



**AmBank Group**

**Media Release**

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## **Proposed Strategic Partnership with Friends Provident in Life Insurance Business of AmAssurance**

AMMB Holdings Berhad ("AMMB" or "AmBank Group") has received Bank Negara Malaysia's ("BNM") approval for the shareholders of AmAssurance Berhad to commence preliminary negotiations with Friends Provident plc (FP), pursuant to the Insurance Act 1996, for the proposed sale of a minority stake in the life insurance business of AmAssurance, after the split of its composite insurance licence into general insurance and life insurance businesses.

A separate application has been submitted to BNM to obtain the regulatory approvals under the Insurance Act on the proposed split of the composite insurance licence of AmAssurance.

Presently, the shareholders of AmAssurance are AMMB, with an equity interest of 70%, and IAG International Pty Limited ("IAG") with an equity interest of 30%. AmAssurance has registered strong growth in both its general and life insurance businesses in the last few years. As at 30 September 2007, the insurance company has total assets of RM2,279 million and shareholders' funds of RM240 million and an agency force of 3,168 life insurance agents and 3,164 general insurance agents. AmAssurance is ranked second in motor insurance, fourth in life insurance, and fifth in general insurance premiums as at 30 June 2007.

Founded in 1832, FP in its 175<sup>th</sup> year of operations is listed on the UK stock exchange and is a constituent of the UK FTSE100. Market capitalisation is in the order of USD7 billion with assets under management within the group exceeding USD200 billion. FP has an A+ insurance financial strength rating from Standard & Poor's. FP has three business segments.

In 2006, the UK Life & Pensions business was one of the top ten companies for attracting new business in the UK. The International Life & Pensions business comprises two operations: Friends Provident International, which is one of the top five offshore life companies in the cross border market operating in Europe, Asia and the Middle East; and FP's Luxembourg-based subsidiary company, Lombard International Assurance SA, the largest pan-European life provider of estate and tax planning solutions. FP's asset management business, F&C Asset Management plc, is one of the largest asset managers in Europe in terms of assets under management.

In the event discussions are successful, further details on the proposed sale shall be announced, for which, pursuant to the Insurance Act, the signing of definitive agreements is subject to the prior approval of the Minister of Finance.

### **About AmBank Group**

AmBank Group consists of subsidiaries AmInvestment Group Berhad, AmBank (M) Berhad, and AmAssurance Berhad. The Group provides a wide range of investment banking, commercial banking, retail financing, and related financial services, which include Islamic banking, general and life insurance, stock, share and futures broking, investment advisory, as well as asset, property, and unit trust management.

The Group is committed to providing new and innovative products and services to its customers with its partnership with Australia & New Zealand Banking Group (ANZ), one of Australia's leading banks. For more information, please visit [ambg.com.my](http://ambg.com.my).

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*For media enquiries, please contact Ms Amarjeet Kaur (Director, Group Corporate Services) at Tel: 03-2074 6239 or Email: [amar@ambg.com.my](mailto:amar@ambg.com.my).*