

The Group offers a comprehensive range of both conventional and Islamic financial solutions, through our retail banking, wholesale banking, general insurance, life assurance and family takaful businesses.

Retail Banking

Retail Banking offers a comprehensive suite of financial solutions which are designed to be relevant and meet our customers' financial needs. This includes deposits, loans & financing, credit cards, wealth management, priority banking, insurance, small business banking, young professional solutions, foreign currency exchange and remittance services.

Retail Banking is committed to offer our customers a simple ('easy to buy', 'easy to pay') and consistent banking experience across various customer touchpoints which include a network of 175 branches & Electronic Banking Centres (EBCs)* nationwide, a 24-hour contact centre (inbound and outbound) and digital banking. Digital banking services are available via the retail banking website ambank.com.my and a mobile application called AmGenie, to provide 'anyday, anywhere, anytime' services.

In FY2016, Retail Banking will continue to strengthen our business franchise with a strong focus on business performance and customer experience excellence, growing our target value segments and digitalising our banking services. As the people agenda is integral to the success of Retail Banking, we will continue to place emphasis on building our people capability and embedding a strong service culture amongst the Retail Banking workforce.

* EBCs across Malaysia comprise a total of 1,376 self-service machines (automated teller machines (ATMs), cash deposit machines (CDMs), cheque deposit machines & coin deposit machines. Coin deposit machines are currently available at selected branches only).

Wholesale Banking

In financial year 2014, we consolidated five (5) non-retail divisions namely

Business Banking, Corporate & Institutional Banking, Transaction Banking, Investment Banking and Markets into two new divisions, Wholesale Banking Coverage and Wholesale Banking Products. These two (2) divisions fall under the ambit of the newly created Wholesale Banking ("WB") segment, which has been in operation since 1 April 2014.

The new WB segment model aims to increase customer centricity through the new coverage and segmentation models where the Relationship Management teams will be the single point of contact to enhance customer experience across sales, product solutions and servicing; achieve product excellence and clear segregation between product strategy and distribution; and consolidate duplicate functions in the business and support areas across the Group.

'Wholesale Banking Coverage' consolidates the former Business Banking and Corporate & Institutional Banking divisions into new industry-focused portfolios and customer segments operating under one division. Investment Banking, Markets and Transaction Banking are combined into the 'Wholesale Banking Products' division with the goal to provide innovative products and solutions to wholesale customers.

Islamic Banking

Islamic Banking offers a comprehensive range of Shariah-compliant products and services, with its business embedded within Retail Banking and Wholesale Banking through all channels including our extensive network of AmBank branches, AmBank Islamic branches, and e-Banking centres nationwide. Our aspiration is to be the 'Islamic Bank of Choice'. Additionally, we offer digital banking services which allow customers

to make online transactions including the payment of zakat.

General Insurance

AmGeneral Insurance Berhad ("AmGeneral"), a 51% owned subsidiary of AmBank Group, is a leading motor insurer and among the largest general insurers in Malaysia based on gross written premiums. It is backed by the strong strategic partnership between AmBank Group and Insurance Australia Group Limited ("IAG") - Australia's largest general insurance group. Operating under its two well-known and trusted brands, "Kurnia" and "AmAssurance", AmGeneral offers a comprehensive range of general insurance solutions such as motor, personal accident, home, travel and business insurance distributed through a nationwide network of 32 branches, servicing approximately 7,000 agents and dealers. Together with AmBank, a full range of insurance products and services are offered through all customer touch points and channels.

Life Assurance

AmMetLife Insurance Berhad ("AmMetLife") (50% less 1 share held by AmBank Group) provides various solutions in life insurance, wealth protection/savings, health and medical protection as well as employees benefit schemes. With the coming together of AmBank Group and MetLife on 30 April 2014, and leveraging on the shared core values of integrity and innovation, AmMetLife aims to be a leading customer-centric and modern insurer in Malaysia.

AmMetLife offers its comprehensive range of life insurance and wealth-protection solutions distributed through AmBank Group's network of nearly 200

banks and AmMetLife branch offices nationwide. Additionally, the strength of its team of authorised life insurance agents provides comprehensive coverage and reach across Malaysia.

Family Takaful

AmMetLife Takaful Berhad (50% plus 1 share held by AmBank Group) offers a comprehensive range of takaful solutions distributed by its authorised takaful agents and bank branches nationwide. We aim to create a customer-centric and modern takaful operator in Malaysia based on a deep and respectful knowledge of Shariah principles and values.

RETAIL BANKING

FY2015 Performance Review

In FY2015, we continued our growth momentum in line with our aspiration to re-orient to higher value segments, extracting value from our core mass. Our efforts delivered growth amidst a challenging business environment, garnering a Profit before Tax ("PBT") of RM571.8 million.

One of the key business focus at Retail Banking in FY2015 was to grow deposits aggressively. Deposits growth amounted to RM2.3 billion contributed by a strong and steady growth in deposit balances. Our mortgage and Islamic portfolio mix remain as bright spots. Improvements were recorded in the mortgage portfolio with a 6.2% growth in mortgage loans, as a result of end financing capabilities.

A key aspiration of Retail Banking in the last financial year was to build new customer value segment propositions for small businesses and young professionals. Aligned to this aspiration, we transformed our Asset Financing model and launched Small Business Banking (SBB) which was focused on serving a specific niche within the small and medium enterprise (SME) segment.

We also pioneered an innovative solution as part of our TRUE proposition targeting the young professional segment. TRUE is a customer focused everyday banking solution which aims to deliver simple and relevant banking experience to customers through digital channels. In December 2014, we launched TRUE Lab which is Malaysia's first digitally-enabled crowdsourcing community platform, designed to crowdsource ideas from young professionals on preferred banking solutions. This was followed by the launch of a suite of TRUE Products in the first half of this year, which includes a combination of Current Account, Savings Account, Debit Cards and Credit Cards.

Our business focus to transform ourselves to a high quality retail bank saw an emphasis on building a strong service oriented culture and people capabilities at Retail Banking. Our internal service transformation program anchoring on an AmBank unique persona called 'WAH'* was launched in October 2014 to develop leadership qualities as well as inculcate a strong service culture and service values amongst our staff. The embodiment of WAH amongst AmBankers would ensure that we deliver our customer promise to be 'Your Bank. Malaysia's Bank. AmBank'.

In the coming financial year, Retail Bank will focus on strengthening our business and sharpening our profile towards achieving sales and service excellence.

* WAH is an acronym for 'Warm & Caring', 'Approachable & Attentive', 'Helpful & Able'

Deposits

Deposits registered a strong growth in FY2015. Retail customer deposits grew 5.8% year-on-year, with Fixed Deposits growing 7.4%, outpacing the industry growth. Current Accounts and Saving Accounts (CASA) constitute 25.1% of retail customer deposits.

Focused initiatives were implemented to acquire new funds whilst retaining and growing existing depositors' base. Key initiatives include thematic and tactical Fixed Deposit "Top Rate" promotions and segment solutions targeted at small businesses and young professionals.

During the year, our online Fixed Deposit application was enhanced to include Islamic Term Deposit products. This convenient online option which was previously available to individuals only, has since been extended to joint account holders and trustees.

Growing deposits, especially CASA, will remain a key priority with process simplification initiatives continuing into FY2016.

Mortgage

Mortgage loans grew 6.2% to RM18.6 billion, focusing on preferred projects and segments.

Asset quality continues to improve, with Gross Impaired Loans ratio decreasing from 2.8% in FY2012 to 2.0% currently. This improvement is attributed to the Bank's prudent risk based pricing framework and business underwriting strategies targeting growth in better quality assets.

Our focus in FY2016 will be on primary markets. We will leverage on our strong existing relationships with key developers at strategic locations while we continue growing our receivables from the secondary market based on a segmentation approach.

Aligned with our growth strategy, we are continuously driving improvement on processes and infrastructure to deliver superior customer experience.

Auto Finance

Auto Finance has played an important role in Retail Banking by providing continued customer volume growth to the bank. Auto Finance loans contribute approximately 50% of the overall Retail loans and we continue to hold the top 3 market ranking, with a market share of 18%.

We remain selective in our Auto Finance loan acquisitions through our Auto Finance portfolio rebalancing strategy with extra focus on gaining businesses from the better risk grade segments and non-vulnerable income segments. Our acquisition has been targeted at preferred segments, mainly experienced professionals and young professionals, in alignment with our overall retail bank strategy. This is supported by our prudent lending guidelines and risk based pricing.

In FY2016, we will continue to focus on enhancing our dealer management programs, improving application turnaround time and up-scaling our retention programs.

Wealth Management

In line with the strategic aspirations for FY2015, we were focused in growing the wealth business in the emerging affluent segments.

