



AmBank Group

MEDIA STATEMENT

1 April 2021

AmBank Takes Measures to Strengthen its Balance Sheet

1 APRIL 2021 - This media statement makes reference to the two (2) announcements released on Bursa Malaysia Berhad's website by AMMB Holdings Berhad ("AMMB") today. Key highlights are as follows:

Proposed Private Placement

This exercise entails the issuance of up to 300,000,000 new AMMB ordinary shares ("Placement Shares"), representing approximately 9.97% of AMMB's existing issued ordinary share capital (excluding treasury shares), to investors to be identified later, at a price to be determined later and at a discount of not more than 10% to the volume weighted average market price of AMMB shares for the five (5) market days immediately prior to a price fixing date to be determined.

The Group remains resilient with capital levels within the internal thresholds after taking into account the effects of the settlement with the Ministry of Finance ("**Settlement**"). Notwithstanding this, the Proposed Private Placement is an additional measure to accelerate the capital accretion of AMMB and to further strengthen AMMB's capital position. This further re-assessment was made by AMMB following the Settlement after receiving feedback from key stakeholders (including shareholders, bondholders, rating agencies, analysts and regulators). The Group's franchise remains viable and the additional capital will facilitate the implementation of growth strategies to deliver value for its shareholders.

After due consideration of the various methods of equity fund raising, the Board of AMMB is of the opinion that the Proposed Private Placement is the most efficient avenue of fund raising as:

- (i) it enables AMMB to raise additional funds to enhance and strengthen its core capital ratios including CET1 and TCR;
- (ii) it allows AMMB to raise funds expeditiously pursuant to the General Mandate obtained from shareholders at AMMB's last Annual General Meeting to meet funding requirements;
- (iii) it improves the liquidity and financial flexibility of AMMB by strengthening its financial position without incurring cost as compared to borrowings; and
- (iv) it is expected to facilitate the entry of new institutional investors into AMMB.

The Proposed Private Placement is expected to be completed by the 2nd quarter of calendar year 2021.

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Assessment of Goodwill for Impairment

AMMB is assessing the carrying value of goodwill relating to certain lines of business, taking into consideration the recent changes in circumstances over the past 12 months, as part of the annual review exercise.

The outcome of this exercise is on-going and will be subject to audit review. Arising from this review, any goodwill impairment will be reflected in AMMB's fourth quarter results for the financial year ended 31 March 2021.

A goodwill write-down is a non-cash item, which will have no impact to regulatory capital ratios and does not affect future earnings as it is a non-recurring item.

This review will be more focused on the goodwill relating to conventional banking (RM1,495 million) and investment banking (RM428 million). Upon the conclusion of this review, a separate announcement will be released as soon as practicable.

About AmBank Group

AmBank Group is a leading financial services group with over 40 years of expertise in supporting the economic development of Malaysia. We have over three million customers and employ over 9,000 people.

The Group was listed on the Main Market of Bursa Malaysia in 1988. It is the sixth-largest banking group by assets in Malaysia, with a market capitalisation of around RM9 billion and assets of RM169.2 billion as at 31 March 2020.

AmBank Group serves over three million individual and corporate customers. It provides services in wholesale banking, retail banking, business banking, investment banking and related financial services which include Islamic banking, underwriting of general insurance, stock and share broking, futures broking, investment advisory and management services in assets, real estate investment trust and unit trusts.

For more information, please visit www.ambankgroup.com

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