times based on the audited net assets per

AIGB share of RM1.76 as at March 31, 2007.

The privatisation exercise will be funded by the Company from the proceeds of:

- The proposed rights issue of up to 326,887,241 new shares, on the basis of one (1) new share for every eight (8) existing ordinary shares and every eight (8) Converting Preference Shares in the Company at an issue price of RM3.40 per share; and
- Bridging loans of up to RM1.42 billion to part finance the Proposed AIGB Privatisation exercise.

The minimum amount to be raised from the rights issue is RM975.16 million. The bridging loans of RM1.42 billion would be settled with the implementation of an internal corporate reorganisation.

The privatisation exercise, if approved by the shareholders at the Extraordinary General Meeting of the Company to be held, on 26 September 2007, will give us the opportunity to functionally reorganise and manage the Group as a universal bank, with commercial and investment banking capabilities complementing each other, rather than functioning separately.

From AmInvestment Bank's perspective, being able to tap on a much more larger balance sheet, to package a loan with a lucrative deal opens the doors to a realm of opportunities that were previously not possible. AmBank's extensive 176 branch network also offers a potentially strong distribution channel for many of the investment bank's retail products and services.

From AmBank's perspective, there will be new lending opportunities originating from investment banking deals and referrals and a comprehensive array of product offerings, especially those with capital market features.

From the Group's perspective, there will be greater economies of scale in geographical expansion, branding, product manufacturing and optimising on distribution channels.

With a universal bank operating model, the Group will be able to consolidate its operations, and will be well positioned to protect its market share against the foreign competitors as the domestic market opens up.

### Conclusion

We look forward to exciting times ahead for the coming financial year, as we continue to strive towards advancing our mission "to *entrench our position as a premier financial services group, providing innovative products and services to our customers*" by leveraging our recognised brand name as well as extensive and diversified infrastructure nationwide along with the international expertise and capabilities of our new strategic partner, ANZ.

# History

The AmBank Group has enjoyed considerable success over the last three decades. Together, we have built one of the largest and fastest-growing financial institutions in the country.

Tracing our early history, Arab-Malaysian Development Bank Berhad was incorporated on 5 August 1975 as a joint venture between Malaysian Industrial Development Finance Berhad, with a 55.0% shareholding, Arab Investments for Asia (Kuwait) with a 33.0% shareholding, and the National Commercial Bank (Saudi Arabia) holding 12.0%.

We commenced operations on 1 April 1976, and in December 1983 became known as Arab-Malaysian Merchant Bank Berhad, a name by which we were known for over three decades until our recent rebranding in June 2002. Today, we have grown into a Group with a staff strength of almost 10,000. With our extensive nationwide branch network, ATMs, and internet banking services, we are proud to acknowledge that the AmBank Group, as the fifth largest financial services group in the country, is only a brick and click away.



## 1976

- The Group commenced operations on 1 April 1976 as a joint venture comprising Arab and Malaysian shareholders.

## 1977

- The Group acquired a 70.0% shareholding in Malaysian Industrial Finance Company Limited (MIFCL), which was later renamed Arab-Malaysian Finance Berhad (AMFB).

## 1980

- AMMB co-lead managed the US\$200.0 million, 12-Year Syndicated Term Loan for the Government of Malaysia.
- AMMB initiated the formation of Malaysian Kuwait Investment Company Sdn Bhd, a joint venture between Perbadanan Nasional Berhad and Kuwait Real Estate Investment Consortium and Public Institution for Social Security, Kuwait.

- AMMB acted as Adviser to Kuwait Real Estate Investment Consortium, Singapore.
- AMFB, became the first private sector institution in Malaysia to issue public bonds – RM20.0 million 8.5% Guaranteed Bonds 1987, listed on the KLSE. The Bonds, guaranteed by the Bank, marked a new chapter in the history of private sector fund raising in the capital markets.

## 1982

- Tan Sri Dato' Azman Hashim acquired 100.0% shareholding in the Group.
- The Group acquired the remaining 30.0% shareholding of AMFB, making it a wholly owned finance company subsidiary.



## 1983

- The Group established a credit and leasing company, Arab-Malaysian Credit Berhad.

## 1984

- The Group launched the first venture capital company to undertake private equity investments – Malaysian Ventures Berhad.



- The Group arranged the first leveraged lease facility in the country for Sistem Televisyen Malaysia Berhad – TV3.
- AMMB completed its Government assigned study on the privatisation of Jabatan Telekom.
- In 1984, the Group acquired Arab-Malaysian Insurance Berhad, a general insurance company formerly known as Teguh Insurance Company Sdn Bhd.

### 1985

- The Group acquired Perima Assurance Berhad, a life insurance company. Both the life and general insurance companies were later merged in 1987, holding composite insurance licences, and the entity's name changed to Arab-Malaysian Eagle Assurance Berhad (now known as AmAssurance Berhad).