Our business focus for FY2015 was to diversify through fee-based income with a major focus on Bancassurance. As it was imperative to set-up a new sales force to grow the Bancassurance business, Insurance Specialists were introduced in October 2014 to provide innovative and customer centric financial planning and protection solutions to customers at selected Klang Valley branches.

In November 2014, the first Bancassurance product was launched under the new AmMetLife brand, a strategic partnership between AmBank Group and MetLife. The product, known as WealthSecure Max is a product that combines protection and savings benefits of guaranteed cash payments, with affordable premiums. This innovative product secured approximately RM8.8mil in annualised premium for FY2015.

Recognising the need to understand our customers better, we also introduced an enhanced Wealth Management System (WMS) known as the WMS Plus. WMS Plus is an in-house Wealth Management platform which provides a comprehensive view of our client's portfolio; with built-in sales compliance features and sales management capabilities.

For Investment, a new wholesale Unit Trust fund was launched with AmBank's multi-award winning fund management sister company, AmInvest. The Global Multi Asset Income Fund provides investors with ease of diversification of asset and lowering of risk during volatile market conditions. Wealth Management also launched several close-ended fixed income products.

Apart from this, we also marked a new milestone with the forming of a new partnership with UOB Asset Management, to widen AmBank's suite of investment products by providing innovative and quality investment products to meet our clients' needs.

AmCard

At AmCard, some key achievements over the last financial year include:

- Top 3 merchant acquirer with total

merchants-in-force ("MIF") of 56,000 (23% market share)

- Annual merchant volumes above RM12 billion (12% market share)
- Annual card spend in excess of RM5 billion (5% market share)
- Annual card receivables of RM1.8 billion (5% market share)

In December 2014, two years following the acquisition of MBF Cards (M'sia) Sdn Bhd and with significant monetary, capital and human investment, the cards and merchant systems for both AmBank and MBF are now operating on a single IT Platform. This significant milestone paves the way for the next initiative of re-carding the MBF base which is planned over 4 months in H1 FY2016 and supports the agenda of 'Chip and Pin' and brand rationalisation. Consolidation under the AmBank Group brand will deliver streamlined propositions and benefits to our valued card members.

Leveraging on our enlarged merchant base, we rolled out "AmBankSpot" privileges to provide card members with exclusive deals when they shop at participating merchants. Recognising the growing importance of the digital landscape, we launched the digital microsite "www.ambankspot.com" in April 2014, as an alternative platform to house and communicate all existing deals and members' privileges.

On the 'Acquiring' front, we have expanded our merchant facilities offering to include the Merchant Business Solution which incorporates savings/current accounts and relevant trade solutions for Small Medium Enterprises (SMEs). This offering supports our business focus of growing deposits and provides the merchant network with enhanced banking facilities to support their business growth.

November 2014 also saw the public launch of the conventional debit card which completes AmBank's full suite of payment card offerings i.e. prepaid, credit and debit. To date, the debit spending is growing in excess of 50% monthly. Apart from that, the debit and credit card proposition to the young professional segment was launched in mid-2015.

FY2016 will see the roll-out of more innovative solutions such as contactless and mobile point-of-sale merchant terminals. Issuing initiatives will be primarily focused on progressively re-carding existing cards to be Chip and Pin enabled and to comply with the requirements under MCCS (Malaysian Chip Card Specification). These initiatives are aligned towards helping Malaysia deliver the following KPIs from 2015 to 2020 as prescribed in the Payment Card Framework which is operative from January 2015:

- 1) 800K merchants-in-force by 2020 and achieving 25 EFTPOS penetration per 1,000 capita
- 2) One billion debit transactions by 2020.

Retail Distribution

We continue to transform ourselves to become a high quality retail bank who provides superior customer service. Our growing branch network of 175 branches is currently fully equipped with Electronic Banking Centres (EBCs). Review of the branch footprint is on-going to expand our customer reach. For greater banking convenience, 74 branches are providing weekend banking services nationwide. Selected AmSignature Priority Banking (AmSPB) Centres have been revived with a new look and feel to increase the banking experience of our growing AmSPB customers.

AmBank launched its' first two BDCs at Gateway@KLIA2 on 2 May 2014 to tap into the 45 million visitors expected to pass through the terminal each year. Operating 24/7, the BDCs will provide ease and convenience to customers. From May 2014 to March 2015, the BDCs have exceeded the customer-volume projection by 400% with strong transaction numbers.

■ Small Business Banking (SBB)

SBB's goal is to enable AmBank to deliver the competitive edge required to become the bank of choice for small business customers nationwide.

Our efforts through FY2015 have demonstrated that we can deliver on our strategy of providing superior financial returns and market leading customer experience to small business customers throughout Malaysia. SBB has registered an impressive growth since the nationwide launch in September 2014.

Some of the highlights for FY2015 include:

- 100% increase in activation for Current Accounts (CA) acquired since nationwide launch in September 2014
- Incremental deposit growth of 15% (portfolio growth for CA and Fixed Deposit) from RM 3.65b to RM 4.21b
- Incremental CA growth of 10% (portfolio growth for Current Account) from RM 2.39b to RM 2.65b
- Incremental CA account growth of 3% from 76k to 78k

Digital Banking

At Retail Banking, we continue to expand the digitalisation of our banking solutions. The successful deployment of platforms such as the AmBank Web Kiosk, FPX, NBPS (JomPay), AmOnline 24/7 and Auto link platforms, have benefitted our customers with 'anyday, anywhere, anytime' banking capabilities

and internet banking access at branches; real-time payment experiences and access to an expansive list of billers.

Over the year, our Internet Banking and Mobile Banking subscriber bases have grown and online transactions have registered a 20% year-on-year increase.

Our retail banking website (www.ambank.com.my) which was launched in January 2014 has earned a total of 1.2 million users, 2.5 million page views and close to 13,000 online leads. Featuring a fresh graphical interface, easy navigation and being mobile responsive, the Retail Banking website received the 'Order of Excellence for Best Innovative Idea or Concept', at the 2014 PMAA Dragons of Malaysia Awards and the 'Website of the Year - Malaysia' award, at the 2015 Asian Banking & Finance Retail Banking Awards.

Social Media was a key focus during the year. Our first full scale social media campaign called 'What's Your Social Mileage' won the 'Silver Dragon Award, Best Social Media or Word of Mouth Campaign' at the 2014 PMAA Dragons of Malaysia Awards.

One of the pioneering events at Retail Banking was our collaboration with Google for the Raya Bergaya YouTube Channel - a first in South East Asia. This collaboration augmented our online presence amongst the web community with 2.4 million views and 1,830 subscribers.

We continue to embark on initiatives to increase consumer awareness and education on cybercrimes through the bank's website, secured email and social media channels. Through initiatives to further improve online banking security, monetary losses throughout the year declined by a significant 43.6%.

Moving into FY2016, Digital Banking will continue to place emphasis on customer-centricity and expanding our digital presence in Malaysia.

WHOLESALE BANKING COVERAGE

We had restructured our Business Banking and Corporate & Institutional Banking with effect from 1 April 2014, which involved the consolidation of Business Banking and Corporate & Institutional Banking to form Wholesale Banking Coverage ("WBC").

The new WBC model aims to improve client centricity, efficiency and productivity through the new coverage and segmentation models. Through re-prioritizing coverage by segment and sector, the Relationship Management teams will be the single point of contact to enhance customer experience across sales, product solutions and servicing to achieve product excellence and clear segregation between product strategy and distribution. This will remove any duplicated functions in the business and support areas across the Group.

WBC focuses on building and developing strong relationships with clients and provides wholesale banking services supported by a wide spectrum of commercial and investment banking products and services. This holistic platform services clients with end-to-end financial solutions from origination to execution. Regional Business Centres ("RBCs") in Penang, Johor, Kota Kinabalu and Kuching continue to play a key role in WBC's growth and together with an off-shore branch in Labuan, ensure that we have footprint across Malaysia as well as the Labuan International Business and Financial Centre. WBC continues to focus on penetrating clients' share of wallet, acquire new clients, while diversifying and differentiating itself in the markets place, in line with the Group's strategic objectives.

WHOLESALE BANKING PRODUCTS

Wholesale Banking Products consist of Investment Banking, Markets and Transaction Banking Divisions and continues to strive for excellence in offering innovative, quality and differentiated products and services to the wholesale customers. With a long-standing track record in structuring award-winning transactions, we provide and deliver a wide range of innovative and integrated solutions via the following key product teams:

- 1) Corporate Finance
- 2) Equity Markets
- 3) Debt Markets
- 4) Islamic Capital Markets
- 5) Markets
- 6) Transaction Banking
- 7) Funds Management
- 8) Private Banking

Corporate Finance

The Corporate Finance Division provides an extensive range of corporate finance and advisory services comprising mergers and acquisitions ("M&A"), take-overs, initial public offerings ("IPO"), restructuring, privatisations, issuance of equity and equity-linked instruments, as well as, valuations and independent advisory services. We service a diverse spectrum of clientele from various sectors including oil and gas, plantation, property development, infrastructure, retail and financial institutions.

