MEDIA STATEMENT

26 February 2021

Global Settlement with MOF Malaysia

This media statement is with reference to AMMB Holdings Berhad's (AMMB) Bursa announcement dated 26 February 2021 on the Global Settlement that was reached with the Ministry of Finance Malaysia (MOF). This is in relation to the review by the relevant authorities of historical transactions by 1Malaysia Development Berhad (1MDB) and its related entities.

The Group has since strengthened and enhanced its processes to meet the current stringent regulatory standards. To this end, the AMMB Group has decided to resolve these historical matters to allow the Group to focus fully on its business. In this respect, the AMMB Group has to-date reached an agreement with MOF for a sum of RM2.83 billion to be paid towards the full and final settlement in relation to all these historical matters.

Undoubtedly, this Settlement will have a material impact on the Group's financial year results for the period ending 31 March 2021. A RM2.83 billion provision will be reflected in our Q4FY21 results. Consequently, we will not be proposing any final dividends for the year ending 31 March 2021.

The Group remains financially resilient and has sufficient financial resources to absorb this Settlement without having to raise additional equity capital.

As at 31 December 2020, the estimated proforma impact to Core Equity Tier 1 ("CET1") and Total Capital Ratio ("TCR") ratio is estimated to be reduced from

13.52% to 11.01%; and 16.39% to 13.88%, respectively after the proposed provision for the Global Settlement.

The Group remains highly liquid, with Liquidity Coverage Ratio ("LCR") of 155.8% and Net Stable Funding Ratio ("NSFR") for all operating entities above 100%. However, the Group plans to raise Tier 2 debt capital to increase total capital available for on-going working capital purposes.

As part of the global settlement, we will continue as we have for the past five years, to strengthen our fundamentals, particularly in terms of corporate governance by continuing to improve our systems and processes to strengthen due diligence.

The settlement of these legacy matters will enable the AmBank Group to focus on executing on its strategies for its business without any distractions. AmBank Group is committed to ensure that we continue to deliver value to shareholders, stakeholders and customers.

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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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