



## Press Release

### **AmInvestment Bank Bhd. Upgraded To 'BBB/A-2' On Upgrade Of AmBank; Outlook Stable**

MUMBAI (Standard & Poor's) Dec. 15, 2010--Standard & Poor's Ratings Services raised the long-term counterparty credit rating on AmInvestment Bank Bhd. to 'BBB' from 'BBB-'. The outlook is stable. At the same time, we raised the short-term rating on the bank to 'A-2' from 'A-3'.

"We raised the long-term rating on AmInvestment Bank following the recent upgrade of AmBank (M) Bhd. (BBB/Stable/A-2). The rating on AmInvestment Bank reflects the implicit support the bank receives as a core operating entity of AMMB Holdings Bhd. Group (AmBank Group), of which AmBank is the key operating company," said Standard & Poor's credit analyst Geeta Chugh. "The rating also reflects AmInvestment's strong domestic franchise in Malaysia's investment banking industry and our view that the bank's financial profile is adequate following the bank's transition into a full fledged investment bank. These strengths are tempered by the fact that a significant portion of the bank's earnings is vulnerable to volatile market conditions."

AmInvestment, previously a quasi commercial lender, became an investment bank after a group restructuring. It now undertakes investment banking activities in which Malaysia's commercial banks cannot participate. By leveraging on the balance sheet of AmBank, AmInvestment can secure and structure large transactions that its stand-alone capitalization would otherwise prohibit. The bank's management team, strengthened by participation of Australia and New Zealand Banking Group Ltd. (AA/Stable/A-1+), has ensured that the group operates more cohesively, and has a common senior management team, as well as common risk management philosophies and tools. We therefore consider AmInvestment as a core entity of the group, and we believe AmBank will support it in the event of distress.

"The stable outlook on AmInvestment reflects the stable outlook on AmBank. As the core entity of AmBank Group, we expect the rating on AmInvestment to move in tandem with the rating on AmBank. We expect AmInvestment's strong domestic franchise in investment banking and adequate financial profile to continue to support the current stand-alone credit profile," said Ms. Chugh.

#### RELATED CRITERIA AND RESEARCH

- Financial Institutions Criteria, published as a PDF book in July 2008

#### **Media Contact:**

Cecilia Ho, Hong Kong (852) 2532-8061; [cecilia\\_ho@standardandpoors.com](mailto:cecilia_ho@standardandpoors.com)

#### **Primary Credit Analyst:**

Geeta Chugh, Mumbai; [geeta\\_chugh@standardandpoors.com](mailto:geeta_chugh@standardandpoors.com)

#### **Secondary Contact:**

Ivan Tan, Singapore; [ivan\\_tan@standardandpoors.com](mailto:ivan_tan@standardandpoors.com)

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