Our department facilitates seamless origination and execution of equity capital market transactions bridging the connectivity between the client coverage teams and the product divisions.

In FY2015, the capital market saw the listing of 12 new companies on Bursa Malaysia Securities Berhad, of which, AmlInvestment provided sizeable underwriting commitment to several of the IPOs including the listing of Boustead Plantations Berhad and 7-Eleven Malaysia Holdings Berhad.

On the M&A front, we lead advised the reverse takeover of Keywest Global Telecommunications Berhad by Xinghe Holdings Berhad; and a cross border transaction involving the acquisition of Uni.Asia Capital Sdn Bhd's 68.09% stake in Uni.Asia General Insurance Berhad (Uni.Asia General) by Liberty Seguros, Compania de Seguros y Reaseguros, S.A., a subsidiary of the Liberty Group. We were also the joint advisors for another cross border transaction involving the disposal of Yinson Holdings Berhad's equity interest in Nautipa AS.

During the year, we had also concluded several secondary fund raising deals including the rights issue for IOI Properties Group Berhad (RM1.03 billion), Global Oriental Berhad (RM113.7 million), and Yinson Holdings Berhad (RM600 million).

Moving forward, the Corporate Finance Division will continue to leverage on quality advisory services to enhance value for all stakeholders. We also seek to continue utilising our underwriting abilities to provide total solutions to our clients.

BUSINESS OPERATIONS REVIEW

Notable M&A Deals for FY2015



Xinghe Holdings Berhad

RM60 million

Principal Advisor
for the Reverse Take-Over

May 2014



**Uni.Asia General
Insurance Berhad**

USD118 million

Principal Advisor
for the Acquirer

July 2014



Yinson Holdings Berhad

USD57.1 million

Joint Advisor
for the Disposal

October 2014

Notable Fund Raising Deals for FY2015



IOI Properties Group Berhad

RM1.03 billion

Principal Advisor
for the Rights Issue

February 2015



Global Oriental Berhad

RM113.7 million

Principal Advisor
for the Rights Issue

February 2015



Yinson Holdings Berhad

RM600 million

Principal Advisor
for the Rights Issue

June 2014

Equity Markets

Equity Capital Markets

Equity Capital Markets ("ECM") deals mainly with the marketing, sales and distribution of equities in the primary and secondary equity and equity-linked markets. It leverages on its established distribution network and close relationships with fund managers, investors and research analysts to provide timely market intelligence in the origination of primary market transactions and in the structuring and managing of the marketing and distribution of both primary and secondary equity offerings. Through ECM's close collaboration with Corporate Finance and Wholesale Banking Coverage team, we strive to provide clients with value added equity solutions. As successful equity offerings are a function of accurate pricing, effective distribution and market awareness of both the issuer's industry and investor demand, we place a strong priority on tracking closely the pulse of the market and market developments.

Equity Derivatives

Equity Derivatives ("ED") is the centre of customised equity linked solutions in AmInvestment Bank. Its scope of activities include issuance of structured warrants on Bursa Malaysia, equity swaps as well as other structured products. ED is driven to provide value added solutions to enable the Bank's clients to achieve market access, optimise their returns, provide protection from market downside and lower cost of capital to retail, high net worth, corporate and institutional clients. As of 31 March 2015, ED had 49 structured warrants outstanding and is a participating dealer for three Exchange Traded Funds, including the FBM30etf, the ABF Bond Fund and Dana Infra.

Stock Broking

As at 31 March 2015, the FBMKLCI closed at 1,830.78, representing a 1.0% drop year-on-year. Nonetheless, Bursa Malaysia's trading volume remained high and the total value traded for the 12 months ended 31 March 2015 has leapt past the RM1,000 billion mark for two consecutive years, which is RM1,065 billion in exact figure. AmInvestment Bank managed to maintain the market share at 5.3% and ranked no. 7 in the Bursa Malaysia Broker Ranking based on value of shares traded.

On the institutional front, we continue to strengthen our relationship with the fund managers to complement ECM with better distribution network and capability. On the retail front, we aim to be differentiated amongst the competitors by building a strong brand name, equipping the retail business with excellent help desk services as well as improved products. We have made available multiple distribution channels, including remisiers, Bank Branch Broking, salaried dealers, Direct Market Access and the internet trading platform, offering clients the flexibility to trade both online and offline.

Futures

AmFutures continues to be one of the top bank-backed derivatives brokers in the Malaysian futures market. Our core product offerings to our clients include all derivatives products traded in Bursa Malaysia Derivatives ("BMD") and selected major foreign futures products.

Our business strategy is to grow and to achieve a balanced mix, in terms of revenue contribution, of both institutional and retail segments. On the institutional front, we are building up the business by putting in place the necessary infrastructure namely the Direct Market Access ("DMA"). On the retail front, our objectives are basically to progressively widen our offerings to introduce more foreign derivatives products and to cross-sell into the Stock Broking client base.

Debt Markets

AmInvestment Bank continues to assert its leadership position as a dominant capital markets player in providing integrated debt and capital financing, extending its top three position on the Bloomberg Underwriter Rankings for MYR-Denominated Private Debt Securities ("PDS") for the 12th consecutive year in 2014.

As part of Wholesale Banking Products, the Debt Markets division provides integrated financing solutions and is the execution house of choice for our clients through our capabilities in fixed income, derivatives and credit solutions and advisory services to our sovereign, corporate and institutional clients. We strive to be the partner of choice with our clients to assist them in realising their business goals and supporting them in their long term growth.

The strength of our business model has been proven over the years by the numerous award-winning transactions and accolades received as well as recognition from various esteemed organisations such as RAM Rating Services, Alpha Southeast Asia and Islamic Finance News.

In 2014, the Malaysian economy recorded a sterling GDP growth of 6.0% in the face of global market uncertainties as the US Fed considered the timing and quantum of Fed rate normalisation. Corporate issuers tapped the debt capital market to raise fixed rate financing, locking in interest rates in view of the volatility.

Gross PDS issuances in 2014 amounted to RM78.9 billion, representing a 15% increase in volume over the corresponding period in 2013. A majority of the new PDS issuances in 2014 comprised Government-Guaranteed and AAA-rated issuances (51%), followed by AA-rated issuances (40%), unrated issuances (8%) and A-rated issuances (1%).

Unrated bond issuances continue to gain prominence in the Malaysian market with the imminent removal of mandatory bond rating requirement by January 2017. Corporate clients have increasingly turned towards the unrated bond market to fund their requirements, such as Bumi Armada Capital Malaysia Sdn Bhd, Aeon Credit Service (M) Bhd and Point Zone (M) Sdn Bhd (a unit of KPH Healthcare Bhd). Drawing on our vast experience and expertise in syndication, the Debt Markets division worked with corporate issuers to develop private placement strategies with a diversified investor base.

BUSINESS OPERATIONS REVIEW

The Debt Markets division is ideally positioned to meet the requirements of our clients as we provide a full suite of customised debt and capital financing solutions comprising PDS and Sukuk issuances, loan syndication, structured finance, capital and project advisory services and institutional client sales and syndication. With a strong team comprising professionals experienced in finance, accounting, tax, actuarial, legal, credit rating, risk management, engineering and regulatory, we offer our clients innovative and customised financing solutions that meet and exceed expectations.