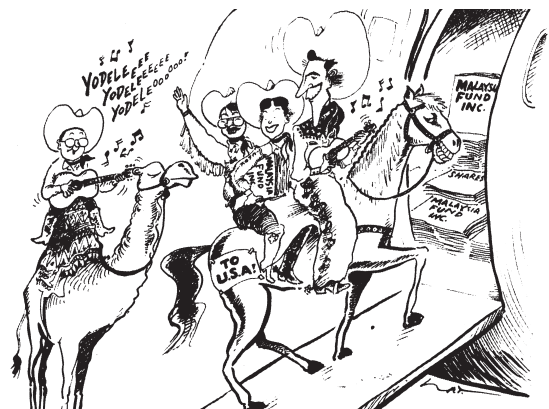
### 1986

- The Group acquired a stockbroking firm, Kris Securities Sdn Bhd, later renamed as AmSecurities Sdn Bhd.
- The Group relocated to its corporate headquarters on Jalan Raja Chulan.
- In December 1986, Antah Holdings Berhad and the Tokai Bank Limited, Japan acquired 20.0% shareholding each in the Group.
- Launched Arab-Malaysian Unit Trusts Berhad, to manage unit trust funds.



### 1987

- On 22 January 1987, AMMB launched the first unit trust to invest 90.0% in Malaysian Government securities, called the Arab-Malaysian Gilts, to provide tax-exempt income to individual investors on their short term funds.
- In July 1987, AMMB launched the AMIGOS (Arab-Malaysian Individuals' Government Securities) programme to enable retail investors to invest in government securities.
- AMMB sponsored the establishment of The Malaysia Fund Inc, a closed-end investment fund listed on the New York Stock Exchange, to invest in equities of Malaysian companies listed on the KLSE. The Malaysia Fund raised US\$87.0 million.





**1988**

- AMMB became the first merchant bank to be listed on the KLSE.
- AMMB was appointed as Adviser to the Government to formulate the National Privatisation Masterplan.
- AMMB launched the first equity unit trust fund, called the Arab-Malaysian First Fund.

**1989**

- On 21 April 1989, AMMB together with the Nikko Securities Co. Ltd Tokyo and the International Finance Corporation, Washington launched a US Dollar denominated unit trust fund, The Malaysia Growth Fund, aimed primarily at Japanese investors.
- On 28 September 1989, Arab-Malaysian Property Trust became the first property trust to be listed on the KLSE.



**1990**

- AMMB was appointed as Adviser and Managing Underwriter for the floatation of Telekom Malaysia Berhad.
- AMFB acquired First Malaysia Finance Berhad.

**1991**

- In July 1991, the Group acquired a 49.0% equity stake in Fraser International Pte Ltd, the holding company of Fraser Securities, Singapore.



- AMMB, in collaboration with The Nikko Securities Co. Ltd in Japan, sponsored the establishment of Malaysia Fund (Labuan), the first offshore unit trust fund in the Federal Territory of Labuan.
- Incorporation of AMMB Holdings Berhad, as the vehicle for the implementation of a corporate restructuring scheme. Pursuant to the restructuring scheme, AMMB Holdings Berhad became the holding company of the Arab-Malaysian Banking Group, and assumed the listing status of AMMB.
- Arab-Malaysian Finance Berhad, the Group's finance company, was listed on the KLSE.
- Establishment of AMMB Labuan (L) Ltd to provide offshore funds management.

**1992**

- AMMB Holdings Berhad won the Asian Management Award for Financial Management from Asian Institute of Management.

**1993**

- AMMB launched Tabung Ittikal Arab-Malaysian, the first Islamic Unit Trust Fund on 12 January 1993.
- AMMB was Co-Manager of General Electric Corporation's US\$300.0 million Dragon Bonds Issue.
- AMMB acted as Manager and Arranger for the RM240.0 million Syndicated Credit Facility for the construction of Menara Kuala Lumpur.





**1994**

- On 1 August 1994, the Group ventured into commercial banking with the acquisition of the Malaysian operations of Security Pacific Asian Bank Limited from Bank of America (Asia) Limited. Commencement of commercial banking operations under Arab-Malaysian Bank Berhad.

**1995**

- On 1 April 1995, AMMB International (I) Ltd commence offshore banking operations in Labuan, the first merchant bank to offer offshore banking services.
- AMMB Futures Sdn Bhd commenced futures broking business.

