



Joint Media Release

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AmBank Group and MAA Holdings Berhad Announce A Major Proposal

Today, the AmBank Group together with MAA Holdings Berhad ('MAAH') announced a major proposal which will involve the AmBank Group's general insurance arm in a 100% acquisition of Malaysian Assurance Alliance Berhad's ('MAA Assurance') general insurance business, and a strategic partnership in MAA Takaful Berhad ('MAA Takaful').

The AmBank Group has announced earlier the splitting of its general and life insurance businesses which will create AmG Insurance Berhad ('AmG Insurance') as the group's general insurance arm, while AmAssurance Berhad ('AmAssurance'), AmBank Group's existing composite insurance subsidiary, will thereafter be the life insurance arm of the group. For AmG Insurance, the proposed acquisition of MAA Assurance's general insurance business will move it to being one of the largest general insurers, well poised to achieve its strategic aspirations as the top general insurer in Malaysia.

Of significance also is the 4.9% stake the AmBank Group proposes to acquire in MAA Takaful, a deal that will facilitate the AmBank Group's objective of offering a full range of Islamic financial services to its customers. The proposal, which will see AmG Insurance and AmAssurance being able to sell

both general and life Takaful products via MAA Takaful, will complement AmBank Group's existing Islamic banking services.

Y.Bhg. Tan Sri Dato' Azman Hashim, Chairman of AmBank Group, said after the signing of the memorandum of understanding ('MOU') for the proposal, "We think this is a significant transaction, and we are happy to have the opportunity to be able to offer a full range of Islamic financial services to our customers, and that our general insurance business will grow in line with our strategic aspirations". He further added, "MAA Assurance's general insurance business is a strong business, with good staff, and we welcome all of them to the AmBank Group family."

The overall deal also looks favourable for MAAH, providing the catalyst for a restructure and refocus of the Group's financial services business. The divestment of MAA Assurance's general insurance business will allow them to focus on further developing their strong life business, and the strategic partnership in Takaful will help generate critical mass, providing MAA Takaful with access to the valuable bancassurance channel.

The two groups, AmBank Group and MAA Group, will leverage off each other's infrastructure to maximise their competitive strengths to help drive MAA Takaful to achieve a leading position in the Takaful market.

MAAH Executive Chairman Y.M. Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah, said; "MAA Holdings views today's strategic move as a significant step, not only in enhancing the efficiency and scale of our Takaful business, but also allowing us to further strengthen MAA's capital base in these challenging times."

Today's signing of the MOU is the start of a process to formalise and complete the proposed transactions, with a target completion of June 30th, 2009. This will include the transfer of MAA Assurance's general insurance business to AmG Insurance.

The completion of the deal remains subject to all regulatory approvals, including those of Bank Negara Malaysia and the Minister of Finance.

About AmAssurance

AmAssurance is a distinctive brand name of quality in the Malaysian insurance industry. Behind AmAssurance, are strong regional and international franchises – AmBank Group, a leading regional banking group and IAG Pty Limited, Australia and New Zealand's largest insurance company established over 130 years ago, with operations world wide. AmAssurance's business is generated from a comprehensive range of life and general wealth protection solutions through a combination of over 200 AmBank and AmAssurance branches serviced by 5,000 representatives nationwide. With almost 36 years of expertise and over RM2 billion of assets under management, we have positively touched the lives of millions of Malaysians. Being one of the largest motor insurers, AmAssurance is rapidly gaining position as the preferred and most competitive insurer in Malaysia.

About MAA Assurance

Malaysian Assurance Alliance Berhad (MAA Assurance) is a composite insurer owned by MAA Holdings Berhad (MAAH).

MAA Assurance currently offers both life (75% of total premiums) and non-life (general insurance) products.

MAA Assurance (General) generated RM401.1m in Gross Premium and RM254.9m in Net Premium in 2007.

The MAA Assurance (General) business comprises of motor at 53% of overall premiums with the other 47% in property, commercial and other personal lines products.

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