The Debt Markets division continues to drive product innovation and efficiency in the market, as highlighted in our key transactions below:

Financial Year 2015 Transaction Highlights

Real Estate	State Government
Midciti Sukuk (KLCC REIT) JPA JLA JLM MYR3.0B ICP/IMTN Programme	Sabah State Government JLA JLM MYR1.0B Bonds Issuance
<ul style="list-style-type: none"> • Malaysia's first Corporate AAA-rated Real Estate Investment Trust ("REIT"). • Midciti Sukuk is the subsidiary of KLCC REIT, which is the nation's largest Islamic REIT with flagship investment properties including the iconic PETRONAS Twin Towers and Menara ExxonMobil. • As part of the funding programme, all of KLCC REIT's existing financing were refinanced which is expected to result in a more spread out debt maturity profile with smaller bullet repayments. • Standalone corporate rating without the reliance on securitisation structure which in turn minimises the REIT's all-in financing cost. 	<ul style="list-style-type: none"> • Following an extensive pitching process, AmlInvestment Bank secured a mandate from Sabah State Government since its last capital market transaction in 2011, which is a clear testament of AmlInvestment Bank as the execution house of choice. • Efficient execution process – thorough planning and well executed process provided Sabah State Government with an opportunity to accomplish investor marketing, deal launch and pricing all within the quiet month of December.
Oil & Gas	Auto Manufacturers
Bumi Armada Capital Malaysia Sdn Bhd JLM MYR1.5B Unrated Sukuk Murabahah Programme	Tan Chong Motor Holdings Berhad PA JLA JLM MYR1.5B CP/MTN Programmes
<ul style="list-style-type: none"> • Bumi Armada is the largest Floating Production Storage and Offloading vessel owner and operator in the Southeast Asia and 5th largest in the world. • The Unrated Sukuk issuance in September 2014 was used to finance capital expenditure, working capital, general funding and financing requirements and to refinance the Bumi Armada Group's existing financing. 	<ul style="list-style-type: none"> • Tan Chong Motor Holdings Berhad ("TCMH") is the exclusive franchisee for Nissan vehicles in Malaysia, Vietnam, Cambodia, Laos and Myanmar. • The establishment of the CP/MTN Programmes provide a solid financing platform for TCMH to elevate its competitive positioning and cater to the company's strategic expansion plans. • Well executed pricing strategy and issuance timing allowed TCMH to secure lower funding rate compared to its peers in similar rating category.

BUSINESS OPERATIONS REVIEW

Financial Institution

Sabah Credit Corporation ("SCC")

JLM

MYR1.5B ICP/IMTN Programme

- The MYR1.5 Billion ICP/IMTN Programme marks SCC's second MYR Sukuk Programme which offers a larger size compared to its maiden MYR1.0 billion ICP/IMTN Programme in 2011.
- **Extensive distribution capabilities** – The transaction was well received due to investors' comfort and familiarity with SCC's credit. AmBank Group placed out 91% of SCC's ICP/IMTN issuances in the year 2014.

Commercial Services

Berjaya Land Berhad

PA

JLA

JLM

MYR650.0M Guaranteed MTN Programme

- **Efficient Deal Execution** – Documentation and issuance conducted within 2 weeks from SC approval; Guarantors, lead arranger, lead manager and agency worked tirelessly to ensure seamless execution.
- **Largest Guaranteed Facility by Danajamin** (up to RM500.0 Million) in Malaysia for 2014 to allow for credit enhancement of Berjaya Land which provides Berjaya Land access to a larger pool of investors with its AAA credit rating.

Financial Institution

AmBank (M) Berhad

PA

LA

LM

USD2.0B Euro Medium Term Notes Programme

- AmBank's first issuance out of the EMTN Programme of USD400 million drew an order book size of USD4.25 billion and an oversubscription rate of more than ten times.
- Well executed pricing strategy to capture market momentum and capitalise on robust demand on Malaysian financial institution bond issuances resulted in significant price tightening from the initial pricing guidance.

Financial Institution

Public Islamic Bank

JLM

MYR500.0M Sukuk Wakalah Programme

- Public Islamic Bank's inaugural issuance of Subordinated Sukuk to qualify as the bank's capital securities.
- The Subordinated Sukuk complies with the new Basel-III requirements, including the loss absorption features in the event of non-viability.

Telecommunications

Telekom Malaysia Berhad

LM

MYR300.0M Sukuk Wakalah

- **Cost Savings to Issuer** – The issuance completed at 69 bps above MGS as compared to the spread of 71 bps on the 10-year Sukuk completed in March 2014.
- **Repeat Mandate by Rare AAA-rated Issuer** – Telekom has appointed AmInvestment Bank as the Joint Lead Manager for all Sukuk issuances under the MYR3.0 billion Sukuk Wakalah Programme.
- **Scarcity of Telekom Issuance** – Telekom issuances are scarce in the local market and high in demand by investors, therefore achieving cost efficient rate for Telekom.

Telecommunications

BGSM Management Sdn Bhd

LM

MYR330.0M Sukuk Musharakah

- **Second Issuance by Major Telco Player** – The MYR330.0 million Sukuk Musharakah is the second tranche from the MYR10.0 billion Sukuk Musharakah Programme.
- The financing will ring-fence Maxis's dividend payments to support finance service obligations of Sukuk Musharakah.
- **Cost Savings to Issuer** – BGSM's first 10-year issuance in December 2013 was priced at 5.60%. The new issuance provided a cost savings of 15 bps to the Issuer.

BUSINESS OPERATIONS REVIEW

Energy		Energy	
Sarawak Energy Berhad MYR1.5B Sukuk Musharakah	JLM	YTL Power International Berhad MYR1.0B Medium Term Notes	JLM
<ul style="list-style-type: none">• Third Sarawak Energy Issuance – The MYR1.5 billion Sukuk issuance is the third issuance under the MYR15.0 billion Sukuk Musharakah Programme.• Immense Interest Leading to Upsizing – The initial targeted issuance amount is MYR1.0 billion, which was upsized by MYR500.0 million due to overwhelming response from investors.• Capitalised Market Interest on Long-Tenored Papers – The Sukuk was oversubscribed by 1.9x and focus was on the longer tenure as investors are looking for yield pick up from the Sukuk.		<ul style="list-style-type: none">• Repeat mandate from Issuer – The new MYR1.0 billion MTN issuance on 13 October 2014 is the fifth issuance under its MYR5.0 billion MTN Programme, bringing the total outstanding MTN under the MTN Programme to MYR4.77 billion.• Certainty of Funding – AmInvestment Bank offered certainty of funding via a bought deal arrangement through AmBank.• Window of Opportunity – Issuance was done to lock in interest rates in view of upcoming rate hikes in the market, which was evidenced by a 32 bps rise in 10-year MGS from 3.83% on 13 October 2014 to 4.15% on 31 December 2014.	
Legend			
PA	Principal Adviser	LA	Lead Arranger
MLA	Mandated Lead Arranger	JLA	Joint Lead Arranger
		LM	Lead Manager
		JLM	Joint Lead Manager

Loan Markets

AmInvestment Bank continues to extend its top five position on the Bloomberg Underwriter Rankings for Malaysia Loans Mandated Arranger for the third consecutive year in 2014.

The Malaysian loan syndication market remains on a high growth trajectory, with the volume raised in 2014 reaching USD19.7 billion, an impressive 57% growth over the same period in 2013 when USD12.5 billion was raised (source: Bloomberg Underwriter Rankings for Malaysia Loans Mandated Arranger).

The loan syndication business complements the bond market in meeting clients' large financing requirements, whether for corporate exercises such as mergers and acquisitions, to act as a bridge financing or to finance capital expenditure needs.

Loan syndication in Malaysia for the year 2014 has largely been driven by cross border transactions, with foreign currency denominated deals making up 67% of the Malaysian loan syndication business in 2014 (source: Bloomberg Underwriter Rankings for Malaysia Loans Mandated Arranger). In addition, oil and gas-related businesses which were a key growth sector for Malaysia in 2014 comprised 45% of the Malaysian loan syndication business in 2014.

BUSINESS OPERATIONS REVIEW

The Loan Markets division has been involved as a Mandated Lead Arranger in several key transactions as highlighted below:

Telecommunications	Infrastructure
DiGi Telecommunications Berhad MLA MYR800.0M Syndicated Revolving Credit Facility	Jambatan Kedua Sdn Bhd MLA MYR1.5B Syndicated Revolving Credit-I Facility
<ul style="list-style-type: none"> The purpose of the Facility is to extend the tenure of the existing RC Facility to 30 September 2014 and to upsize the principal amount from MYR400.0 Million. Part of the Telenor Group, DiGi is the third largest telecommunication service provider in Malaysia with subscriber base of 11 million in 2013. The company's strong performance was acknowledged in the market through its recognition as Forbes Asia Fabulous 50 Company 	<ul style="list-style-type: none"> The STRC-i Facility is drawdown to finance shariah-compliant operating expenses for the Second Penang Bridge Project. Launched under the ninth Malaysian Plan, the Second Penang Bridge project will provide an alternative route linking the Penang Island to the Mainland. Efficient Deal Execution – core structuring and documentation conducted within four weeks; joint mandated lead arrangers worked tirelessly to ensure seamless execution.
Aviation	Agriculture
Weststar Aviation Services Sdn Bhd MLA MYR2.4B Syndicated Financing Facilities	Perspective Lane Sdn Bhd MLA MYR2.1B Syndicated Term Loan ("STL")
<ul style="list-style-type: none"> The facilities is used to refinance existing debt and to part finance the acquisition of new helicopters. The transaction is supported by strong operating cash flow generated from the service contracts with the oil majors. The customer has one of the largest fleet of helicopters, representing about 31% of the domestic helicopter supply 	<ul style="list-style-type: none"> The STL was used to part finance the outstanding principal of the existing debt, which was used to privatise Tradewinds (M) Bhd ("TWM"), Tradewinds Plantation Bhd and Padiberas Nasional Bhd ("Bernas") back in 2013. The main source of repayment is closely tied to the rice business and their 40% market share in the sugar business.
Oil & Gas	Financial Institution
SapuraKencana TMC Sdn Bhd MLA USD2.2B Syndicated Islamic Facility	Orix Corporation and its subsidiaries MLA USD278.0M Multicurrency Revolving Credit Facility
<ul style="list-style-type: none"> To refinance a portion of the existing MYR16.5B Multicurrency Facilities with an Islamic Facility. SapuraKencana is the largest oil field services player in Malaysia and presence in various region including Asia Pacific, India, Middle East, Latin America and Africa. Evidence of high liquidity in the market and demand for facilities by established companies for USD denominated funding. 	<ul style="list-style-type: none"> To refinance the existing Multicurrency Revolving Credit Facility of USD195.0M and to fund additional working capital lines. The Facility is a one-year RC supported by a corporate guarantee from the parent, Orix Corporation (Japan), rated A- by Standard & Poors. One of the Borrowers, Orix Leasing Malaysia Berhad is one of the largest leasing player with 40 years track record in Malaysia and is involved in equipment financing to SMEs.

Legend

MLA Mandated Lead Arranger

AmlInvestment Bank's Awards and Accolades 2014



Alpha SEA Deal & Solution Awards 2014

Most Innovative Deal of the Year in SEA

AmlIslamic Bank Berhad



Alpha SEA Deal & Solution Awards 2014

Best Islamic REIT Deal of the Year in SEA

Midciti Sukuk (a subsidiary of KLCC REIT)



Islamic Finance News Awards 2014

Malaysia Deal of the Year 2014

Midciti Sukuk (a subsidiary of KLCC REIT)



Islamic Finance News Awards 2014

Real Estate Deal of the Year 2014

Midciti Sukuk (a subsidiary of KLCC REIT)



Islamic Finance News Awards 2014

Social Impact Deal of the Year 2014 (Honourable Mention)

DanaInfra Nasional Berhad



Islamic Finance News Awards

Regulatory Capital Deal of the Year 2014 (Honourable Mention)

AmlIslamic Bank Berhad



RAM Deals of the Year 2014 (Awards of Distinction)

Lead Manager Award

2nd by Programme Value

3rd by Number of Issues



RAM Deals of the Year 2014 (BluePrint Award)

Market Pioneer 2014 – First Basel III Sukuk

AmlIslamic Bank Berhad



RAM Deals of the Year 2014 (BluePrint Award)

Market Pioneer 2014 – World's First RMB-bond by a Mortgage Corporation

Cagamas Berhad



RAM Deals of the Year 2014 (BluePrint Award)

New Real Estate Benchmark Deal

Midciti Sukuk (a subsidiary of KLCC REIT)



Bloomberg Underwriter Rankings 2014

MYR-denominated PDS and Sukuk – No. 3 with 14.9% market share

Malaysian Ringgit Islamic Bonds – No. 3 with 14.2% market share

Malaysia Loans Mandated Arranger – No. 5 with 6.3% market share

Islamic Capital Markets

The division consists of dedicated, experienced and innovative team of Islamic product specialists and Shariah technical experts. Islamic Markets is the single focal point of contact and reference for advice and guidance on areas of Islamic capital markets within the divisions of AmlInvestment Bank. We offer clients Islamic advisory and a wide range of innovative Shariah-compliant financial solutions, including sukuk origination, Islamic equity or equity-related capital markets offerings, Islamic private equity, Islamic structured funds and Islamic syndicated financing.

AmlInvestment Bank via the Islamic Markets division continues to be recognised as a prominent leader in the Malaysia Islamic capital markets. For the calendar year 2014, the Bank ranked second and third respectively in RAM's *Lead Manager League Table for Sukuk by Programme Value* and RAM's *Lead Manager League Table for Sukuk by Number of Issues*. AmlInvestment Bank was once again ranked third in Bloomberg's 2014 MYR Sukuk Underwriter League Table, underwriting a total of RM8.8 Billion worth of sukuk issues. The Bank's achievement is well regarded by the industry when it has consistently maintained top three positions in Bloomberg's MYR Sukuk Underwriter League Table for the past ten years.

2014 was another successful year for AmlInvestment Bank particularly in terms of providing products and services innovation. This is proven by numerous prestigious awards received from various prominent local and foreign houses, such as The Asset Triple A, Alpha Southeast Asia, Islamic Finance News Awards and The Rating Agency

Malaysia. Recently, AmlInvestment Bank swept a total of four awards at the 12th RAM League Table Awards including recognition for landmark deals such as the New Real Estate Benchmark Deal of RM3.0 Billion for Midciti Sukuk Berhad's Sukuk Murabahah Programme and Malaysia's First rated Basel III-compliant Sukuk of RM3.0 Billion for AmlIslamic Bank Berhad's Subordinated Sukuk Murabahah Programme. In addition, the Bank secured a total of six more awards from other awardiers for our landmark sukuk transactions i.e. Basel III compliant Subordinated Sukuk Murabahah, KLCC REIT Sukuk Murabahah Programme, Cagamas Berhad and DanaInfra Nasional Berhad from The Asset Triple A, Alpha Southeast Asia and Islamic Finance News Awards. We are glad to see our efforts in the offering of innovative Islamic transactions being recognised, in line with our aspiration *"To be the leading solutions provider in Islamic investment banking in both local and regional markets, backed by a strong tradition of innovative, customised products and services that upholds Shariah integrity"*.

As a leader in the Malaysia Islamic capital markets, the Division stays abreast with the latest local and global developments in both Islamic finance and the Islamic capital markets. We set high criteria to ensure that we are able to deliver solutions of the highest quality rooted in a diversified expertise in the area of Islamic finance that is experiencing exponential growth throughout the world. We inculcate a culture of work excellence, strong teamwork and responsible practices to ensure that we consistently deliver to our clients, solutions which are optimum in terms of cost efficiency, structure, appropriateness and flexibility with no compromise on Shariah requirements.

We remain a strong promoter of the Islamic capital markets and, through selective sponsorship and industry training, supports the profiling efforts initiated by both the Securities Commission as well as Bank Negara Malaysia under the MIFC initiatives. As a demonstration of our commitment, in 2014, we had sponsored some of the significant events in the industry including the 5th OIC World Biz-Business & Investment Zone Exhibition and Conference 2014, Global Islamic Finance Forum 2014 ("GIFF") and the Kuala Lumpur Islamic Finance Forum ("KLIFF") 2014. Other than that, the Division had also actively participated in sharing of thoughts and knowledge via our involvements or discussions with the regulators and Islamic associations or bodies like the Malaysian Investment Banking Association (MIBA), Islamic Banking and Finance Institute Malaysia (IBFIM) and International Shariah Research Academy (ISRA), towards further development of the Islamic capital markets.

Islamic Markets Performance

For the year ended March 2015, the Division had successfully completed new sukuk deals totalling RM13.0 billion in facility size and Islamic syndications amounting to RM11.1 billion. Almost all of the sukuk transactions were issued under the Shariah principles of Murabahah (via *Tawarruq* arrangement, leveraging on Bursa Suq Al-Sila' platform) whilst the remaining 12% applied the concept of Musharakah principles. The sukuk transactions originated by AmlInvestment Bank represented a significant 74% of total new private debt securities ("PDS") in Malaysia.