**1996**

- AMMB Holding Berhad's annual report won the 'Overall Award for the Most Outstanding Annual Report' for six consecutive years from 1991 to 1996 in the NACRA competition.
- Macquarie Bank Limited, Australia acquired 30.0% shareholding in AMMB Futures Sdn Bhd.
- Transferred the portfolio funds management business of AMMB into a separate subsidiary company, AMMB Asset Management Sdn Bhd.
- Macquarie Bank Limited, Australia acquired 30.0% shareholding in AMMB Asset Management Sdn Bhd and Arab-Malaysian Unit Trust Berhad.



- The 1996 Far Eastern Economic Review Survey of Asia's 200 Leading Companies ranked AMMB first in the overall category of "Innovative in Responding to Customer Needs" and third in terms of "Overall Leadership".
- Visa International awarded the AmBank Al-Tasrif VISA Card the "1996 Member Excellence Award for the Most Creative Card Programme in Asia".

**1997**

- AMMB Securities (HK) Limited commenced stock broking operations in Hong Kong.
- The Group's website was awarded the 'Internet Website of the Year' for 1997 by the Association of Computer Industry Malaysia (PIKOM).

**1998**

- AMFB acquired the assets and liabilities of Abrar Finance Berhad, in line with the Government's plan to consolidate the industry.
- AMMB received 'Derivatives OTC National Award' from Malaysian Monetary Exchange Berhad.

**2000**

- CFO Asia selected AMMB Holdings Bhd Annual Report FY2000, as one of the top three annual reports in Malaysia.







### 2001

- AMFB acquired MBf Finance Berhad.
- AmBank and AMFB together with the State Government of Selangor Darul Ehsan, launched Tabung Perumahan Ehsan, a special housing loan scheme for the lower income group in the State.

### 2002

- Merger of Arab-Malaysian Finance Berhad and MBf Finance Berhad, following the vesting of the assets and liabilities of AMFB into MBf Finance Berhad. MBf Finance Berhad changed its name to AmFinance Berhad. AMFB was converted into a holding company.
- Re-branding and changing of the name from "Arab-Malaysian Banking Group" to "AmBank Group" with new Group corporate colours of vibrant red, representing prosperity and good fortune and bright yellow symbolising commitment and unity – reflect our new corporate identity and herald the transformation towards a more customer-centric organisation.

### 2003

- Bangunan AmFinance, now known as Menara AmBank, was officially launched by the then Prime Minister, Tun Dr Mahathir Mohamad.

### 2005

- Completed privatisation of AMFB Holdings Berhad.



- Listed AmInvestment Group Berhad (AIGB) on Bursa Malaysia on 18 May 2005, the Group's investment banking operations.
- On 1 June 2005, the merger of AmBank and AmFinance took place to create AmBank (M) Berhad, the sixth largest domestic bank in the country.

### 2006

- In January 2006, AmPrivate Equity, a private equity fund, was launched.
- On 10 March 2006, Insurance Australia Group Limited, Australia acquired 30.0% shareholding in AmAssurance Berhad.
- On 20 April 2006, Am ARA REIT Managers Sdn Bhd was incorporated with AIGB holding 70.0% equity and ARA Asset Management (Malaysia) Limited 30.0%, to manage the AmFIRST REIT to be listed on Bursa Malaysia.
- On 1 June 2006, AmIslamic Bank commenced operations, with the vesting of the Islamic assets and liabilities of AmBank (M) Berhad into a separate subsidiary company.
- On 21 December 2006, AmFIRST REIT listed on Bursa Malaysia.





- The AmInvestment Group was awarded seven RAM League Awards by Rating Agency Malaysia for its outstanding achievements in the domestic bond market.

### 2007

- The AmBank Group completed the integration exercise of AmSecurities Sdn Bhd into AmInvestment Bank on 3 March 2007. The AmInvestment Bank began operating as a full-fledged investment bank effective 5 March 2007, offering both merchant banking and stockbroking services.



- On 18 May 2007, the AmBank Group commemorated the entry of ANZ Banking Group as its strategic partner and major investor.
- On 19 June 2007, AMMB Holdings Berhad proposed the privatisation of AIGB and the proposed rights issue of up to 326,887,241 new shares, on the basis of one (1) new share for every eight (8) existing ordinary shares and every eight (8) Covering Preference Share in the company at an issue price of RM3.40 per share.

# AMMB offers RM2.39b to take AmInvest private

*Privatising AmInvestment will aid business integration, it says*

By ASHWIN RAMAN

AMMB Holdings Bhd, the country's fifth largest bank, is offering RM2.39 billion to take AmInvestment Group Bhd private as a means to facilitate integration of its investment banking and commercial banking businesses.

Group managing director Cheah Tek Kuang said AMMB, which holds 51% in AmInvestment, is offering RM2.39 billion for the



Cheah flanked by AmInvestment managing director TC Kok and executive director Pushpa Rajadurai at the press conference yesterday. The exercise will be funded by a rights issue and short-term borrowings.