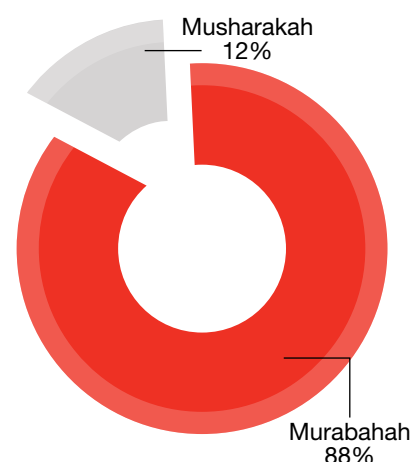
FY2015 Landmark Islamic Deals

Sukuk	Total Facility (RM mil')
Sabah Credit Corporation	1,500
Midciti Sukuk Berhad	3,000
Bumi Armada Capital Sdn Bhd	1,500
Prasarana Malaysia Berhad (GG)	2,000
Gamuda Berhad	5,000
Total	13,000

Islamic Syndicated Financing

Jambatan Kedua Sdn Bhd (GG)	1,500
SapuraKencana TMC Sdn Bhd	7,700
Weststar Aviation Sdn Bhd	1,900
Total	11,100

Size of sukuk transactions in 2014 by Shariah Principles



The Bank continues to lay a mark in the Islamic capital markets through awards of innovation won during the year. Our notable RM3.0 billion Sukuk Murabahah Programme by Midciti Sukuk Berhad, jointly arranged and managed, was granted several industry acknowledgements like the “New Real-Estate Benchmark Deal” by RAM League Table Awards 2014, Islamic Finance News (IFN) award for “Real Estate Deal of the Year” and “Best Islamic REIT Deal in Southeast East Asia” by Alpha Southeast Asia. The Midciti Sukuk marked Malaysia’s first corporate AAA rated REITs issuing sukuk. This was another achievement accredited to AmlInvestment Bank in the real estate sector after its notable award received previously for advising the set-up of the world’s first listed Islamic REITs. Another significant milestone in product innovation was AmlIslamic’s RM3.0 billion Subordinated Sukuk Murabahah Programme, accorded as Malaysia’s first rated Basel III compliant sukuk. This transaction serves as the break-through Islamic structure for the other local Islamic financial institutions to follow suit.

For the year 2014, Malaysia continues to dominate the global sukuk markets with 43% market share and maintains

its position as the largest sukuk issuer globally. During the year, there were first-time sovereign issuances from United Kingdom, Luxembourg, Hong Kong and South Africa, which further highlights the growing acceptance from the non-Muslim majority markets for sukuk in particular, and to Islamic finance as a whole. Overall, the global sukuk market recorded a solid performance in 2014, supported by a recovering global economy, as well as benchmark-sized issuances from sovereign entities and Basel III compliant sukuk by several Islamic financial institutions. Despite the challenging year of 2015 on many fronts like the falling oil prices, potential hikes of US interest rates and tightening liquidity, we foresee the Malaysian and global sukuk market in 2015 will remain vibrant based on the following:

- Growing demand on issuances in foreign currency sukuk, especially USD;
- Malaysia further solidifies its position as a multi-currency sukuk issuance platform;
- Cross-border listing of sukuk,
- More sukuk issuances for infrastructure related projects; and
- More sukuk issuances by Islamic financial institutions to enhance compliance with Basel III.

Islamic Capital Markets Going Forward

The Malaysian Islamic Capital Markets is experiencing rapid growth as compared to other countries. No doubt there will be more variations and innovations of Islamic capital market products and services in future in our efforts to maintain Malaysia as the international Islamic finance hub. Therefore, our strategy moving forward is to retain our focus on creating variations and innovations of our products and services range to maintain competitiveness amongst our peers. The new Lodge and Launch Framework (LOLA) as part of liberalisation of corporate bonds/sukuk and wholesale product approvals through the Securities Commission shall also act as one of the catalysts to spur the continued growth of the Islamic capital market sector. The Sustainable and Responsible Investment (SRI) sukuk framework which was introduced in the year and halal industry initiatives would also support the growth of Islamic finance as a whole.

Islamic Markets Division - League Table Achievements in 2014



- RAM Lead Manager Award Islamic 2014- 2nd by Programme Value
- RAM Lead Manager Award Islamic 2014- 3rd by Number of Issues



- No. 3 in Bloomberg's Sukuk Underwriter League Table 2014 (Value of Malaysian Ringgit Islamic Bonds)

Islamic Markets Division - Awards and Accolades in 2014

RAM League Awards 2014



- **Blueprint Award 2014**
New Real- Estate Benchmark Deal
Midciti Sukuk Berhad RM3.0B Sukuk Murabahah Programme
- **Market Pioneer Award 2014**
1st Basel III- compliant Sukuk
Amlslamic Bank Bhd RM3.0B Subordinated Sukuk Murabahah Programme

The Asset Triple A Islamic Finance Awards 2014



- **Best Deal by Country, Malaysia**
Highly Commended
Cagamas Berhad RM3.8B Multi-Tenor Sukuk
- **Best Deal by Country, Malaysia**
Highly Commended
Danainfra Nasional RM300M Exchange-Traded Sukuk

8th Annual Alpha Southeast Asia Deal & Solution Awards 2014



- **Best Islamic REIT Deal in Southeast Asia**
KLCC Berhad RM3.0B Sukuk REIT
- **Most Innovative Deal of the Year in Southeast Asia**
Amlslamic Bank Berhad RM200M Basel III Sukuk

The Islamic Finance News Awards 2014



- **Malaysia Deal of the Year 2014**
Midciti Sukuk Berhad RM3.0B Sukuk Murabahah Programme
- **Real Estate Deal of the Year 2014**
Midciti Sukuk Berhad RM3.0B Sukuk Murabahah Programme

BUSINESS OPERATIONS REVIEW

Markets

The environment has been a challenging one with falling oil prices coupled by adverse volatility in global rates and foreign exchange markets. Uncertainties with regards to the dislocation of growth between the US and the rest of the world have led to volatility. USDMYR traded between the range of 3.15 to 3.73 during the period.

To better address the ever changing environment as well as to ensure continuous growth, Markets underwent a reorganization to now include Capital Markets activities such as Debt Capital Markets, Loan Syndication and Structured Finance. The integration of Capital Markets into the enlarged Markets Division in 2H2014 is to harness the synergies within the structuring and syndication desks to continuously make groundbreaking progress in offering a diverse range of innovative and client-led financial products, be it in the vanilla or structured solutions space.

The streamlining of Markets' teams has increased efficiency, reduce operational risks and provide value added services to both the organization and our clients. Continued investments in technologies have been our priority to ensure success in this business, amidst a changing, challenging and competitive operating environment. Our dedicated multi-product Sales team focuses on managing and building client relationships and delivery of product solutions across all asset classes, is further supported by Trading and various Support teams, namely Research, Quantitative Analytics and Business Management to deliver the targeted strategic initiatives and innovative products rollout.

The transformation efforts undertaken by Markets to improve performance and operational efficiencies to deliver client-led and innovative solutions is evidenced from the accolades received which have placed AmBank Group in the frontline for FX, Derivatives and fixed income business. To support the Malaysian Government's initiative to become a leading Islamic financial hub, Markets continues to place emphasis on developing innovative Islamic FX and derivatives products as part of the comprehensive product suite.

Award Won in Financial Year 2015



Alpha Southeast Asia has awarded AmBank for the third consecutive year at the 8th Annual Alpha Southeast Asia Best Financial Institution Awards 2014 ceremony in recognition for our ability to provide efficient and effective FX solutions and services to the needs of our wide-based customer segments.

- Best FX Bank for Corporates & Financial Institutions

Going forward, Markets will continue to build on the earlier momentum on enhancing collaboration within the Group wide's cross-selling effort as well as to continuously leverage on ANZ to provide substantive, integrated and client-led business underpinned by a full suite of product offerings.

Transaction Banking

Transaction Banking offers a full suite of trade finance and cash management services. The department offers customised and value added end-to-end solutions to improve working capital cycles and process efficiency for our business/corporate clients.

Trade services include domestic sales and purchase financing, import and export financing, structured trade, and trade advisory as well as Islamic trade solutions.

Our cash management services are specifically designed to relieve clients from the routine business of receivables and payables, freeing them to focus on growing their business. Solutions offered include payment solutions, liquidity management, collection solutions, as well as electronic invoice presentment and payment.

Both services are supported by an extensive suite of around-the-clock web-based business channels capable of both enquiry and transaction functions. These include e-AmBiz for cash management and our AmTrade platform for trade services.

Transaction Banking continued to adopt best practices and enhance technological platforms for better customer experience. Overall improvements in product solution efficiency is a key strategic area for us to garner sticky funds in view of the pending BASEL III requirements as well as promoting Islamic trade finance and services activities.

AmlInvest

AmlInvest is the brand for the Funds Management Division, has over 35 years of funds management experience, covering both conventional and Shariah compliant funds and mandates, specialising in active Asian equities, active global sukuk and smart beta global equities.

It has been another productive year, with our fund size closing higher than the year before at RM39 billion. AmlInvest received a very commendable 14 company and fund performance awards.

During the year, we devoted time and resources to building and making robust our infrastructure in our bid to be ready for our global business foray as we continue to strive to be the preferred investment solutions provider to our distributors in Malaysia. To this end, we have merged two entities and reorganised internally.

Growth

We have grown our fund size to RM39 billion as at March 2015, 8% higher than the year before - with the sub component Shariah-compliant investments totaled RM7 billion; making the Division one of the top asset managers in Malaysia. Our 5- year compound annual growth rate (CAGR) was 15%, with our Islamic subset growing at a blistering 43% at the same period (albeit from a smaller base).

Accolades

We have been steadily collecting accolades across the globe with many repeat wins which should bode well for our brand building exercise to develop our global business.

For the second time in a row, we won the prestigious “Best Mixed Asset Fund Group” award by The Edge-Lipper Malaysia; and this highlighted our funds management skills across different asset classes, equity and fixed income.

And, for the third time in a row, World Finance (London) acknowledged us as the “Investment Management Company of the Year”. From Hong Kong, we repeated our wins as “Best Pension Fund Manager” and “Best Institutional House” of Malaysia by Asia Asset Management.

Among the global Islamic finance industry peers, AmlInvest was selected for the second time as the “Best Islamic Fund Manager 2014” and Islamic Finance News (Dubai/Malaysia) has recognised us as the “Best Islamic Investment Strategist of the Year”.

New Funds and Fund Performance

The Division launched eight Unit Trust funds over the year; six conventional funds, two Shariah-compliant funds and one new PRS fund.

Our Shariah-compliant AmASEAN Equity fund was ranked first against all its conventional peers in the Asean universe, for the 12-month period; as at 31 March 2015, with returns over 18% according to Lipper.

Going Forward

We shall continue to pursue our domestic growth with our third party distributors as well as ensuring a robust foundation for the global thrust.

As such, AmlInvest will continue to offer varied products that can fit as choice components into a well-diversified portfolio for every investor, aiming to offer the best of breeds from our in-house fund managers or from external fund partners.

Awards and Accolades Financial Year 2015



World Finance Investment Management Awards 2014
Investment Management Company of the Year, Malaysia
(3 consecutive years)



Global Islamic Finance Awards (GIFA) 2014
Best Islamic Fund Manager 2014 (2 consecutive years)



IFN Islamic Investor Awards 2014
Best Islamic Investment Strategist of the Year



The Asset Benchmark Research 2014
Top Five Investment Houses in Asian Local Currency Bonds
2014, Malaysia (2nd Position)



Asia Asset Management, Best of the Best Awards 2014
Best Pension Fund Manager, Malaysia (2 consecutive years)

Awards and Accolades Financial Year 2015



Asia Asset Management, Best of the Best Awards 2014
Best Institutional House, Malaysia (2 consecutive years)



The Edge-Lipper Malaysia Fund Awards 2015
Best Mixed Asset Fund Group (2 consecutive years)



The Edge-Lipper Malaysia Fund Awards 2015
Best Bond Malaysian Ringgit, 10 Years – AmDynamic Bond
(2 consecutive years)



The Edge-Lipper Malaysia Fund Awards 2015
Best Mixed Asset MYR Balanced – Malaysia Islamic, 10 Years
– AmIslamic Balanced



The Asset Benchmark Research 2014
One of the Most Astute Investors in Asian Local Currency
Bonds in Malaysia 2014 - Kho Hock Khoo



**Fundsupermart.com Recommended Unit Trusts
Awards 2014/15**
AmIncome Plus (Bond Malaysia - Short Duration)



**Fundsupermart.com Recommended Unit Trusts
Awards 2014/15**
AmCommodities Equity (Sector Equity - Global Resources)



**Fundsupermart.com Recommended Unit Trusts
Awards 2014/15**
AmAsia Pacific Equity Income (Core Equity - Asia ex-Japan)



KLIF Islamic Finance Awards 2014
Most Outstanding Islamic Fund Product – AmIslamic Balanced

of their portfolio to an appointed investment manager.

We adopt an open architecture product philosophy and work with multiple counterparties to secure the best-of-breed products for our clients. The banks and fund managers that we work with include the most highly regarded names in the global investment industry. Through AmPrivate Banking, clients have invested regionally and globally across Singapore, Asia, Australia, America and Europe.

AmPrivate Banking branches are currently located in Kuala Lumpur, Pulau Pinang, Johor Bahru, Kuching and Kota Kinabalu.

ISLAMIC BANKING

The global Islamic banking industry has seen key developments in 2014, as the industry achieved several milestones and continues to move towards greater sustainability and providing a wider range of banking services. At AmBank Islamic, we held on our approach to be a leader in the Islamic banking industry with steady steps to achieve the interests of our stakeholders by keeping abreast with the latest developments in the banking industry while playing our national social and developmental role.

In light of the global and regional economic trends and the positive economic climate in Malaysia, AmBank Islamic managed to achieve positive financial results in financial year 2015. Our net profit totaled RM236.8 million with a pre-tax profit of RM304.4 million, reflecting a growth rate of 1.3% compared to last year. Our customer deposits increased by 16.9% from the previous year whilst total assets is RM39.7 billion as at 31 March 2015. Total gross financing was reported at RM28.0 billion, which accounted for 70.6% of total assets, due to the pivotal demand for financing mainly from retail segments as well as other businesses. AmBank Islamic's total deposits have increased by 13.0% and stood at RM32.5 billion for the year ended 31 March 2015.

Private Banking

AmPrivate Banking caters mainly to Malaysian individuals of high net worth, offering one-stop wealth-management solutions for our high net worth clients by positioning us as an integrated access point to the expertise and resources of the entire AmBank Group. Towards this end, we work closely with the rest of the banking group to offer a premier level of service to these valued clients.

AmPrivate Banking offers customers a comprehensive and diversified range of products and services from a globally

linked platform that includes:

- Cash management solutions
- Asset allocation and security selection
- Advisory and discretionary mandates
- Wealth protection
- Financing facilities

We assist our clients to customise their investment portfolios according to their individual risk profiles through our dedicated team of private client managers. Clients may choose to self manage their investment portfolio (with advisory support) or elect a discretionary mandate to leave the management

AmBank Islamic is proud of the pioneering role we have played, and continues to play in developing and stimulating the growth of the Islamic banking industry. We believe the time is right to further encourage the momentum and progress that we are witnessing by competing in a challenging market place, by bolstering our portfolio with new products and business development. Amongst the new products and initiatives launched by AmBank Islamic during the financial year were:

- i. New Commodity Murabahah-based Term Deposits
- ii. Islamic Profit Rate Swap (IPRS) Commodity Murabahah
- iii. Islamic Callable Range Accrual NID
- iv. Personal Financing-i Private Sector
- v. Re-launch of Trade Facilities

Apart from that, we have also participated in various national and international forums and events namely:

- i. The 11th Kuala Lumpur Islamic Finance Forum (KLIFF) 2014, Small & Medium Industries Development Exhibition (SMIDEX) 2014; in an effort to reach non-individual segments.
- ii. Lead partner of IFN Asia Issuers and Investors Forum 2014 and strategic partner of Global Islamic Finance Forum (GIFF) 2014 in enhancing the true potential of Islamic Finance in the international market place
- iii. The 5th OIC World BIZ 2014; as the official bank to promote AmBank Islamic as a solutions provider in Islamic retail banking, wholesale banking, funds management and related products and services from AmBank Group.

The bank has also embarked on a new journey of rebranding AmBank Islamic by leveraging on AmBank's strong position as one of the leading banks in Malaysia and its highly recognisable red & yellow brand colour. The rebranding exercise is essential as an effort to further intensify the linkage of conventional and Islamic offerings within the Group. The new AmBank Islamic brand, which was launched in May 2015 is to elevate the level of consumers' acceptance, awareness and be more coherent with the market practice.

AmBank Islamic's vision of corporate social responsibility (CSR) is aptly guided by a number of principles and objectives – building effective social communication with all society sectors, contributing to charitable activities and supporting their operations and playing active roles in society. At AmBank Islamic, we view CSR as a management concept whereby social and environmental concerns are integrated in business operations and interactions with stakeholders. With that being said, we have fulfilled our obligations through our business zakat distribution for FYE March 2014. Total zakat funds of RM1,335,175 were distributed to the people in need of which a sum of RM500,000 were donated for restoration and rehabilitation of Kg. Pasir Era, Kuala Krai; which was affected severely during a massive flood that hit Kelantan in December 2014. We were also concerned about the situation that befell AmBank Group staff during the flood and distributed RM102,000 to the affected staff, in hope that it would ease their burden during the trying time. AmBank Islamic also continues with its Students Adoption Programme with Yayasan Pelajaran MARA under AmKasih, the AmBank Group's CSR umbrella programme.

Over the past years, AmBank Islamic has succeeded in establishing a recognisable local, regional and international presence that has ensured it is a frontrunner in the regional and international Islamic banking industry. We were most gratified that our ongoing efforts were recognised with the "Issuer Award for Basel III Sukuk" at the 8th Annual Alpha Southeast Asia Deal & Solution Awards 2014.

As we end the year and brace ourselves to face another equally tough year ahead, we are cognisant of the potential challenges. Our fundamental principle remains acting in the best long-term interests of our stakeholders and as such, rest assured that we will be taking into consideration the relevant economic factors in executing our strategies in becoming the preferred Islamic bank in Malaysia. Moving forward to financial year 2016 with the aspiration to prosper with society, AmBank Islamic will undertake major initiatives which include:

- i. Strengthening our core capabilities/existing channels to be ranked the top four Islamic Banks in Malaysia for financing, total assets and deposits by 2017.
- ii. Enhancing commercial proposition of our innovative products and services for both Muslims and non-Muslims in the new business streams.
- iii. Strengthening the Shariah Governance and enhancing infrastructure to comply with changes in the regulatory requirements.
- iv. Inculcate branding and awareness of Islamic products through continuous effort in promotion and investment in our people and capability.

GENERAL INSURANCE

AmGeneral Insurance Berhad

Financial Performance Highlights

AmGeneral delivered strong results for the Group with a net profit after tax of RM240million for FY15, representing a year-over-year growth rate of 16%. Last year's results included a 15-month period. The combined ratio also registered good results at 91.2% due to the strong performance of underwriting attributed by sustaining growth momentum in the profitable segments.

Moving Forward

AmGeneral operates in a highly competitive market, particularly in the last financial year with competition coming from multinational insurers and takaful operators. The competition has been intense with insurers and takaful operators building their capabilities and growing their market share in anticipation of the detariff landscape in 2016.

Despite these market challenges, AmGeneral is able to achieve credible results as well as maintain its No.1 position in the motor insurance market for 2014*. This strong performance is the result of AmGeneral consistently deploying sales and marketing strategies products and services in order to retain customers as well as attracting new customers in chosen segments.

The outlook on AmGeneral is exciting with integration activities on Kurnia Insurans' business and operations at its completion stage. In addition for this new financial year, AmGeneral is embarking on a 3-year strategic framework that will provide AmGeneral with a clear path in positioning itself in an anticipated detariff environment. Detariff readiness has become one of the key initiatives within the strategic framework and preparation for this new environment is on schedule.

The 3-year strategic framework is targeted at strengthening AmGeneral's competitiveness, building our capacities and capabilities in order to allow AmGeneral to compete effectively and efficiently in the upcoming price-driven environment when the industry undergoes detariff. The framework provides AmGeneral with the necessary clarity and insights to focus and select which market segments it will compete in aggressively.

Currently as No.1 in motor, AmGeneral will implement several strategic initiatives to consolidate our position and to sustain our competitive advantage. Leveraging our large customer base, we will take the opportunity to grow our share in the SME and Personal Lines markets. Furthermore, by embracing and leveraging the digital platform, AmGeneral believes that we will be able to deliver unique customer experience, and empower our AmGeneral agents to provide a distinct and efficient service to our customers. To ensure successful execution of our strategic initiatives, we will also focus strategically on the development of human capital as key assets within the organization.

With the 3-year strategic plan in place as well as the ability to leverage on the experience and expertise of IAG in providing insights and leading practices, AmGeneral is well on its way in positioning itself in this highly competitive market.

* Statistical Bulletin – Market Share by Line of Business 2015

LIFE ASSURANCE

AmMetLife Insurance Berhad

AmMetLife is a strategic partnership between AMMB Holdings Berhad (AmBank Group) and MetLife International Holdings, Inc. (MetLife) which was inked on 30 April 2014.

AmMetLife offers a comprehensive range of life assurance and wealth protection solutions distributed through a combination of over 175 AmBank and 16 AmMetLife branded branch offices, in addition to the strength of its authorised life insurance agents nationwide.

FY2014 Highlights

Following the unveiling of a new brand name - AmMetLife in May 2014, a fresh and vibrant "Live Ready" brand campaign was launched nationwide in August 2014. The campaign underscores AmMetLife's philosophy that "Customers are at the heart of everything we do", realised by delivering clear, transparent financial security and stability to Malaysians. The brand campaign was the first since the commencement of the strategic partnership, and will continue throughout. With the unveiling of a new brand, AmMetLife went on to redefine product offerings according to five consumer needs - education, protection, health, wealth and retirement. This is to enable consumers to make a better selection of the product which suits their needs.

In September 2014, Ramzi Toubassy was appointed Chief Executive Officer of AmMetLife upon receiving regulatory approval from Bank Negara Malaysia. Toubassy will be responsible for executing a transformation strategy to achieve profitable growth, accelerate shareholder return, as well as ensuring the operational effectiveness of the AmMetLife business in Malaysia.

As we work towards delivering suitable financial solutions for all our customers to help them live confidently today and be ready for tomorrow, AmMetLife launched four new products – ProtectCare Select, Secure Wealth, WealthSecure Max and ProtectSecure Style+ and two new riders (i) Payor Comprehensive – UDR & (ii) Critical Illness – UDR.

ProtectCare Select is a non-participating endowment plan which is distributed through our Direct & Telemarketing channel. Secure Wealth, a whole life par plan is distributed through our agency sales channel. ProtectSecure Style+ is a regular premium investment-linked plan and WealthSecure Max is an endowment plan designed with a guaranteed cash payment. Both WealthSecure Max and ProtectSecure Style+ are bancassurance products which are distributed through AmBank branches nationwide.

Performance

With regard to New Business performance, AmMetLife has achieved its target for the period ending FY 2015 with improved contribution of 26% from the Group Employee Benefits channel.

FAMILY TAKAFUL

AmMetLife Takaful Berhad

On 30 April 2014, AmBank Group and MetLife, Inc. ("MetLife") formed a strategic partnership in respect of the businesses of AmFamily Takaful Berhad ("AmTakaful"). This strategic partnership was approved by Bank Negara Malaysia and the Minister of Finance on 1 April 2014.

With this successful formation, AmTakaful became AmMetLife Takaful Berhad ("AmMetLife Takaful"). The new name took effect on 8 August 2014, with the launch of AmMetLife Takaful's new brand campaign – "Live Ready" in May 2014.

AmBank Group and MetLife share the same core values of integrity and honesty, partnership, innovation and

customer-centricity. The partnership leverages the combined strengths of the two organisations to create a customer centric, modern and trusted Takaful provider in Malaysia.

FY2015 Highlights

AmMetLife Takaful introduced a new product naming convention to reflect five (5) consumer needs - education, protection, health, wealth and retirement. The product name is now followed by an "i" which means "Islamic" in financial industry so that customers can easily identify the Shariah compliant products.

Bancatakaful channel charted an overall improved performance on advisory products compared to FY2014. However, credit related product performance recorded lower performance in line with the Bank's slower financing growth.

The performance of AmMetLife Takaful's Group business, or Group Secure-*i* (previously known as Group Term Takaful) and Group HealthSecure-*i* (previously known as Group Hospital Surgical Takaful), improved significantly compared to the previous year.

AmMetLife Takaful is also a part of the consortium members providing takaful cover to all iBR1M members. In line with regulatory requirements, AmMetLife Takaful has successfully implemented the Islamic Financial Services Act 2013 ("IFSA") and the Goods and Services Tax 2014 ("GST").

New Products

In line with the new brand proposition, AmMetLife Takaful launched two new endowment products via Agency channel:

1. ProtectCare-*i* Shield – an endowment plan that provides death/TPD benefits and pays five times the sum covered if death/TPD is due to an accident. It also provides two additional benefits i.e. auto-withdrawal (provides payout every three years) and hospital benefit (due to accident).
2. ProtectCare-*i* Prime – an endowment plan that provides death/TPD benefits due to all causes and funeral benefits with three (3) selections of certificate terms i.e. 20, 25 and 30 years. ProtectCare-*i* Prime was also launched together with four new riders which included PrimeSaver Rider, Contributor Rider, Contributor CI Rider, Participant CI Rider.

Moving Forward

The merger transforms a competitive landscape of the takaful industries. This provides great opportunity to expand AmMetLife Takaful's services and operations in the country. AmMetLife Takaful expects to have a positive growth in the annual collected contributions compared to previous year, with continued focus on Bancatakaful, Group Employee Benefits, Dired & Telemarketing distribution channels and continue to grow the Agency force by implementing various initiatives. AmMetLife Takaful also aims to secure fulltime Takaful Specialists to distribute takaful solutions at AmBank branches. AmMetLife Takaful will pursue cooperation with AmBank SME to promote Group Employee Benefits solutions. AmMetLife Takaful is ambitious to provide excellent services to its customers and aspires to be ranked the seventh among Takaful Operators and Regional Takaful Centre of Excellence for MetLife by 2018.